



CITY OF BAY CITY Monthly Financial Report Month of April 2021

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 2021**, the seventh month of the fiscal year, and **58%** of FY 2021.*

*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 \$10,109,871 or 63.7% of the budget.

- Property Tax. The certified value totaled \$898 million. Through April, the City received \$4,161,955 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 up 5.93% (\$26,922) as compared to April 2020. These are collections related to February that are remitted to the City in April. Collections are down \$22,591 YTD as compared to prior year.
- Franchise fees are slightly in line with budget expectations. Licenses & Permits are below budget target; however, this is due to timing of building permits pulled.
- Charges for services represents sanitation fees - \$1,505,527 (58.7% of budget).
- Miscellaneous Revenue appears below budget; however most is attributable to timing of grant payments, interest income, and/or interlocal agreements. (County, Bay City Gas Company, BCCDC).

General Fund Expenditure Highlights

Expenditures total \$8,475,716 or 51.7% of budget.

- Most departments are under the 58% budget target. Budgets that are over the budget target are primarily due to timing of payments.
- Finance- increased personnel costs related to new hire in training to replace an upcoming Finance employee due to retirement. In addition, increased personnel costs related to “Disaster” paperwork (Cares Act, Winter Storm Uri)- Amendment will be needed
- Fire Department- due to timing of repairs on Fire Trucks
- Recycling Center- due to timing of grant activity for refurbishing recycling bin trailers

The General Fund’s fund balance is budgeted to decrease by \$531,265. **The City’s reserve level currently is above the minimum policy of 25%.** See bottom of page 3 for more clarification. The unaudited beginning cash position (October 1, 2020) was 4.6 million which represents approximately 32% operating expenditures including transfers. Transfers include funding for departments/funds such as Information Technology, Facilities/Equipment Maintenance, and the Bay City Airport. The City plans to maintain reserves between 90 days (policy) and 120 days (goal) or 25% and 34% of operating expenditures. Reserves above 25% may be used to fund non-reoccurring expenditures (i.e. capital project).

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	4,391,617	121,562	4,161,955	229,662	94.8%
Sales Tax	4,725,000	360,610	2,646,770	2,078,230	56.0%
Other Local Taxes (Franchise)	1,326,000	98,608	764,107	561,893	57.6%
Charges for Services (Sanitation)	2,565,000	216,756	1,505,527	1,059,473	58.7%
Fines & Penalties	201,000	26,600	116,328	84,672	57.9%
Licenses & Permits	192,500	16,763	91,397	101,103	47.5%
Miscellaneous	1,797,752	106,353	432,078	1,365,674	24.0%
Transfers In (Hotel/Motel & Utility)	671,500	55,958	391,708	279,792	58.3%
Total Revenues	\$ 15,870,369	\$ 1,003,209	\$ 10,109,871	\$ 5,760,498	63.7%
Expenditures					
Administrative Council	307,405	32,023	170,189	137,216	55.4%
City General Services	3,279,806	274,065	1,375,091	1,904,715	41.9%
City Secretary	111,745	9,024	58,992	52,753	52.8%
Main Street	65,000	4,000	31,831	33,169	49.0%
Human Resources	264,874	25,562	153,712	111,162	58.0%
Municipal Court	344,249	29,983	174,583	169,666	50.7%
Finance	341,670	39,175	206,446	135,224	60.4%
Code Enforcement	312,750	27,978	129,990	182,760	41.6%
Police	4,774,749	458,948	2,818,054	1,956,695	59.0%
Animal Impoundment	170,712	17,762	97,034	73,678	56.8%
Volunteer Fire Dept.	198,863	13,777	135,525	63,339	68.1%
Recycling Center	186,680	21,861	112,073	74,607	60.0%
Street and Bridge	3,805,127	494,074	2,003,520	1,801,607	52.7%
Parks	1,160,083	87,990	467,205	692,878	40.3%
Riverside Park	201,909	17,467	82,506	119,403	40.9%
Recreation	101,823	9,381	57,049	44,774	56.0%
Pool Operations	286,352	10,857	134,698	151,654	47.0%
Library	487,837	56,215	267,219	220,618	54.8%
Total Expenditures	\$ 16,401,634	\$ 1,630,142	\$ 8,475,716	\$ 7,925,917	51.7%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ (531,265)	\$ (626,933)	\$ 1,634,154		
Beginning Fund Balance 10-1-20	\$ 4,632,970		\$ 4,632,970		
Ending Fund Balance	\$ 4,101,705		\$ 6,267,124		
% of Operating Reserves	28%		43%		
Fund Balance Target 90 days (25%)	\$ 3,591,756				
Over/(Under) min Policy Level (25%)	\$ 509,949				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 57% being slightly under budget target. This is primarily due to the timing of City billing- City bills in arrears.

Expenditure Highlights

- Total expenditures for the Utility Fund are 54% of budget.
- All departments are within budget expectations except for Utility Maintenance. This is due to timing of maintenance and capital purchases. Amendment will be needed for maintenance costs.

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	8,177,000	734,065	4,683,400	3,493,600	57%
Fines & Penalties	140,000	10,950	67,173	72,827	48%
Miscellaneous	58,000	111	6,503	51,497	11%
Total Revenues	\$ 8,375,000	\$ 745,126	\$ 4,757,077	\$ 3,617,923	57%
Expenditures					
Utility Billing	321,069	30,184	159,472	161,597	50%
Utility Operations	3,963,096	332,631	2,048,804	1,914,292	52%
Utility Maintenance	2,131,236	181,559	1,347,670	783,567	63%
Water & WWTP Division	1,959,599	113,785	1,004,176	955,423	51%
Total Expenditures	\$ 8,375,000	\$ 658,158	\$ 4,560,121	\$ 3,814,879	54%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 86,968	\$ 196,956		
Beginning Reserve Balance 10-1-20	\$ 2,855,067		\$ 2,855,067		
Ending Reserve Balance	\$ 2,855,067		\$ 3,052,023		
% of Operating Reserves	32%		34%		
Target 90 days (25%)	\$ 2,206,635				
Over/(Under) Target	\$ 648,432				
<i>Designated for Capital Projects</i>					
<i>Some encumbered from Prior Year</i>					
City is budgeting \$406,848 in depreciation until year 1 TWDB debt payment is known.					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 57% being slightly under budget expectations.
- Other Revenue is under budget due to aviation fuel sales.
- General Fund (Transfers In) subsidizes the Airport by approximately \$225,000-\$250,000 each year.
- The Bay City Community Development Corporation is contributing \$100,000 for the Taxiway project that is accounted for in a separate capital project fund.

Expenditure Highlights

- As a percentage of budget, total expenditures are 51% which is under the budget target. This is primarily due to the timing of the routine infrastructure maintenance program and the expenditures related personnel.

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	-	-	-	-	N/A
Miscellaneous (Rentals, Grants)	157,500	8,682	94,201	63,299	60%
Transfers - General Fund	225,000	18,750	131,250	93,750	58%
Other Revenue (Fuel Sales)	180,500	10,827	96,861	83,639	54%
Total Revenues	\$ 563,000	\$ 38,259	\$ 322,312	\$ 240,688	57%
Expenditures					
Personnel	215,400	23,086	107,762	107,638	50%
Supplies & Materials (Fuel etc)	175,400	45,116	99,440	75,960	57%
Other Charges & Services	114,050	21,434	58,039	56,011	51%
Repairs & Maintenance	126,900	15,097	59,068	67,832	47%
Capital Expenditures	-	-	-	-	0%
Transfers	-	-	-	-	0%
Total Expenditures	\$ 631,750	\$ 104,733	\$ 324,309	\$ 307,441	51%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	(68,750)	\$ (66,475)	\$ (1,998)		
Beginning Reserve Balance 10-1-20	84,120		\$ 84,120		
Ending Reserve Balance	15,370		\$ 82,122		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx					
<i>\$225,000-250,000 each year.</i>					

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

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund revenue is below budget target of 44%. Most hotels remit tax on a monthly or quarterly basis. Most receipts pertaining to January, February, and March will be remitted to the City in April. YTD collection activity is under budget expectations. Amendment is anticipated.
- Civic Center rentals are at 92% well above the budget target.

Expenditure Highlights

- As a percentage of budget, total expenditures are within budget parameters. Hotel General is above the budget target due to the timing of payment made to the Museum.

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	650,000	107,920	256,257	393,743	39%
Interest Income	1,000	29	112	888	11%
Rental Fees- Civic Center	55,000	12,123	50,822	4,178	92%
Other Income- Special Events	1,500	20	50	1,450	3%
Other Income- Civic Center	7,500	430	7,088	412	95%
Total Revenues	\$ 715,000	\$ 120,522	\$ 314,328	\$ 400,672	44%
Expenditures					
Hotel General	126,500	5,064	95,585	30,915	76%
Tourism Department	287,020	17,237	110,773	176,247	39%
Civic Center	383,480	93,704	202,770	180,710	53%
Bay City Theatre	260,000	13,996	15,382	244,618	6%
Total Expenditures	\$ 1,057,000	\$ 130,000	\$ 424,510	\$ 632,490	40%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (342,000)	\$ (9,478)	\$ (110,182)		
Beginning Fund Balance 10-1-20	\$ 611,956		\$ 611,956		
Ending Fund Balance	\$ 269,956		\$ 501,774		
<i>Proposed to maintain \$50,000</i>					