



## CITY OF BAY CITY

### Monthly Financial Report

### Month of February 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 **February 2020**, the fifth month of the fiscal year, and **42%** 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 \$8,285,160 or 55.2% of the budget.

- Property Tax. The certified value totaled \$869 million. Through February, the City received \$3,909,012 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 7.5% (\$42,642) as compared to February 2019. These are collections related to December that are remitted to the City in February. Collections are up \$152,998 YTD as compared to prior year.
- Franchise fees are slightly over budget. Licenses & Permits are at 74% of budget being well over the budget mark!
- Charges for services represents sanitation fees - \$1,045,877 (41.4% 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 \$6,169,212 or 41.1% of budget.

- Administrative Council- timing of personnel related costs (amendment needed)
- Main Street- timing of payments only
- Human Resource- timing of payments for City Manager search firm (amendment needed)
- Fire Department- purchase of Fire Truck (amendment needed)
- 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 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**

City of Bay City					
Financial Statement					
As of February 29, 2020					
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
<b>Revenues</b>					
Property Taxes	4,434,737	995,579	3,909,012	525,725	88.1%
Sales Tax	4,350,000	458,676	1,967,359	2,382,641	45.2%
Other Local Taxes (Franchise)	1,321,000	114,964	569,358	751,642	43.1%
Charges for Services (Sanitation)	2,527,000	210,054	1,045,877	1,481,123	41.4%
Fines & Penalties	203,000	26,456	117,233	85,767	57.8%
Licenses & Permits	196,000	7,619	144,765	51,235	73.9%
Miscellaneous	1,343,763	31,622	267,598	1,076,165	19.9%
Transfers	643,500	52,792	263,958	379,542	41.0%
<b>Total Revenues</b>	<b>\$ 15,019,000</b>	<b>\$ 1,897,761</b>	<b>\$ 8,285,160</b>	<b>\$ 6,733,840</b>	<b>55.2%</b>
<b>Expenditures</b>					
City Secretary	153,269	11,889	39,880	113,389	26.0%
City General Services	2,532,742	128,431	950,144	1,582,598	37.5%
Administrative Council	318,192	24,949	130,560	187,632	41.0%
Main Street	58,000	7,182	29,420	28,580	50.7%
Human Resources	251,930	33,182	133,613	118,317	53.0%
Municipal Court	328,673	24,341	125,080	203,593	38.1%
Finance	337,281	26,430	132,302	204,980	39.2%
Police	4,618,763	349,751	1,805,492	2,813,271	39.1%
Animal Impoundment	167,892	9,077	58,743	109,149	35.0%
Volunteer Fire Dept.	199,319	681,955	728,154	(528,835)	365.3%
Street and Bridge	3,461,184	237,001	916,711	2,544,473	26.5%
Recycling Center	161,926	11,280	66,380	95,546	41.0%
Parks	1,405,308	185,472	730,007	675,301	51.9%
Riverside Park	184,103	10,326	59,065	125,038	32.1%
Recreation	99,823	2,877	29,771	70,052	29.8%
Pool Operations	275,841	4,738	47,728	228,113	17.3%
Library	464,754	30,706	186,163	278,591	40.1%
<b>Total Expenditures</b>	<b>\$ 15,019,000</b>	<b>\$ 1,779,587</b>	<b>\$ 6,169,212</b>	<b>\$ 8,849,788</b>	<b>41.1%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ 118,174</b>	<b>\$ 2,115,948</b>		
<b>Beginning Fund Balance 10-1-19</b>	<b>\$ 3,210,330</b>		<b>\$ 3,210,330</b>		
<b>Ending Fund Balance</b>	<b>\$ 3,210,330</b>		<b>\$ 5,326,278</b>		
% of Operating Reserves	22%		37%		
Fund Balance Target 90 days (25%)	\$ 3,606,502				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ (396,172)</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 40% being slightly below budget expectations.

### **Expenditure Highlights**

- Total expenditures for the Utility Fund are 41% of budget.
- Utility Maintenance is over budget due to numerous water and sewer line repairs (amendment needed); Reserves or delay in planned capital projects will be used to offset the emergency infrastructure repairs

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

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	<b>42%</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	593,708	3,049,713	4,648,287	40%
Fines & Penalties	145,000	11,638	58,166	86,834	40%
Miscellaneous	35,000	2,638	40,279	(5,279)	115%
<b>Total Revenues</b>	<b>\$ 7,878,000</b>	<b>\$ 607,984</b>	<b>\$ 3,148,157</b>	<b>\$ 4,729,843</b>	<b>40%</b>
<b>Expenditures</b>					
Utility General	4,322,738	296,585	1,515,194	2,807,544	35%
Utility Maintenance	1,576,330	420,285	1,357,767	218,563	86%
Water & WWTP Division	2,696,432	101,917	676,776	2,019,656	25%
Warehouse Operations	154,500	6,018	33,159	121,341	21%
<b>Total Expenditures</b>	<b>\$ 8,750,000</b>	<b>\$ 824,804</b>	<b>\$ 3,582,897</b>	<b>\$ 5,167,103</b>	<b>41%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (872,000)</b>	<b>\$ (216,820)</b>	<b>\$ (434,739)</b>		
<b>Beginning Reserve Balance 10-1-19</b>	<b>\$ 3,756,008</b>		<b>\$ 3,756,008</b>		
<b>Ending Reserve Balance</b>	<b>\$ 2,884,008</b>		<b>\$ 3,321,269</b>		
% of Operating Reserves	40%		46%		
<b>Target 90 days (25%)</b>	<b>\$ 1,820,599</b>				
<b>Over/(Under) Target</b>	<b>\$ 1,063,409</b>				
<i>Designated for Capital Projects</i>					
<i>Some encumbered from Prior Year</i>					

## Airport Fund Overview

### **Revenue Highlights**

- As a percentage of budget, total Airport Revenue is 41% 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 28% 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>42%</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	-	-	150	150	N/A
Miscellaneous (Rentals, Grants)	153,300	16,148	51,159	102,141	33%
Transfers (GF & BCCDC)	330,000	27,500	137,500	192,500	42%
Other Revenue (Fuel Sales)	180,500	12,527	80,399	100,101	45%
<b>Total Revenues</b>	<b>\$ 663,800</b>	<b>\$ 56,175</b>	<b>\$ 269,208</b>	<b>\$ 394,892</b>	<b>41%</b>
<b>Expenditures</b>					
Personnel	213,217	15,718	73,360	139,857	34%
Supplies & Materials (Fuel etc)	174,600	873	65,042	109,558	37%
Other Charges & Services	79,550	6,757	45,297	34,253	57%
Repairs & Maintenance	126,900	3,267	17,121	109,779	13%
Capital Expenditures	44,200	-	-	44,200	0%
Transfers	86,301	-	-	86,301	0%
<b>Total Expenditures</b>	<b>\$ 724,768</b>	<b>\$ 26,615</b>	<b>\$ 200,819</b>	<b>\$ 523,949</b>	<b>28%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>(60,968)</b>	<b>\$ 29,561</b>	<b>\$ 68,389</b>		
<b>Beginning Reserve Balance 10-1-19</b>	<b>394,987</b>		<b>\$ 394,987</b>		
<b>Ending Reserve Balance</b>	<b>334,019</b>		<b>\$ 463,376</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 42%. This is 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>42%</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>					
Hotel Occupancy Tax	750,000	30,782	188,941	561,059	25%
Rental Fees- Civic Center	85,000	6,313	42,175	42,825	50%
Other Income- Special Events	10,000	-	15,449	(5,449)	154%
Miscellaneous	6,000	406	1,860	4,140	31%
<b>Total Revenues</b>	<b>\$ 851,000</b>	<b>\$ 37,500</b>	<b>\$ 248,425</b>	<b>\$ 602,575</b>	<b>29%</b>
<b>Expenditures</b>					
Hotel General	108,000	4,248	81,321	26,679	75%
Tourism Department	292,000	12,548	119,999	172,001	41%
Civic Center	350,000	13,502	87,978	262,022	25%
Bay City Theatre	150,000	-	36,251	113,749	24%
<b>Total Expenditures</b>	<b>\$ 900,000</b>	<b>\$ 30,298</b>	<b>\$ 325,549</b>	<b>\$ 574,452</b>	<b>36%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (49,000)</b>	<b>\$ 7,202</b>	<b>\$ (77,124)</b>		
<b>Beginning Fund Balance 10-1-19</b>	<b>\$ 487,418</b>		<b>\$ 487,418</b>		
<b>Ending Fund Balance</b>	<b>\$ 438,418</b>		<b>\$ 410,294</b>		
<i>Proposed to maintain \$50,000</i>					