



CITY OF BAY CITY

Monthly Financial Report

Month of May 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 **May 2018**, the eighth month of the fiscal year, and **67%** 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 \$10,477,179 or 72.5% of the budget.

- **Property Tax.** The certified value totaled \$811 million. Through May, the City received \$4,088,347 of the 4.2-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 down 11.52% (\$68,976) as compared to May 2017. These are collections related to March that are remitted to the City in May. Collections are down YTD by \$56,053 as compared to prior year. Sales tax is still 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 - \$1,568,234 (67.7% 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).
- 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 8,100,032 or 56.1% 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 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	67%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,267,949	50,027	\$ 4,088,347	\$ 179,602	95.8%
Sales Tax	4,117,500	397,388	\$ 2,832,449	\$ 1,285,051	68.8%
Other Local Taxes (Franchise)	1,300,000	116,448	854,445	\$ 445,555	65.7%
Charges for Services (Sanitation)	2,316,000	198,786	1,568,234	\$ 747,766	67.7%
Fines & Penalties	283,500	16,062	140,221	\$ 143,279	49.5%
Licenses & Permits	181,500	124,618	340,041	\$ (158,541)	187.4%
Miscellaneous	927,751	23,417	310,909	\$ 616,842	33.5%
Transfers	513,800	42,817	342,533	\$ 171,267	66.7%
Other Revenue	540,000	-	-	\$ 540,000	0.0%
Total Revenues	\$ 14,448,000	\$ 969,564	\$ 10,477,179	\$ 3,970,821	72.5%
Expenditures					
City Secretary	141,451	\$ 6,712	\$ 98,416	\$ 43,035	69.6%
City General Services	2,622,540	192,471	1,564,840	\$ 1,057,700	59.7%
Administrative Council	206,205	16,946	129,700	\$ 76,505	62.9%
Main Street	50,800	8,361	45,532	\$ 5,268	89.6%
Personnel Resources	238,202	19,647	155,699	\$ 82,503	65.4%
Municipal Court	308,019	29,109	175,291	\$ 132,728	56.9%
Finance	318,745	24,290	189,090	\$ 129,655	59.3%
Police	4,666,840	336,161	2,731,731	\$ 1,935,109	58.5%
Animal Impoundment	163,830	12,009	97,716	\$ 66,114	59.6%
Volunteer Fire Dept.	185,198	7,778	149,681	\$ 35,517	80.8%
Public Works	3,177,046	130,605	1,635,088	\$ 1,541,958	51.5%
Recycling Center	160,029	11,962	88,924	\$ 71,105	55.6%
Parks	929,937	82,214	551,089	\$ 378,848	59.3%
Riverside Park	210,300	8,861	75,844	\$ 134,456	36.1%
Recreation	100,012	2,799	45,725	\$ 54,287	45.7%
Aquatics	282,096	18,582	117,803	\$ 164,293	41.8%
Library	686,750	27,760	247,863	\$ 438,887	36.1%
Total Expenditures	\$ 14,448,000	\$ 936,267	\$ 8,100,032	\$ 6,347,968	56.1%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 33,297	\$ 2,377,147	\$ (2,377,147)	
Beginning Fund Balance (10-1-17)	\$ 1,363,153	<i>Actual</i>	\$ 1,363,153		
Ending Fund Balance	\$ 1,363,153		\$ 3,740,300		
% of Operating Reserves	9.82%		25.89%		
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 66% being within budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 52% 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
Revenues					
Charges for Services	\$ 7,522,000	\$ 675,734	\$ 4,936,354	\$ 2,585,646	66%
Fines & Penalties	190,000	16,991	133,936	\$ 56,064	70%
Miscellaneous	9,000	1,753	23,156	\$ (14,156)	257%
Total Revenues	\$ 7,721,000	\$ 694,478	5,093,446	\$ 2,627,554	66%
Expenditures					
General Operation	\$ 3,853,885	\$ 345,358	\$ 2,606,078	\$ 1,247,807	68%
Water	2,099,829	76,489	618,458	\$ 1,481,371	29%
Sewer	1,680,786	79,575	769,824	\$ 910,962	46%
Warehouse Operations	86,500	6,545	52,762	\$ 33,738	61%
Total Expenditures	\$ 7,721,000	\$ 507,967	4,047,122	\$ 3,673,878	52%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 186,512	\$ 1,046,324	\$ (1,046,324)	
Beginning Reserve Balance 10-1-17	\$ 3,166,423	<i>Actual</i>	\$ 3,166,423		
Ending Reserve Balance	\$ 3,166,423		\$ 4,212,747		
% of Operating Reserves	43.28%		57.58%		
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 62% 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 56%. Capital Expenditures are slightly over budget—the TXDOT airport project required additional match than what was anticipated in the budget.

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	\$ -	-	200	(200.00)	N/A
Miscellaneous (Rentals, Grants)	158,000	8,766	72,335	85,665.13	46%
Transfers (General Fund)	150,000	12,500	100,000	50,000.00	67%
Other Revenue (Fuel Sales)	160,500	23,562	117,649	42,851.21	73%
Total Revenues	\$ 468,500	\$ 44,828	290,184	\$ 178,316	62%
Expenditures					
Personnel	\$ 133,046	\$ 9,922	\$ 67,170	\$ 65,876	50%
Supplies & Materials	119,500	19,042	95,185	\$ 24,315	80%
Other Charges & Services	82,104	2,822	47,103	\$ 35,001	57%
Repairs & Maintenance	138,829	6,223	39,019	\$ 99,810	28%
Capital Expenditures	32,021	6,317	32,181	\$ (160)	100%
Total Expenditures	\$ 505,500	\$ 44,327	280,658	\$ 224,842	56%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (37,000)	\$ 501	\$ 9,526	\$ (46,526)	
Beginning Reserve Balance 10-1-17	\$ 109,256		\$ 109,256		
Ending Reserve Balance	\$ 72,256		118,782		
<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 61%. 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	67%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	\$ 725,000	91,710	\$ 440,713	\$ 284,287	61%
Miscellaneous	657,650	6,857	68,911	\$ 588,739	10%
Total Revenues	\$ 1,382,650	\$ 98,567	509,624	\$ 873,026	37%
Expenditures					
Council Discretionary	\$ 173,545	4,233	95,822	77,723	55%
Tourism Department	219,955	35,448	134,984	84,971	61%
Civic Center	843,500	25,921	192,363	651,137	23%
Bay City Theatre	330,000	8,555	10,511	319,489	3%
Total Expenditures	\$ 1,567,000	\$ 74,157	\$ 433,679	\$ 1,133,321	28%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (184,350)	\$ 24,410	\$ 75,945	\$ (260,295)	
Beginning Fund Balance (10-1-17)	\$ 449,295	<i>Actual</i>	\$ 449,295		
Ending Fund Balance	\$ 264,945		525,240		
<i>Proposed to maintain \$50,000</i>					