



CITY OF BAY CITY

Monthly Financial Report

Month of July 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 **July 2018**, the tenth month of the fiscal year, and **83%** 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 \$12,098,945 or 81.3% of the budget.

- **Property Tax.** The certified value totaled \$811 million. Through July, the City received \$4,170,449 of the 4.2-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** July Sales Tax Allocation to the City is up 4.45% (\$20,461) as compared to July 2017. These are collections related to May that are remitted to the City in July. Collections are down YTD by \$28,638 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 - \$1,965,860 (84.9% 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 845,000. The City issued a tax note to fund capital improvements in the General Fund (Police Roof, Fire Roof, Library Roof, & various road equipment).

General Fund Expenditure Highlights

Expenditures total 10,790,897 or 72.5% of budget.

- Most departments are under the 83% 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.
 - Personnel Resources exceeding budget target due to timing of expenditures.
 - Administrative Council exceeding budget target (amendment may be needed).

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	83%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,267,949	34,558	\$ 4,170,449	\$ 97,500	97.7%
Sales Tax	4,237,500	360,277	\$ 3,530,927	\$ 706,573	83.3%
Other Local Taxes (Franchise)	1,300,000	113,688	1,052,443	\$ 247,557	81.0%
Charges for Services (Sanitation)	2,316,000	198,922	1,965,860	\$ 350,140	84.9%
Fines & Penalties	283,500	16,703	173,800	\$ 109,700	61.3%
Licenses & Permits	181,500	6,849	373,178	\$ (191,678)	205.6%
Miscellaneous	938,751	45,323	404,121	\$ 534,630	43.0%
Transfers	513,800	42,817	428,167	\$ 85,633	83.3%
Other Revenue	845,000	-	-	\$ 845,000	0.0%
Total Revenues	\$ 14,884,000	\$ 819,136	\$ 12,098,945	\$ 2,785,055	81.3%
Expenditures					
City Secretary	141,451	\$ 11,584	\$ 128,782	\$ 12,669	91.0%
City General Services	2,799,540	270,748	2,043,433	\$ 756,107	73.0%
Administrative Council	206,205	24,364	178,916	\$ 27,289	86.8%
Main Street	61,800	-	49,123	\$ 12,677	79.5%
Personnel Resources	238,202	23,308	205,262	\$ 32,940	86.2%
Municipal Court	308,019	29,873	234,905	\$ 73,114	76.3%
Finance	318,745	34,437	257,190	\$ 61,555	80.7%
Police	4,466,840	466,864	3,703,676	\$ 763,164	82.9%
Animal Impoundment	163,830	16,241	130,973	\$ 32,858	79.9%
Volunteer Fire Dept.	245,198	6,056	164,683	\$ 80,515	67.2%
Public Works	3,715,046	127,540	2,159,940	\$ 1,555,106	58.1%
Recycling Center	160,029	16,344	122,340	\$ 37,689	76.4%
Parks	929,937	76,247	700,118	\$ 229,819	75.3%
Riverside Park	210,300	13,820	103,050	\$ 107,250	49.0%
Recreation	100,012	13,986	75,668	\$ 24,344	75.7%
Aquatics	282,096	38,724	203,014	\$ 79,082	72.0%
Library	536,750	40,608	329,824	\$ 206,926	61.4%
Total Expenditures	\$ 14,884,000	\$ 1,210,745	\$ 10,790,897	\$ 4,093,103	72.5%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ (391,610)	\$ 1,308,048	\$ (1,308,048)	
Beginning Fund Balance (10-1-17)	\$ 1,363,153	<i>Actual</i>	\$ 1,363,153		
Ending Fund Balance	\$ 1,363,153		\$ 2,671,201		
% of Operating Reserves	9.82%		17.95%		
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 83% being within budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 67% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete		83%			
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ 7,522,000	\$ 647,976	\$ 6,245,567	\$ 1,276,433	83%
Fines & Penalties	190,000	12,288	159,522	\$ 30,478	84%
Miscellaneous	9,000	2,043	26,996	\$ (17,996)	300%
Total Revenues	\$ 7,721,000	\$ 662,307	6,432,085	\$ 1,288,915	83%
Expenditures					
General Operation	\$ 3,803,885	\$ 350,319	\$ 3,084,354	\$ 719,531	81%
Water	2,149,829	155,079	1,036,583	\$ 1,113,246	48%
Sewer	1,680,786	90,999	995,708	\$ 685,078	59%
Warehouse Operations	86,500	2,982	62,777	\$ 23,723	73%
Total Expenditures	\$ 7,721,000	\$ 599,379	5,179,422	\$ 2,541,578	67%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 62,928	\$ 1,252,664	\$ (1,252,664)	
Beginning Reserve Balance 10-1-17	\$ 3,166,423	<i>Actual</i>	\$ 3,166,423		
Ending Reserve Balance	\$ 3,166,423		\$ 4,419,087		
* Includes Bond Reserves					
% of Operating Reserves	43.28%		60.40%		
Target 90 days (25%)	1,829,060				
Over/(Under) Target	\$ 1,337,364				
<i>Designated for capital projects</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 83% being at 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 73%.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	83%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ -	50	300	(300.00)	N/A
Miscellaneous (Rentals, Grants)	158,000	9,237	103,113	54,887.18	65%
Transfers (General Fund)	150,000	12,500	125,000	25,000.00	83%
Other Revenue (Fuel Sales)	160,500	27,262	161,232	(732.31)	100%
Total Revenues	\$ 468,500	\$ 49,049	389,645	\$ 78,855	83%
Expenditures					
Personnel	\$ 133,046	\$ 15,364	\$ 97,729	\$ 35,317	73%
Supplies & Materials	119,500	13,065	129,919	\$ (10,419)	109%
Other Charges & Services	82,104	7,934	60,080	\$ 22,024	73%
Repairs & Maintenance	138,829	4,023	48,197	\$ 90,632	35%
Capital Expenditures	32,021	-	32,181	\$ (160)	100%
Total Expenditures	\$ 505,500	\$ 40,387	368,106	\$ 137,394	73%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (37,000)	\$ 8,662	\$ 21,540	\$ (58,540)	
Beginning Reserve Balance 10-1-17	\$ 109,256		\$ 109,256		
Ending Reserve Balance	\$ 72,256		130,796		
<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 47%. This is due to the timing of hotel payments & timing of use of reserve for capital projects. 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. However, the roof will now be replaced with hotel reserve. (Amendment) 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	83%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	\$ 725,000	113,294	\$ 570,930	\$ 154,070	79%
Miscellaneous	657,650	7,015	81,121	\$ 576,529	12%
Total Revenues	\$ 1,382,650	\$ 120,309	652,051	\$ 730,599	47%
Expenditures					
Council Discretionary	\$ 173,545	56,978	157,033	16,512	90%
Tourism Department	219,955	16,391	185,665	34,290	84%
Civic Center	843,500	113,473	329,085	514,415	39%
Bay City Theatre	330,000	43,975	75,028	254,972	23%
Total Expenditures	\$ 1,567,000	\$ 230,817	\$ 746,811	\$ 820,189	48%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (184,350)	\$ (110,508)	\$ (94,759)	\$ (89,591)	
Beginning Fund Balance (10-1-17)	\$ 449,295	<i>Actual</i>	\$ 449,295		
Ending Fund Balance	\$ 264,945		354,536		
<i>Proposed to maintain \$50,000</i>					