



CITY OF BAY CITY

Monthly Financial Report

Month of May 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 **May 2019**, the eighth month of the fiscal year, and **67%** 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).

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 \$10,887,058 or 72.4% of the budget.

- **Property Tax.** The certified value totaled \$857 million. Through May, the City received \$4,128,819 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** May Sales Tax Allocation to the City is up 6.68% (\$35,400) as compared to May 2018. These are collections related to March that are remitted to the City in May. Collections are up \$126,072 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 - \$1,628,454 (66.7% 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 \$8,893,089 or 61.2% of budget.

Most departments are under the 67% budget target. Budgets that are over the budget target are primarily due to timing of payments.

- City Secretary- due to election costs (Amendment needed)
- Human Resource- due to timing of payments
- 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 aide in the building of the reserve by fiscal year end.

GENERAL FUND FINANCIAL SUMMARY

General Fund (Fund 11)					
Percent of Fiscal Year Complete	67%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,459,684	(60,977)	4,128,819	330,865	92.6%
Sales Tax	4,275,000	423,939	2,927,003	1,347,997	68.5%
Other Local Taxes (Franchise)	1,312,500	112,987	851,996	460,504	64.9%
Charges for Services (Sanitation)	2,443,000	203,855	1,628,454	814,546	66.7%
Fines & Penalties	203,000	21,468	123,112	79,888	60.6%
Licenses & Permits	180,500	15,941	189,685	(9,185)	105.1%
Miscellaneous	1,415,516	23,825	535,246	880,270	37.8%
Transfers	741,800	59,733	502,743	239,057	67.8%
Total Revenues	\$ 15,031,000	\$ 800,771	\$ 10,887,058	\$ 4,143,942	72.4%
Expenditures					
City Secretary	148,949	17,989	108,632	40,317	72.9%
City General Services	2,708,449	234,816	1,807,520	900,930	66.7%
Administrative Council	207,580	19,347	127,628	79,952	61.5%
Main Street	55,800	-	17,263	38,537	30.9%
Human Resources	246,623	26,713	167,836	78,787	68.1%
Municipal Court	318,522	31,685	195,171	123,351	61.3%
Finance	322,582	37,108	215,089	107,493	66.7%
Police	4,463,977	458,196	2,883,786	1,580,191	64.6%
Animal Impoundment	165,482	17,805	98,926	66,556	59.8%
Volunteer Fire Dept.	194,391	9,226	142,473	51,918	73.3%
Street and Bridge	3,230,327	511,434	1,651,875	1,578,452	51.1%
Recycling Center	394,505	152,952	404,737	(10,232)	102.6%
Parks	1,015,961	77,434	507,284	508,677	49.9%
Riverside Park	273,517	21,796	142,978	130,539	52.3%
Recreation	94,186	4,486	56,126	38,060	59.6%
Pool Operations	266,681	9,679	86,454	180,227	32.4%
Library	423,468	46,583	279,311	144,157	66.0%
Total Expenditures	\$ 14,531,000	\$ 1,677,248	\$ 8,893,089	\$ 5,637,911	61.2%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 500,000	\$ (876,477)	\$ 1,993,969		
Beginning Fund Balance 10-1-18	\$ 2,218,367	<i>Actual</i>	\$ 2,218,367		
Ending Fund Balance	\$ 2,718,367		\$ 4,212,336		
% of Operating Reserves	20%		31%		
Fund Balance Target 90 days (25%)	\$ 3,435,795				
Over/(Under) min Policy Level (25%)	\$ (717,428)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 67% being within budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 50% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	67%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
<u>Revenues</u>					
Charges for Services	7,594,000	645,249	5,034,089	2,559,911	66%
Fines & Penalties	175,000	11,127	101,262	73,738	58%
Miscellaneous	10,000	4,216	70,310	(60,310)	703%
Total Revenues	\$ 7,779,000	\$ 660,592	\$ 5,205,662	\$ 2,573,338	67%
<u>Expenditures</u>					
Utility General	4,448,218	375,027	2,601,176	1,847,042	58%
Utility Maintenance	1,920,076	203,915	847,742	1,072,334	44%
Water & WWTP Division	2,400,206	145,307	937,539	1,462,667	39%
Warehouse Operations	86,500	6,344	49,222	37,278	57%
Total Expenditures	\$ 8,855,000	\$ 730,593	\$ 4,435,679	\$ 4,419,321	50%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (1,076,000)	\$ (70,001)	\$ 769,983		
Beginning Reserve Balance 10-1-18	\$ 2,822,798	<i>Actual</i>	\$ 2,822,798		
Ending Reserve Balance	\$ 1,746,798		\$ 3,592,781		
% of Operating Reserves	24%		50%		
Target 90 days (25%)	\$ 1,794,419.00				
Over/(Under) Target	\$ (47,621.00)				
<i>Designated for capital projects</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 69% 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 79% which is over the budget target. This is due to the timing Routine Annual Maintenance Projects (RAMP) at the airport.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	67%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	-	50	250	(250)	N/A
Miscellaneous (Rentals, Grants)	156,000	8,593	117,547	38,453	75%
Transfers (General Fund)	250,000	20,833	166,667	83,333	67%
Other Revenue (Fuel Sales)	178,500	17,895	120,566	57,934	68%
Total Revenues	\$ 584,500	\$ 47,371	\$ 405,030	\$ 179,470	69%
Expenditures					
Personnel	136,850	18,820	94,126	42,724	69%
Supplies & Materials	154,000	23,711	124,626	29,374	81%
Other Charges & Services	73,700	13,240	55,710	17,990	76%
Repairs & Maintenance	131,336	10,297	137,247	(5,911)	105%
Capital Expenditures	146,114	82,012	96,443	49,671	66%
Total Expenditures	\$ 642,000	\$ 148,080	\$ 508,152	\$ 133,848	79%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(57,500)	\$ (100,709)	\$ (103,122)		
Beginning Reserve Balance 10-1-18	133,310	<i>Actual</i>	\$ 133,310		
Ending Reserve Balance	75,810		\$ 30,188		
<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 52%. 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 primarily due to timing of expenditures related to the Texas Theater Project.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	67%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	800,000	55,034	382,095	417,905	48%
Miscellaneous	79,000	12,400	76,682	2,318	97%
Total Revenues	\$ 879,000	\$ 67,433	\$ 458,776	\$ 420,224	52%
Expenditures					
Council Discretionary	133,000	4,000	98,000	35,000	74%
Tourism Department	263,000	20,450	155,367	134,918	59%
Civic Center	311,000	20,899	167,482	143,518	54%
Bay City Theatre	172,000	9,770	24,574	147,426	14%
Total Expenditures	\$ 879,000	\$ 55,118	\$ 445,424	\$ 460,861	51%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 12,315	\$ 13,353		
Beginning Fund Balance 10-1-18	\$ 419,255	<i>Actual</i>	\$ 419,255		
Ending Fund Balance	\$ 419,255		\$ 432,608		
<i>Proposed to maintain \$50,000</i>					