



CITY OF BAY CITY

Monthly Financial Report

Month of April 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 **April 2018**, the seventh month of the fiscal year, and **58%** 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 \$9,507,615 or 65.8% of the budget.

- **Property Tax.** The certified value totaled \$811 million. Through April, the City received \$4,038,319 of the 4.2-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** April Sales Tax Allocation to the City is down .04% (\$178) as compared to April 2017. These are collections related to February that are remitted to the City in April. Collections are up YTD by \$12,923 as compared to prior year. Sales tax is anticipated to exceed budget expectations.
- Franchise fees are slightly under 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 - \$1,369,447 (59.1% 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).
- 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 7,160,285 or 49.6% of budget.

- Most departments are under the 58% budget target. Budgets that are over the budget target are primarily due to timing of payments.
 - City Secretary exceeding budget target due to timing of expenditures.
 - Main Street budget is exceeding budget target due to unanticipated payment for downtown lighting. (Amendment needed)
 - Fire Department exceeding budget target due to timing of support payment to the Volunteer Fire Department.

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 beginning cash position (October 1, 2017) was 1.3 million which represents less than 10% operating reserve. The City plans to build reserve over the next 3-4 years. Sales tax and some departmental savings should aide in building the reserve by fiscal year end.

GENERAL FUND FINANCIAL SUMMARY

General Fund (Fund 11)					
Percent of Fiscal Year Complete	58%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,267,949	95,958	\$ 4,038,319	\$ 229,630	94.6%
Sales Tax	4,117,500	330,007	\$ 2,435,061	\$ 1,682,439	59.1%
Other Local Taxes (Franchise)	1,300,000	96,731	737,997	\$ 562,003	56.8%
Charges for Services (Sanitation)	2,316,000	198,406	1,369,447	\$ 946,553	59.1%
Fines & Penalties	283,500	19,445	124,159	\$ 159,341	43.8%
Licenses & Permits	181,500	8,738	215,423	\$ (33,923)	118.7%
Miscellaneous	927,751	107,161	287,492	\$ 640,259	31.0%
Transfers	513,800	42,817	299,717	\$ 214,083	58.3%
Other Revenue	540,000	-	-	\$ 540,000	0.0%
Total Revenues	\$ 14,448,000	\$ 899,262	\$ 9,507,615	\$ 4,940,385	65.8%
Expenditures					
City Secretary	141,451	\$ 10,238	\$ 91,704	\$ 49,747	64.8%
City General Services	2,622,540	200,026	1,372,368	\$ 1,250,172	52.3%
Administrative Council	206,205	17,221	112,755	\$ 93,450	54.7%
Main Street	50,800	19	37,170	\$ 13,630	73.2%
Personnel Resources	238,202	20,667	136,052	\$ 102,150	57.1%
Municipal Court	308,019	23,669	146,182	\$ 161,837	47.5%
Finance	318,745	22,804	164,800	\$ 153,945	51.7%
Police	4,666,840	341,241	2,392,119	\$ 2,274,721	51.3%
Animal Impoundment	163,830	11,823	85,678	\$ 78,152	52.3%
Volunteer Fire Dept.	185,198	21,268	141,902	\$ 43,296	76.6%
Public Works	3,177,046	371,244	1,504,483	\$ 1,672,563	47.4%
Recycling Center	160,029	10,637	76,962	\$ 83,067	48.1%
Parks	929,937	57,638	468,875	\$ 461,062	50.4%
Riverside Park	210,300	9,902	66,983	\$ 143,317	31.9%
Recreation	100,012	3,389	42,927	\$ 57,085	42.9%
Aquatics	282,096	9,825	99,221	\$ 182,875	35.2%
Library	686,750	30,460	220,103	\$ 466,647	32.0%
Total Expenditures	\$ 14,448,000	\$ 1,162,070	\$ 7,160,285	\$ 7,287,715	49.6%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ (262,808)	\$ 2,347,330	\$ (2,347,330)	
Beginning Fund Balance (10-1-17)	\$ 1,363,153	<i>Actual</i>	\$ 1,363,153		
Ending Fund Balance	\$ 1,363,153		\$ 3,710,483		
% of Operating Reserves	9.82%		25.68%		
Fund Balance Target 90 days (25%)	\$ 3,469,194				
Over/(Under) min Policy Level (25%)	\$ (2,106,041)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 57% being on target with budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 46% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	58%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ 7,522,000	\$ 636,874	\$ 4,260,620	\$ 3,261,380	57%
Fines & Penalties	190,000	11,591	116,945	\$ 73,055	62%
Miscellaneous	9,000	1,609	21,403	\$ (12,403)	238%
Total Revenues	\$ 7,721,000	\$ 650,075	4,398,968	\$ 3,322,032	57%
Expenditures					
General Operation	\$ 3,853,885	\$ 403,513	\$ 2,260,720	\$ 1,593,165	59%
Water	2,099,829	49,414	541,969	\$ 1,557,860	26%
Sewer	1,680,786	83,254	690,249	\$ 990,537	41%
Warehouse Operations	86,500	5,829	46,037	\$ 40,463	53%
Total Expenditures	\$ 7,721,000	\$ 542,009	3,538,975	\$ 4,182,025	46%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 108,066	\$ 859,993	\$ (859,993)	
Beginning Reserve Balance 10-1-17	\$ 3,166,423	<i>Actual</i>	\$ 3,166,423		
Ending Reserve Balance	\$ 3,166,423		\$ 4,026,416		
% of Operating Reserves	43.28%		55.03%		
Target 90 days (25%)	1,829,060				
Over/(Under) Target	\$ 1,337,364				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 49% being below budget expectations.
- 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 \$150,000.

Expenditure Highlights

- As a percentage of budget, total expenditures are 47%. 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	58%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ -	50	400	(400.00)	N/A
Miscellaneous (Rentals, Grants)	158,000	\$ 14,326	\$ 63,569	94,430.78	40%
Transfers (General Fund)	150,000	12,500	87,500	62,500.00	58%
Other Revenue (Fuel Sales)	160,500	14,227	94,087	66,413.33	59%
Prior Fund Balance	37,000	-	-	37,000.00	0%
Total Revenues	\$ 505,500	\$ 41,103	245,556	\$ 259,944	49%
Expenditures					
Personnel	\$ 133,046	\$ 9,204	\$ 57,248	\$ 75,798	43%
Supplies & Materials	119,500	40,875	76,143	\$ 43,357	64%
Other Charges & Services	82,104	7,357	44,281	\$ 37,823	54%
Repairs & Maintenance	138,829	3,576	32,795	\$ 106,034	24%
Capital Expenditures	32,021	-	25,864	\$ 6,157	81%
Total Expenditures	\$ 505,500	\$ 61,012	236,330	\$ 269,170	47%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ (19,910)	\$ 9,226	\$ (9,226)	
Beginning Reserve Balance 10-1-17	\$ 109,256		\$ 109,256		
Ending Reserve Balance	\$ 109,256		118,482		
<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 58%. This is due to the timing of hotel payments. Most hotels remit tax on a monthly or quarterly basis.
- 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	58%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	\$ 725,000	102,755	\$ 349,003	\$ 375,997	48%
Miscellaneous	657,650	7,938	62,054	\$ 595,596	9%
Total Revenues	\$ 1,382,650	\$ 110,693	411,057	\$ 971,593	30%
Expenditures					
Council Discretionary	\$ 173,545	4,233	91,588	81,957	53%
Convention & Visitors Bureau	219,955	8,399	99,536	120,419	45%
Civic Center	843,500	31,239	166,442	677,058	20%
Bay City Theatre	330,000	400	1,957	328,043	1%
Total Expenditures	\$ 1,567,000	\$ 44,272	\$ 359,522	\$ 1,207,478	23%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (184,350)	\$ 66,421	\$ 51,535	\$ (235,885)	
Beginning Fund Balance (10-1-17)	\$ 449,295	<i>Actual</i>	\$ 449,295		
Ending Fund Balance	\$ 264,945		500,830		
<i>Proposed to maintain \$50,000</i>					