



CITY OF BAY CITY Monthly Financial Report Month of April 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 **April 2020**, the seventh month of the fiscal year, and **58%** 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).

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 \$9,991,008 or 66.1% of the budget.

- Property Tax. The certified value totaled \$869 million. Through April, the City received \$4,090,241 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 12.95% (\$52,056) as compared to April 2019. These are collections related to February that are remitted to the City in April. Collections are up \$214,197 YTD as compared to prior year.
- Franchise fees are slightly under budget. Licenses & Permits are at 83% of budget being well over the budget mark!
- Charges for services represents sanitation fees - \$1,464,817 (58% 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 \$8,002,617 or 53.1% of budget.

Most departments are under within the anticipated budget parameter except for the following:

- Human Resource- timing of payments for City Manager search firm
- Parks- timing of the Dreamscape Project

The General Fund's fund balance is budgeted to increase by \$34,195. **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

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	4,434,737	64,893	4,090,241	344,496	92.2%
Sales Tax	4,350,000	340,418	2,663,714	1,686,286	61.2%
Other Local Taxes (Franchise)	1,321,000	97,424	749,305	571,695	56.7%
Charges for Services (Sanitation)	2,527,000	209,349	1,464,817	1,062,183	58.0%
Fines & Penalties	203,000	12,334	151,618	51,382	74.7%
Licenses & Permits	196,000	4,168	162,512	33,488	82.9%
Miscellaneous	1,432,945	10,767	328,902	1,104,043	23.0%
Transfers	643,500	63,148	379,898	263,602	59.0%
Total Revenues	\$ 15,108,182	\$ 802,502	\$ 9,991,008	\$ 5,117,174	66.1%
Expenditures					
City Secretary	153,269	2,989	53,008	100,261	34.6%
City General Services	2,498,547	127,926	1,367,689	1,130,858	54.7%
Administrative Council	318,192	24,743	176,530	141,662	55.5%
Main Street	58,000	-	29,420	28,580	50.7%
Human Resources	287,112	19,741	181,523	105,589	63.2%
Municipal Court	328,673	23,847	176,434	152,239	53.7%
Finance	337,281	30,348	188,413	148,868	55.9%
Police	4,618,763	376,634	2,514,561	2,104,202	54.4%
Animal Impoundment	167,892	12,370	81,143	86,749	48.3%
Volunteer Fire Dept.	199,319	4,202	64,973	134,346	32.6%
Street and Bridge	3,461,184	555,721	1,593,008	1,868,176	46.0%
Recycling Center	161,926	12,657	94,195	67,731	58.2%
Parks	1,405,308	109,394	1,034,528	370,780	73.6%
Riverside Park	184,103	12,197	86,184	97,919	46.8%
Recreation	99,823	615	33,151	66,672	33.2%
Pool Operations	275,841	13,717	74,208	201,633	26.9%
Library	518,754	31,685	253,649	265,105	48.9%
Total Expenditures	\$ 15,073,987	\$ 1,358,785	\$ 8,002,617	\$ 7,071,370	53.1%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 34,195	\$ (556,283)	\$ 1,988,391		
Beginning Fund Balance 10-1-19	\$ 3,210,330		\$ 3,210,330		
Ending Fund Balance	\$ 3,244,525		\$ 5,198,721		
% of Operating Reserves	22%		36%		
Fund Balance Target 90 days (25%)	\$ 3,606,502				
Over/(Under) min Policy Level (25%)	\$ (361,977)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 56% being slightly below budget expectations. This is because the City bills in arrears.

Expenditure Highlights

- Total expenditures for the Utility Fund are 52% of budget.
- The Utility Fund is budgeted to use \$1.8 million to fund capital projects and emergency infrastructure repairs.

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	7,755,500	656,229	4,324,395	3,431,105	56%
Fines & Penalties	145,000	-	57,216	87,784	39%
Miscellaneous	65,000	28,413	81,169	(16,169)	125%
Total Revenues	\$ 7,965,500	\$ 684,642	\$ 4,462,780	\$ 3,502,720	56%
Expenditures					
Utility General	4,224,738	300,744	2,054,214	2,170,524	49%
Utility Maintenance	2,958,330	188,562	1,766,172	1,192,158	60%
Water & WWTP Division	2,354,432	184,010	1,110,642	1,243,790	47%
Warehouse Operations	242,500	14,914	111,838	130,662	46%
Total Expenditures	\$ 9,780,000	\$ 688,230	\$ 5,042,865	\$ 4,737,135	52%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (1,814,500)	\$ (3,587)	\$ (580,085)		
Beginning Reserve Balance 10-1-19	\$ 3,756,008		\$ 3,756,008		
Ending Reserve Balance	\$ 1,941,508		\$ 3,175,923		
% of Operating Reserves	27%		44%		
Target 90 days (25%)	\$ 1,820,599				
Over/(Under) Target	\$ 120,909				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 55% 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 55% 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	58%				
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	-	-	150	150	N/A
Miscellaneous (Rentals, Grants)	153,300	8,555	68,485	84,815	45%
Transfers (GF & BCCDC)	330,000	27,500	192,500	137,500	58%
Other Revenue (Fuel Sales)	180,500	7,419	102,316	78,184	57%
Total Revenues	\$ 663,800	\$ 43,474	\$ 363,451	\$ 300,649	55%
Expenditures					
Personnel	213,217	19,686	107,593	105,624	50%
Supplies & Materials (Fuel etc)	174,600	20,757	98,680	75,920	57%
Other Charges & Services	79,550	1,219	47,540	32,010	60%
Repairs & Maintenance	126,900	1,376	28,541	98,359	22%
Capital Expenditures	311,200	-	266,979	44,221	86%
Transfers	86,301	-	-	86,301	0%
Total Expenditures	\$ 991,768	\$ 43,038	\$ 549,332	\$ 442,436	55%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(327,968)	\$ 436	\$ (185,882)		
Beginning Reserve Balance 10-1-19	394,987		\$ 394,987		
Ending Reserve Balance	67,019		\$ 209,105		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx \$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 58%. This is due to the timing of hotel/motel tax payments & possible effects from COVID-19. Hotels remit tax on a monthly or quarterly basis.
- Miscellaneous Income: Civic Center rentals are below budget target due to cancellation of rentals (COVID-19).

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	58%				
	Total Budget	Current Period	YTD Actual*	(Over)(Under Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	750,000	60,129	266,699	483,301	36%
Rental Fees- Civic Center	85,000	1,125	45,000	40,000	53%
Other Income- Special Events	10,000	(1,600)	13,849	(3,849)	138%
Miscellaneous	6,000	251	2,482	3,518	41%
Total Revenues	\$ 851,000	\$ 59,904	\$ 328,030	\$ 522,970	39%
Expenditures					
Hotel General	108,000	4,446	89,967	18,033	83%
Tourism Department	292,000	5,847	141,206	150,794	48%
Civic Center	350,000	25,403	129,228	220,772	37%
Bay City Theatre	150,000	800	37,051	112,949	25%
Total Expenditures	\$ 900,000	\$ 36,496	\$ 397,451	\$ 502,549	44%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (49,000)	\$ 23,408	\$ (69,421)		
Beginning Fund Balance 10-1-19	\$ 487,418		\$ 487,418		
Ending Fund Balance	\$ 438,418		\$ 417,997		
<i>Proposed to maintain \$50,000</i>					