



CITY OF BAY CITY Monthly Financial Report Month of February 2019

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 **February 2019**, the fifth month of the fiscal year, and **42%** of FY 2019.*

*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 \$8,200,357 or 54.6% of the budget.

- Property Tax. The certified value totaled \$857 million. Through February, the City received \$3,984,897 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- Sales tax. February Sales Tax Allocation to the City is up 3.47% (\$19,088) as compared to February 2018. These are collections related to December that are remitted to the City in February. Collections are up \$77,022 YTD as compared to prior year.
- Franchise fees are in line with budget. Licenses & Permits are above budget target and is expected to exceed budget at year end.
- Charges for services represents sanitation fees - \$1,014,854 (41.5% 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 \$5,253,064 or 34.9% of budget.

Most departments are under the 42% budget target. Budgets that are over the budget target are primarily due to timing of payments.

- Fire- timing of annual support payment; timing of repairs and maintenance of equipment
- Recreation- timing of park events
- Library- timing of roof project

The General Fund's fund balance is budgeted to increase by \$500,000. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The audited beginning cash position (October 1, 2018) was 2.2 million which represents approximately 18% operating reserve. The City plans to build reserve over the next 1-2 years meet or exceed the minimum 25% reserve requirement. Sales tax and some departmental savings should aide in building the reserve by fiscal year end.

GENERAL FUND FINANCIAL SUMMARY

City of Bay City					
Financial Statement					
As of February 28, 2019					
General Fund (Fund 11)					
Percent of Fiscal Year Complete	42%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,459,684	1,637,636	3,984,897	474,787	89.4%
Sales Tax	4,275,000	426,695	1,852,609	2,422,391	43.3%
Other Local Taxes (Franchise)	1,312,500	118,603	553,605	758,895	42.2%
Charges for Services (Sanitation)	2,443,000	204,573	1,014,854	1,428,146	41.5%
Fines & Penalties	203,000	16,945	65,285	137,715	32.2%
Licenses & Permits	180,500	22,332	123,762	56,738	68.6%
Miscellaneous	1,415,516	111,754	281,802	1,133,714	19.9%
Transfers	741,800	59,733	323,543	418,257	43.6%
Total Revenues	\$ 15,031,000	\$ 2,598,270	\$ 8,200,357	\$ 6,830,643	54.6%
Expenditures					
City Secretary	148,949	16,175	58,930	90,019	39.6%
City General Services	3,208,449	169,022	1,040,492	2,167,957	32.4%
Administrative Council	207,580	15,224	75,620	131,960	36.4%
Main Street	55,800	-	17,263	38,537	30.9%
Human Resources	246,623	17,257	102,184	144,439	41.4%
Municipal Court	318,522	21,606	114,020	204,502	35.8%
Finance	322,582	25,655	127,371	195,211	39.5%
Police	4,463,977	348,479	1,808,252	2,655,725	40.5%
Animal Impoundment	165,482	10,020	57,806	107,676	34.9%
Volunteer Fire Dept.	194,391	7,037	151,579	42,812	78.0%
Street and Bridge	3,230,327	64,507	800,408	2,429,919	24.8%
Recycling Center	394,505	14,549	155,627	238,878	39.4%
Parks	1,015,961	50,673	290,675	725,286	28.6%
Riverside Park	273,517	30,343	90,266	183,251	33.0%
Recreation	94,186	7,573	41,357	52,829	43.9%
Pool Operations	266,681	14,189	55,916	210,765	21.0%
Library	423,468	31,794	265,297	158,171	62.6%
Total Expenditures	\$ 15,031,000	\$ 844,103	\$ 5,253,064	\$ 9,777,936	34.9%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 1,754,166	\$ 2,947,293		
Beginning Fund Balance 10-1-18	\$ 2,218,367	<i>Actual</i>	\$ 2,218,367		
Ending Fund Balance	\$ 2,218,367		\$ 5,165,660		
% of Operating Reserves	18%		42%		
Fund Balance Target 90 days (25%)	\$ 3,065,543				
Over/(Under) min Policy Level (25%)	\$ (847,176)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 41% being within budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 29% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

City of Bay City					
Financial Statement					
As of February 28, 2019					
Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	42%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
<u>Revenues</u>					
Charges for Services	7,594,000	622,564	3,098,705	4,495,295	41%
Fines & Penalties	175,000	11,462	64,691	110,309	37%
Miscellaneous	10,000	20,038	41,481	(31,481)	415%
Total Revenues	\$ 7,779,000	\$ 654,064	\$ 3,204,877	\$ 4,574,123	41%
<u>Expenditures</u>					
Utility General	4,448,218	309,108	1,530,953	2,917,265	34%
Utility Maintenance	1,920,076	99,561	472,078	1,447,998	25%
Water & WWTP Division	2,400,206	84,387	505,651	1,894,555	21%
Warehouse Operations	86,500	5,673	27,304	59,196	32%
Total Expenditures	\$ 8,855,000	\$ 498,729	\$ 2,535,985	\$ 6,319,015	29%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (1,076,000)	\$ 155,335	\$ 668,892		
Beginning Reserve Balance 10-1-18	\$ 2,822,798	<i>Actual</i>	\$ 2,822,798		
Ending Reserve Balance	\$ 1,746,798		\$ 3,491,690		
% of Operating Reserves	24%		48%		
Target 90 days (25%)	\$ 1,794,419.00				
Over/(Under) Target	\$ (47,621.00)				
<i>Drawing down reserve for one time capital projects</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 46% being over budget expectations due to the timing of a grant payment.
- Miscellaneous Revenue appears over 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 \$250,000.

Expenditure Highlights

- As a percentage of budget, total expenditures are 45% which is over the budget target. This is due to the timing of the routine infrastructure maintenance program.

AIRPORT FUND FINANCIAL SUMMARY

City of Bay City					
Financial Statement					
As of February 28, 2019					
Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	42%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	-	-	250	(250)	N/A
Miscellaneous (Rentals, Grants)	156,000	10,154	91,550	64,450	59%
Transfers (General Fund)	250,000	20,833	104,167	145,833	42%
Other Revenue (Fuel Sales)	178,500	12,765	73,298	105,202	41%
Total Revenues	\$ 584,500	\$ 43,752	\$ 269,265	\$ 315,235	46%
Expenditures					
Personnel	136,850	9,785	50,663	86,187	37%
Supplies & Materials	154,000	338	77,169	76,831	50%
Other Charges & Services	73,700	2,068	30,590	43,110	42%
Repairs & Maintenance	124,900	1,310	118,503	6,397	95%
Capital Expenditures	152,550	331	14,431	138,119	9%
Total Expenditures	\$ 642,000	\$ 13,832	\$ 291,355	\$ 350,645	45%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(57,500)	\$ 29,920	\$ (22,090)		
Beginning Reserve Balance 10-1-18	133,310	<i>Actual</i>	\$ 133,310		
Ending Reserve Balance	75,810		\$ 111,220		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes \$250,000					

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

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 26%. Most hotels remit tax on a monthly or quarterly basis.
- Civic Center rentals are above budget target.

Expenditure Highlights

- As a percentage of budget, total expenditures are slightly above the budget target. This is due to timing of payment for museum support.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

City of Bay City					
Financial Statement					
As of February 28, 2019					
Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	42%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	800,000	108,006	181,207	618,793	23%
Rental Fees- BC Civic Center	75,000	13,320	36,298	38,703	48%
Miscellaneous	4,000	4,489	7,524	(3,524)	188%
Total Revenues	\$ 879,000	\$ 125,815	\$ 225,028	\$ 653,972	26%
Expenditures					
Council Discretionary	133,000	4,000	86,000	47,000	65%
Tourism Department	263,000	22,757	115,548	147,452	44%
Civic Center	311,000	18,983	92,387	218,613	30%
Bay City Theatre	172,000	-	13,554	158,446	8%
Total Expenditures	\$ 879,000	\$ 45,740	\$ 307,490	\$ 571,510	35%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 80,076	\$ (82,462)		
Beginning Fund Balance 10-1-18	\$ 419,255	<i>Actual</i>	\$ 419,255		
Ending Fund Balance	\$ 419,255		\$ 336,793		
<i>Proposed to maintain \$50,000</i>					