



## CITY OF BAY CITY Monthly Financial Report Month of January 2020

*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 2020**, the fourth month of the fiscal year, and **33%** of FY 2020.*

*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](http://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 \$6,387,399 or 42.5% of the budget.

- Property Tax. The certified value totaled \$869 million. Through January, the City received \$2,913,433 of the 4.4-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 up 13.5% (\$56,932) as compared to January 2019. These are collections related to November that are remitted to the City in January. Collections are up \$110,357 YTD as compared to prior year.
- Franchise fees are slightly over budget. Licenses & Permits are at 70% of budget being well over the budget mark!
- Charges for services represents sanitation fees - \$835,823 (33.1% 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).

### **General Fund Expenditure Highlights**

Expenditures total \$4,389,626 or 29.3% of budget.

- Administrative Council- timing of personnel related costs (amendment anticipated)
- Main Street- timing of payments only
- Human Resource- timing of payments for City Manager search firm (amendment needed)
- Recycling Center- timing of payments
- Parks- timing of the Dreamscape Project

The General Fund's fund balance is budgeted to increase by \$400,000. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The unaudited beginning cash position (October 1, 2019) was 3.2 million which represents approximately 22% operating reserve including transfers. Transfers include funding for departments/funds such as Information Technology, Facilities/Equipment Maintenance, and the Bay City Airport. The City plans to build reserve over the next year to meet or exceed the minimum 25% reserve requirement. Sales tax and departmental savings should aid in the building of the reserve by fiscal year end.

**GENERAL FUND FINANCIAL SUMMARY**

General Fund (Fund 11)					
Percent of Fiscal Year Complete	<b>33%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>(Over) Under Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Property Taxes	4,434,737	2,149,957	2,913,433	1,521,304	65.7%
Sales Tax	4,350,000	358,290	1,508,683	2,841,317	34.7%
Other Local Taxes (Franchise)	1,321,000	109,207	454,393	866,607	34.4%
Charges for Services (Sanitation)	2,527,000	208,082	835,823	1,691,177	33.1%
Fines & Penalties	203,000	22,685	90,777	112,223	44.7%
Licenses & Permits	196,000	103,216	137,147	58,853	70.0%
Miscellaneous	1,343,763	55,699	235,976	1,107,787	17.6%
Transfers	643,500	52,792	211,167	432,333	32.8%
<b>Total Revenues</b>	<b>\$ 15,019,000</b>	<b>\$ 3,059,929</b>	<b>\$ 6,387,399</b>	<b>\$ 8,631,601</b>	<b>42.5%</b>
<b>Expenditures</b>					
City Secretary	153,269	7,614	27,991	125,278	18.3%
City General Services	2,498,547	271,935	821,712	1,676,835	32.9%
Administrative Council	318,192	23,451	105,611	212,581	33.2%
Main Street	58,000	10,773	22,239	35,761	38.3%
Human Resources	251,930	29,935	100,431	151,499	39.9%
Municipal Court	328,673	27,231	100,739	227,934	30.7%
Finance	337,281	26,621	105,871	231,410	31.4%
Police	4,618,763	421,012	1,455,741	3,163,022	31.5%
Animal Impoundment	167,892	12,576	49,665	118,227	29.6%
Volunteer Fire Dept.	199,319	15,274	46,200	153,119	23.2%
Street and Bridge	3,461,184	292,652	679,710	2,781,474	19.6%
Recycling Center	161,926	16,153	55,101	106,825	34.0%
Parks	1,405,308	199,648	544,535	860,773	38.7%
Riverside Park	184,103	15,953	48,739	135,364	26.5%
Recreation	99,823	4,411	26,895	72,928	26.9%
Pool Operations	275,841	12,578	42,990	232,851	15.6%
Library	464,754	48,158	155,457	309,297	33.4%
<b>Total Expenditures</b>	<b>\$ 14,984,805</b>	<b>\$ 1,435,973</b>	<b>\$ 4,389,626</b>	<b>\$ 10,595,179</b>	<b>29.3%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ 34,195</b>	<b>\$ 1,623,955</b>	<b>\$ 1,997,774</b>		
<b>Beginning Fund Balance 10-1-19</b>	<b>\$ 3,210,484</b>	<i>Unaudited</i>	<b>\$ 3,210,484</b>		
<b>Ending Fund Balance</b>	<b>\$ 3,244,679</b>		<b>\$ 5,208,258</b>		
% of Operating Reserves	22%		35%		
Fund Balance Target 90 days (25%)	\$ 3,746,201				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ (501,522)</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 32% being slightly below budget expectations.

### **Expenditure Highlights**

- Total expenditures for the Utility Fund are 32% of budget.
- Utility Maintenance is over budget (59%) due to numerous water and sewer line repairs (amendment needed); Reserves will be used to offset infrastructure repairs

### **PUBLIC UTILITY FUND FINANCIAL SUMMARY**

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	<b>33%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>(Over)Under Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Charges for Services	7,698,000	615,348	2,456,005	5,241,995	32%
Fines & Penalties	145,000	10,855	46,528	98,472	32%
Miscellaneous	35,000	2,783	37,641	(2,641)	108%
<b>Total Revenues</b>	<b>\$ 7,878,000</b>	<b>\$ 628,986</b>	<b>\$ 2,540,173</b>	<b>\$ 5,337,827</b>	<b>32%</b>
<b>Expenditures</b>					
Utility General	4,322,738	319,328	1,218,610	3,104,128	28%
Utility Maintenance	1,576,330	343,871	937,482	638,848	59%
Water & WWTP Division	2,696,432	223,861	574,860	2,121,573	21%
Warehouse Operations	154,500	9,775	27,141	127,359	18%
<b>Total Expenditures</b>	<b>\$ 8,750,000</b>	<b>\$ 896,834</b>	<b>\$ 2,758,093</b>	<b>\$ 5,991,907</b>	<b>32%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (872,000)</b>	<b>\$ (267,848)</b>	<b>\$ (217,919)</b>		
<b>Beginning Reserve Balance 10-1-19</b>	<b>\$ 3,518,137</b>	<i>Unaudited</i>	<b>\$ 3,518,137</b>		
<b>Ending Reserve Balance</b>	<b>\$ 2,646,137</b>		<b>\$ 3,300,218</b>		
% of Operating Reserves	30%		38%		
<b>Target 90 days (25%)</b>	<b>\$ 2,187,500.00</b>				
<b>Over/(Under) Target</b>	<b>\$ 458,636.94</b>				
<i>Designated for capital projects</i>					
<i>Encumbered from PY \$315,575</i>					

## Airport Fund Overview

### Revenue Highlights

- As a percentage of budget, total Airport Revenue is 32% being slightly under budget expectations due to the timing of a grant payment.
- Miscellaneous Revenue appears under budget, but this is due to the timing of the Routine Annual Maintenance Program (RAMP) with TXDOT (\$50,000 per year)
- General Fund (Transfers In) subsidizes the Airport by approximately \$250,000, however this year is higher due to grant match and new employee. Support for the airport is also coming in from the Bay City Community Development Corporation in the form of a grant match for the generator project (\$75,000). This is part of the \$330,000 transfer.

### Expenditure Highlights

- As a percentage of budget, total expenditures are 24% which is under the budget target. This is primarily due to the timing of the routine infrastructure maintenance program & capital projects.

### AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	<b>33%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>(Over)Under Budget to Date</b>	<b>Percent to Total Budget</b>
<b>Revenues</b>					
Charges for Services	-	100	150	150	N/A
Miscellaneous (Rentals, Grants)	153,300	8,601	35,011	118,289	23%
Transfers (GF & BCCDC)	330,000	27,500	110,000	220,000	33%
Other Revenue (Fuel Sales)	180,500	13,833	67,871	112,629	38%
<b>Total Revenues</b>	<b>\$ 663,800</b>	<b>\$ 50,033</b>	<b>\$ 213,033</b>	<b>\$ 451,067</b>	<b>32%</b>
<b>Expenditures</b>					
Personnel	213,217	14,790	57,642	155,575	27%
Supplies & Materials (Fuel etc)	174,600	19,406	64,169	110,431	37%
Other Charges & Services	79,550	15,278	38,541	41,009	48%
Repairs & Maintenance	126,900	1,772	13,854	113,046	11%
Capital Expenditures	44,200	-	-	44,200	0%
Transfers	86,301	-	-	86,301	0%
<b>Total Expenditures</b>	<b>\$ 724,768</b>	<b>\$ 51,246</b>	<b>\$ 174,205</b>	<b>\$ 550,563</b>	<b>24%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>(60,968)</b>	<b>\$ (1,213)</b>	<b>\$ 38,828</b>		
<b>Beginning Reserve Balance 10-1-19</b>	<b>318,567</b>	<i>Unaudited</i>	<b>\$ 318,567</b>		
<b>Ending Reserve Balance</b>	<b>257,599</b>		<b>\$ 357,395</b>		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx \$250,000					
<i>Reserve encumbered for fuel trucks</i>					

## **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%. This is only due to the timing of hotel/motel tax payments. Hotels remit tax on a monthly or quarterly basis.
- Miscellaneous Income: Civic Center rentals & special event income are above budget target.

### **Expenditure Highlights**

- As a percentage of budget, total expenditures are within budget parameters.

### **HOTEL/MOTEL FUND FINANCIAL SUMMARY**

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	<b>33%</b>				
	<b>Total Budget</b>	<b>Current Period</b>	<b>YTD Actual*</b>	<b>(Over)(Under Budget to Date</b>	<b>Percent to Total Budget</b>
<b><u>Revenues</u></b>					
Hotel Occupancy Tax	750,000	136,106	158,159	591,841	21%
Rental Fees- Civic Center	85,000	13,650	35,863	49,138	42%
Other Income- Special Events	10,000	1,600	15,449	(5,449)	154%
Miscellaneous	6,000	487	1,454	4,546	24%
<b>Total Revenues</b>	<b>\$ 851,000</b>	<b>\$ 151,843</b>	<b>\$ 210,925</b>	<b>\$ 640,075</b>	<b>25%</b>
<b><u>Expenditures</u></b>					
Hotel General	108,000	4,223	77,073	30,927	71%
Tourism Department	292,000	23,470	107,451	184,549	37%
Civic Center	350,000	31,994	74,476	275,524	21%
Bay City Theatre	150,000	4,711	36,251	113,749	24%
<b>Total Expenditures</b>	<b>\$ 900,000</b>	<b>\$ 64,397</b>	<b>\$ 295,251</b>	<b>\$ 604,749</b>	<b>33%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (49,000)</b>	<b>\$ 87,445</b>	<b>\$ (84,326)</b>		
<b>Beginning Fund Balance 10-1-19</b>	<b>\$ 499,899</b>	<i>Unaudited</i>	<b>\$ 499,899</b>		
<b>Ending Fund Balance</b>	<b>\$ 450,899</b>		<b>\$ 415,573</b>		
<i>Proposed to maintain \$50,000</i>					