



CITY OF BAY CITY

Monthly Financial Report

Month of May 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 **May 2020**, the eighth month of the fiscal year, and **67%** 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 is 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 \$10,913,439 or 72.2% of the budget.

- Property Tax. The certified value totaled \$869 million. Through May, the City received \$4,109,691 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 4.23% (\$23,895) as compared to May 2019. These are collections related to March that are remitted to the City in May. Collections are up \$238,092 YTD as compared to prior year.
- Franchise fees are slightly under budget. Licenses & Permits are at 84% of budget being well over the budget mark!
- Charges for services represents sanitation fees - \$1,675,657 (66% 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 \$9,245,390 or 61.2% 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
- Administration- timing of payments for Interim City Manager
- Main Street- timing of payments for contracted support
- Finance- overtime payments in relation to COVID-19 to be reimbursed by Care's Act
- Volunteer Fire- timing of annual operational support payment
- Recycling Center-overtime payments in relation to COVID-19 to be reimbursed by Care's Act
- 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	67%				
	Total Budget	Current Period	YTD Actual*	(Over) Under Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,434,737	19,450	4,109,691	325,046	92.7%
Sales Tax	4,350,000	441,860	3,105,573	1,244,427	71.4%
Other Local Taxes (Franchise)	1,321,000	109,092	858,397	462,603	65.0%
Charges for Services (Sanitation)	2,527,000	210,839	1,675,657	851,343	66.3%
Fines & Penalties	203,000	8,509	160,127	42,873	78.9%
Licenses & Permits	196,000	2,305	164,817	31,183	84.1%
Miscellaneous	1,432,945	77,584	406,486	1,026,459	28.4%
Transfers	643,500	52,792	432,690	210,810	67.2%
Total Revenues	\$ 15,108,182	\$ 922,431	\$ 10,913,439	\$ 4,194,743	72.2%
Expenditures					
City Secretary	153,269	(828)	52,180	101,089	34.0%
City General Services	2,519,195	257,608	1,625,297	893,898	64.5%
Administrative Council	318,192	37,937	214,467	103,725	67.4%
Main Street	58,000	10,773	40,193	17,807	69.3%
Human Resources	287,112	20,457	201,979	85,133	70.3%
Municipal Court	328,673	24,309	200,743	127,930	61.1%
Finance	337,281	38,921	227,334	109,947	67.4%
Police	4,618,763	481,468	2,996,030	1,622,733	64.9%
Animal Impoundment	167,892	17,144	98,288	69,604	58.5%
Volunteer Fire Dept.	199,319	78,653	143,626	55,693	72.1%
Street and Bridge	3,461,184	105,020	1,698,028	1,763,156	49.1%
Recycling Center	161,926	16,184	110,379	51,547	68.2%
Parks	1,405,308	74,336	1,108,864	296,444	78.9%
Riverside Park	184,103	14,478	100,662	83,441	54.7%
Recreation	99,823	10,867	44,018	55,805	44.1%
Pool Operations	275,841	10,420	84,628	191,213	30.7%
Library	518,754	45,027	298,677	220,077	57.6%
Total Expenditures	\$ 15,094,635	\$ 1,242,773	\$ 9,245,390	\$ 5,849,245	61.2%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ 13,547	\$ (320,342)	\$ 1,668,049		
Beginning Fund Balance 10-1-19	\$ 3,210,330		\$ 3,210,330		
Ending Fund Balance	\$ 3,223,877		\$ 4,878,379		
% of Operating Reserves	22%		34%		
Fund Balance Target 90 days (25%)	\$ 3,606,502				
Over/(Under) min Policy Level (25%)	\$ (382,625)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 65% being slightly below budget expectations. This is because the City bills in arrears.

Expenditure Highlights

- Total expenditures for the Utility Fund are 58% 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	67%				
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	7,755,500	676,576	5,000,971	2,754,529	64%
Fines & Penalties	145,000	-	57,216	87,784	39%
Miscellaneous	65,000	811	81,980	(16,980)	126%
Total Revenues	\$ 7,965,500	\$ 677,387	\$ 5,140,167	\$ 2,825,333	65%
Expenditures					
Utility General	903,392	84,084	564,412	338,980	62%
Utility Maintenance	2,958,330	139,802	1,905,974	1,052,356	64%
Water & WWTP Division	2,354,432	144,432	1,255,074	1,099,358	53%
Warehouse Operations	3,563,846	247,866	1,933,590	1,630,256	54%
Total Expenditures	\$ 9,780,000	\$ 616,184	\$ 5,659,049	\$ 4,120,951	58%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (1,814,500)	\$ 61,203	\$ (518,882)		
Beginning Reserve Balance 10-1-19	\$ 3,756,008		\$ 3,756,008		
Ending Reserve Balance	\$ 1,941,508		\$ 3,237,126		
% of Operating Reserves	27%		44%		
Target 90 days (25%)	\$ 1,820,599				
Over/(Under) Target	\$ 120,909				
<i>Designated for Capital Projects</i>					
<i>Some encumbered from Prior Year</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 62% 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 64% which is under the budget target. This is primarily due to the timing of the routine infrastructure maintenance program & transfer to "Generator" Project Fund.

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	-	-	150	150	N/A
Miscellaneous (Rentals, Grants)	153,300	9,335	77,820	75,480	51%
Transfers (GF & BCCDC)	330,000	27,500	220,000	110,000	67%
Other Revenue (Fuel Sales)	180,500	8,008	110,324	70,176	61%
Total Revenues	\$ 663,800	\$ 44,843	\$ 408,294	\$ 255,806	62%
Expenditures					
Personnel	213,217	23,715	131,308	81,909	62%
Supplies & Materials (Fuel etc)	174,600	1,396	100,076	74,524	57%
Other Charges & Services	79,550	8,978	56,518	23,032	71%
Repairs & Maintenance	126,900	51,149	79,689	47,211	63%
Capital Expenditures	311,200	-	266,979	44,221	86%
Transfers	86,301	-	-	86,301	0%
Total Expenditures	\$ 991,768	\$ 85,238	\$ 634,571	\$ 357,197	64%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(327,968)	\$ (40,395)	\$ (226,277)		
Beginning Reserve Balance 10-1-19	394,987		\$ 394,987		
Ending Reserve Balance	67,019		\$ 168,710		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx \$250,000					
<i>Reserve encumbered for fuel trucks</i>					

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

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 67%. 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	67%				
	Total Budget	Current Period	YTD Actual*	(Over)(Under Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	750,000	123,272	389,971	360,029	52%
Rental Fees- Civic Center	85,000	(1,325)	43,675	41,325	51%
Other Income- Special Events	10,000	30	13,879	(3,879)	139%
Miscellaneous	6,000	280	2,762	3,238	46%
Total Revenues	\$ 851,000	\$ 122,257	\$ 450,287	\$ 400,713	53%
Expenditures					
Hotel General	108,000	4,060	94,026	13,974	87%
Tourism Department	292,000	16,427	157,633	134,367	54%
Civic Center	350,000	28,582	157,810	192,190	45%
Bay City Theatre	150,000	-	37,051	112,949	25%
Total Expenditures	\$ 900,000	\$ 49,069	\$ 446,520	\$ 453,480	50%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (49,000)	\$ 73,188	\$ 3,767		
Beginning Fund Balance 10-1-19	\$ 487,418		\$ 487,418		
Ending Fund Balance	\$ 438,418		\$ 491,185		
<i>Proposed to maintain \$50,000</i>					