



## CITY OF BAY CITY Monthly Financial Report Month of April 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 **April 2019**, the seventh month of the fiscal year, and **58%** 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](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 \$10,086,288 or 67.1% of the budget.

- Property Tax. The certified value totaled \$857 million. Through April, the City received \$4,189,796 of the 4.4-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 8.68% (\$38,175) as compared to April 2018. These are collections related to February that are remitted to the City in April. Collections are up \$90,672 YTD as compared to prior year.
- Franchise fees are slightly under budget but should be in line by year-end. Licenses & Permits are above budget target and is expected to exceed budget at year end.
- Charges for services represents sanitation fees - \$1,424,599 (58.3% 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 \$7,215,841 or 48% of budget.

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

- City Secretary- due to election costs (Amendment needed)
- Fire- timing of annual support payment; timing of repairs and maintenance of equipment
- Recycling Center- New Recycling Center over budget (Amendment needed)

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 16% operating reserve including transfers or 18% operating reserve excluding 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 1-2 years 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>58%</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	4,459,684	73,153	4,189,796	269,888	93.9%
Sales Tax	4,275,000	301,376	2,503,065	1,771,935	58.6%
Other Local Taxes (Franchise)	1,312,500	102,434	739,009	573,491	56.3%
Charges for Services (Sanitation)	2,443,000	204,820	1,424,599	1,018,401	58.3%
Fines & Penalties	203,000	18,343	101,644	101,356	50.1%
Licenses & Permits	180,500	31,726	173,744	6,756	96.3%
Miscellaneous	1,415,516	103,381	511,421	904,095	36.1%
Transfers	741,800	59,733	443,010	298,791	59.7%
<b>Total Revenues</b>	<b>\$ 15,031,000</b>	<b>\$ 894,966</b>	<b>\$ 10,086,288</b>	<b>\$ 4,944,713</b>	<b>67.1%</b>
<b>Expenditures</b>					
City Secretary	148,949	21,241	90,643	58,306	60.9%
City General Services	2,708,449	237,782	1,572,704	1,135,745	58.1%
Administrative Council	207,580	15,025	108,281	99,299	52.2%
Main Street	55,800	-	17,263	38,537	30.9%
Human Resources	246,623	18,048	141,123	105,500	57.2%
Municipal Court	318,522	25,281	163,486	155,036	51.3%
Finance	322,582	25,124	177,980	144,602	55.2%
Police	4,463,977	338,261	2,425,590	2,038,387	54.3%
Animal Impoundment	165,482	11,774	81,121	84,361	49.0%
Volunteer Fire Dept.	194,391	5,982	133,247	61,144	68.5%
Street and Bridge	3,230,327	90,988	1,140,442	2,089,885	35.3%
Recycling Center	394,505	13,927	251,785	142,720	63.8%
Parks	1,015,961	83,529	429,850	586,111	42.3%
Riverside Park	273,517	21,012	121,182	152,335	44.3%
Recreation	94,186	2,721	51,640	42,546	54.8%
Pool Operations	266,681	11,126	76,776	189,905	28.8%
Library	423,468	29,050	232,728	190,740	55.0%
<b>Total Expenditures</b>	<b>\$ 14,531,000</b>	<b>\$ 950,871</b>	<b>\$ 7,215,841</b>	<b>\$ 7,315,159</b>	<b>49.7%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ 500,000</b>	<b>\$ (55,905)</b>	<b>\$ 2,870,446</b>		
<b>Beginning Fund Balance 10-1-18</b>	<b>\$ 2,218,367</b>	<i>Actual</i>	<b>\$ 2,218,367</b>		
<b>Ending Fund Balance</b>	<b>\$ 2,718,367</b>		<b>\$ 5,088,813</b>		
% of Operating Reserves	20%		37%		
Fund Balance Target 90 days (25%)	\$ 3,435,795				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ (717,428)</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 58% being within budget expectations.

### **Expenditure Highlights**

- Total expenditures for the Utility Fund sit nicely at 42% of budget.
- All departments are within budget expectations.

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

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	<b>58%</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	7,594,000	670,075	4,388,841	3,205,159	58%
Fines & Penalties	175,000	14,118	90,135	84,865	52%
Miscellaneous	10,000	5,606	66,094	(56,094)	661%
<b>Total Revenues</b>	<b>\$ 7,779,000</b>	<b>\$ 689,799</b>	<b>\$ 4,545,070</b>	<b>\$ 3,233,930</b>	<b>58%</b>
<b>Expenditures</b>					
Utility General	4,448,218	381,441	2,226,149	2,222,069	50%
Utility Maintenance	1,920,076	74,973	643,827	1,276,249	34%
Water & WWTP Division	2,400,206	171,775	792,233	1,607,973	33%
Warehouse Operations	86,500	6,239	42,877	43,623	50%
<b>Total Expenditures</b>	<b>\$ 8,855,000</b>	<b>\$ 634,429</b>	<b>\$ 3,705,086</b>	<b>\$ 5,149,914</b>	<b>42%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (1,076,000)</b>	<b>\$ 55,371</b>	<b>\$ 839,984</b>		
<b>Beginning Reserve Balance 10-1-18</b>	<b>\$ 2,822,798</b>	<i>Actual</i>	<b>\$ 2,822,798</b>		
<b>Ending Reserve Balance</b>	<b>\$ 1,746,798</b>		<b>\$ 3,662,782</b>		
% of Operating Reserves	24%		51%		
<b>Target 90 days (25%)</b>	<b>\$ 1,794,419</b>				
<b>Over/(Under) Target</b>	<b>\$ (47,621)</b>				
<i>Designated for capital projects</i>					

## **Airport Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Airport Revenue is 61% 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 56% which is under the budget target. This is due to the timing of the capital projects.

### **AIRPORT FUND FINANCIAL SUMMARY**

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	<b>58%</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)	200	(200)	N/A
Miscellaneous (Rentals, Grants)	156,000	8,200	108,954	47,046	70%
Transfers (General Fund)	250,000	20,833	145,833	104,167	58%
Other Revenue (Fuel Sales)	178,500	14,742	102,671	75,829	58%
<b>Total Revenues</b>	<b>\$ 584,500</b>	<b>\$ 43,676</b>	<b>\$ 357,659</b>	<b>\$ 226,841</b>	<b>61%</b>
<b>Expenditures</b>					
Personnel	136,850	14,357	75,306	61,544	55%
Supplies & Materials	154,000	1,856	100,914	53,086	66%
Other Charges & Services	73,700	2,214	42,470	31,230	58%
Repairs & Maintenance	124,900	2,859	126,950	(2,050)	102%
Capital Expenditures	152,550		14,431	138,119	9%
<b>Total Expenditures</b>	<b>\$ 642,000</b>	<b>\$ 21,285</b>	<b>\$ 360,071</b>	<b>\$ 281,929</b>	<b>56%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>(57,500)</b>	<b>\$ 22,391</b>	<b>\$ (2,413)</b>		
<b>Beginning Reserve Balance 10-1-18</b>	133,310	<i>Actual</i>	\$ 133,310		
<b>Ending Reserve Balance</b>	75,810		\$ 130,897		
<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 45%. 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 below the budget target. This is due to timing of the Theater Project expenditures.

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

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	58%				
	<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	800,000	107,371	327,061	472,939	41%
Miscellaneous	79,000	9,053	64,282	14,718	81%
<b>Total Revenues</b>	<b>\$ 879,000</b>	<b>\$ 116,424</b>	<b>\$ 391,343</b>	<b>\$ 487,657</b>	<b>45%</b>
<b>Expenditures</b>					
Council Discretionary	133,000	4,000	94,000	39,000	71%
Tourism Department	263,000	8,654	134,918	134,918	51%
Civic Center	311,000	19,935	146,583	164,417	47%
Bay City Theatre	172,000	-	14,804	157,196	9%
<b>Total Expenditures</b>	<b>\$ 879,000</b>	<b>\$ 32,589</b>	<b>\$ 390,305</b>	<b>\$ 495,530</b>	<b>44%</b>
*YTD includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ 83,836</b>	<b>\$ 1,038</b>		
<b>Beginning Fund Balance 10-1-18</b>	<b>\$ 419,255</b>	<i>Actual</i>	<b>\$ 419,255</b>		
<b>Ending Fund Balance</b>	<b>\$ 419,255</b>		<b>\$ 420,293</b>		
<i>Proposed to maintain \$50,000</i>					