



## CITY OF BAY CITY

### Monthly Financial Report

### Month of May 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 **May 2021**, the eighth month of the fiscal year, and **67%** 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](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 \$11,166,101 or 70.4% of the budget.

- Property Tax. The certified value totaled \$898 million. Through May, the City received \$4,200,449 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 25.14% (\$148,085) as compared to May 2020. These are collections related to March that are remitted to the City in May. Collections are up \$125,494 YTD as compared to prior year.
- Franchise fees are slightly under budget expectations. Licenses & Permits are below budget target; however, this is due to timing of building permits pulled.
- Charges for services represents sanitation fees - \$1,722,793 (67.2% 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 \$9,383,702 or 57.2% of budget.

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

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	<b>67%</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	4,391,617	38,494	4,200,449	191,168	95.6%
Sales Tax	4,725,000	552,910	3,199,679	1,525,321	67.7%
Other Local Taxes (Franchise)	1,326,000	115,205	879,312	446,688	66.3%
Charges for Services (Sanitation)	2,565,000	217,266	1,722,793	842,207	67.2%
Fines & Penalties	201,000	15,202	131,530	69,470	65.4%
Licenses & Permits	192,500	16,734	108,131	84,369	56.2%
Miscellaneous	1,797,752	40,844	476,539	1,321,213	26.5%
Transfers In (Hotel/Motel & Utility)	671,500	55,958	447,667	223,833	66.7%
<b>Total Revenues</b>	<b>\$ 15,870,369</b>	<b>\$ 1,052,613</b>	<b>\$ 11,166,101</b>	<b>\$ 4,704,268</b>	<b>70.4%</b>
<b>Expenditures</b>					
Administrative Council	307,405	23,357	193,546	113,859	63.0%
City General Services	3,279,806	154,462	1,529,553	1,750,253	46.6%
City Secretary	111,745	6,587	65,579	46,166	58.7%
Main Street	65,000	4,000	35,831	29,169	55.1%
Human Resources	264,874	20,863	174,575	90,299	65.9%
Municipal Court	344,249	26,675	201,257	142,992	58.5%
Finance	341,670	32,552	238,998	102,672	69.9%
Code Enforcement	312,750	26,393	156,383	156,367	50.0%
Police	4,774,749	332,749	3,150,803	1,623,946	66.0%
Animal Impoundment	170,712	13,180	110,214	60,498	64.6%
Volunteer Fire Dept.	198,863	4,619	140,144	58,719	70.5%
Recycling Center	186,680	14,041	126,114	60,566	67.6%
Street and Bridge	3,805,127	93,673	2,097,193	1,707,934	55.1%
Parks	1,160,083	79,627	546,832	613,251	47.1%
Riverside Park	201,909	16,655	99,161	102,748	49.1%
Recreation	101,823	11,755	68,804	33,019	67.6%
Pool Operations	286,352	9,070	148,220	138,132	51.8%
Library	487,837	33,276	300,495	187,342	61.6%
<b>Total Expenditures</b>	<b>\$ 16,401,634</b>	<b>\$ 903,534</b>	<b>\$ 9,383,702</b>	<b>\$ 7,017,932</b>	<b>57.2%</b>
*YTD does not includes encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (531,265)</b>	<b>\$ 149,079</b>	<b>\$ 1,782,398</b>		
<b>Beginning Fund Balance 10-1-20</b>	<b>\$ 4,632,970</b>		<b>\$ 4,632,970</b>		
<b>Ending Fund Balance</b>	<b>\$ 4,101,705</b>		<b>\$ 6,415,368</b>		
% of Operating Reserves	28%		44%		
Fund Balance Target 90 days (25%)	\$ 3,591,756				
<b>Over/(Under) min Policy Level (25%)</b>	<b>\$ 509,949</b>				

## **Public Utility Fund Overview**

### **Revenue Highlights**

- As a percentage of budget, total Water & Sewer Revenue is 70% being slightly above budget target. This is primarily due to additional water consumption during Winter Storm Uri.

### **Expenditure Highlights**

- Total expenditures for the Utility Fund are 62% 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	<b>67%</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	8,177,000	1,076,627	5,760,028	2,416,972	70%
Fines & Penalties	140,000	11,565	78,738	61,262	56%
Miscellaneous	58,000	73	6,576	51,424	11%
<b>Total Revenues</b>	<b>\$ 8,375,000</b>	<b>\$ 1,088,265</b>	<b>\$ 5,845,342</b>	<b>\$ 2,529,658</b>	<b>70%</b>
<b>Expenditures</b>					
Utility Billing	321,069	23,299	182,771	138,298	57%
Utility Operations	3,963,096	277,577	2,326,381	1,636,715	59%
Utility Maintenance	2,131,236	279,024	1,626,693	504,543	76%
Water & WWTP Division	1,959,599	74,613	1,079,811	879,788	55%
<b>Total Expenditures</b>	<b>\$ 8,375,000</b>	<b>\$ 654,513</b>	<b>\$ 5,215,656</b>	<b>\$ 3,159,344</b>	<b>62%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ 433,752</b>	<b>\$ 629,686</b>		
<b>Beginning Reserve Balance 10-1-20</b>	<b>\$ 2,855,067</b>		<b>\$ 2,855,067</b>		
<b>Ending Reserve Balance</b>	<b>\$ 2,855,067</b>		<b>\$ 3,484,753</b>		
% of Operating Reserves	32%		39%		
<b>Target 90 days (25%)</b>	<b>\$ 2,206,635</b>				
<b>Over/(Under) Target</b>	<b>\$ 648,432</b>				
<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 70% being slightly above budget expectations.
- 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 59% 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	<b>67%</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	-	-	-	-	N/A
Miscellaneous (Rentals, Grants)	157,500	15,909	110,110	47,390	70%
Transfers - General Fund	225,000	18,750	150,000	75,000	67%
Other Revenue (Fuel Sales)	180,500	39,319	136,180	44,320	75%
<b>Total Revenues</b>	<b>\$ 563,000</b>	<b>\$ 73,978</b>	<b>\$ 396,290</b>	<b>\$ 166,710</b>	<b>70%</b>
<b>Expenditures</b>					
Personnel	215,400	15,542	123,304	92,096	57%
Supplies & Materials (Fuel etc)	175,400	18,730	118,170	57,230	67%
Other Charges & Services	114,050	9,579	67,618	46,432	59%
Repairs & Maintenance	126,900	4,004	63,073	63,827	50%
Capital Expenditures	-	-	-	-	0%
Transfers	-	-	-	-	0%
<b>Total Expenditures</b>	<b>\$ 631,750</b>	<b>\$ 47,856</b>	<b>\$ 372,165</b>	<b>\$ 259,585</b>	<b>59%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>(68,750)</b>	<b>\$ 26,123</b>	<b>\$ 24,125</b>		
<b>Beginning Reserve Balance 10-1-20</b>	<b>84,120</b>		<b>\$ 84,120</b>		
<b>Ending Reserve Balance</b>	<b>15,370</b>		<b>\$ 108,245</b>		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx \$225,000-250,000 each year.					

## **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 67%. Most hotels remit tax on a monthly or quarterly basis. Most receipts pertaining to April, May, and June will be remitted to the City in July. YTD collection activity is under budget expectations. Amendment is anticipated.
- Civic Center rentals are at 99 % 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	<b>67%</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>					
Hotel Occupancy Tax	650,000	45,175	301,432	348,568	46%
Interest Income	1,000	25	136	864	14%
Rental Fees- Civic Center	55,000	3,675	54,497	503	99%
Other Income- Special Events	1,500	-	50	1,450	3%
Other Income- Civic Center	7,500	245	7,333	167	98%
<b>Total Revenues</b>	<b>\$ 715,000</b>	<b>\$ 49,119</b>	<b>\$ 363,448</b>	<b>\$ 351,552</b>	<b>51%</b>
<b>Expenditures</b>					
Hotel General	126,500	10,720	106,305	20,195	84%
Tourism Department	287,020	11,652	122,425	164,595	43%
Civic Center	383,480	27,018	229,788	153,692	60%
Bay City Theatre	260,000	1,350	16,732	243,268	6%
<b>Total Expenditures</b>	<b>\$ 1,057,000</b>	<b>\$ 50,740</b>	<b>\$ 475,251</b>	<b>\$ 581,749</b>	<b>45%</b>
*YTD does not include encumbrances					
<b>Net Revenue (Expenditures)</b>	<b>\$ (342,000)</b>	<b>\$ (1,621)</b>	<b>\$ (111,803)</b>		
<b>Beginning Fund Balance 10-1-20</b>	<b>\$ 611,956</b>		<b>\$ 611,956</b>		
<b>Ending Fund Balance</b>	<b>\$ 269,956</b>		<b>\$ 500,153</b>		
<i>Proposed to maintain \$50,000</i>					