



CITY OF BAY CITY

Monthly Financial Report

Month of July 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 **July 2019**, the tenth month of the fiscal year, and **83%** 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 \$13,439,678 or 87.4% of the budget.

- **Property Tax.** The certified value totaled \$857 million. Through July, the City received \$4,364,531 of the 4.4-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 6.32% (\$30,380) as compared to July 2018. These are collections related to May that are remitted to the City in July. Collections are up \$193,612 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 - \$2,038,590 (83.4% 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 \$11,375,603 or 76% of budget.

Most departments are under the 83% budget target. Budgets that are over the budget target are primarily due to timing of payments.

- Recycling Center- New Recycling Center over budget (Amendment needed)
- Recreation- Timing of recreational programs

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 aid in the building of 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	4,459,684	38,193	4,364,531	95,153	97.9%
Sales Tax	4,395,000	383,062	3,676,136	718,864	83.6%
Other Local Taxes (Franchise)	1,312,500	118,149	1,056,834	255,666	80.5%
Charges for Services (Sanitation)	2,443,000	205,609	2,038,590	404,410	83.4%
Fines & Penalties	203,000	19,759	160,412	42,588	79.0%
Licenses & Permits	202,500	44,204	248,765	(46,265)	122.8%
Miscellaneous	1,627,015	677,592	1,272,200	354,815	78.2%
Transfers	741,800	59,733	622,209	119,591	83.9%
Total Revenues	\$ 15,384,499	\$ 1,546,300	\$ 13,439,678	\$ 1,944,821	87.4%
Expenditures					
City Secretary	161,949	11,249	135,307	26,642	83.5%
City General Services	2,743,625	152,621	2,245,644	497,981	81.8%
Administrative Council	207,580	14,125	165,144	42,436	79.6%
Main Street	55,800	-	38,808	16,992	69.5%
Human Resources	246,623	15,113	197,076	49,547	79.9%
Municipal Court	318,522	22,590	243,646	74,876	76.5%
Finance	322,582	25,919	267,345	55,237	82.9%
Police	4,505,977	326,359	3,567,233	938,744	79.2%
Animal Impoundment	165,482	12,188	123,137	42,345	74.4%
Volunteer Fire Dept.	194,391	8,778	155,793	38,598	80.1%
Street and Bridge	3,230,327	230,730	2,095,318	1,135,009	64.9%
Recycling Center	668,505	99,265	724,410	(55,905)	108.4%
Parks	1,090,961	55,744	622,677	468,284	57.1%
Riverside Park	273,517	29,673	189,938	83,579	69.4%
Recreation	94,186	12,212	94,629	(443)	100.5%
Pool Operations	266,681	28,841	153,441	113,240	57.5%
Library	423,468	44,814	356,058	67,410	84.1%
Total Expenditures	\$ 14,970,176	\$ 1,090,218	\$ 11,375,603	\$ 3,594,573	76.0%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 414,323	\$ 456,082	\$ 2,064,075		
Beginning Fund Balance 10-1-18	\$ 2,218,367	<i>Actual</i>	\$ 2,218,367		
Ending Fund Balance	\$ 2,632,690		\$ 4,282,442		
% of Operating Reserves	19%		31%		
Fund Balance Target 90 days (25%)	\$ 3,435,795				
Over/(Under) min Policy Level (25%)	\$ (803,105)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 84% being above budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 57% 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	7,594,000	651,450	6,338,922	1,255,078	83%
Fines & Penalties	175,000	13,565	126,252	48,748	72%
Miscellaneous	10,000	5,192	79,548	(69,548)	795%
Total Revenues	\$ 7,779,000	\$ 670,207	\$ 6,544,722	\$ 1,234,278	84%
Expenditures					
Utility General	4,448,218	320,137	3,222,709	1,225,509	72%
Utility Maintenance	1,920,076	46,182	654,164	1,265,912	34%
Water & WWTP Division	2,400,206	113,244	1,084,851	1,315,355	45%
Warehouse Operations	86,500	5,315	61,186	25,314	71%
Total Expenditures	\$ 8,855,000	\$ 484,878	\$ 5,022,910	\$ 3,832,090	57%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (1,076,000)	\$ 185,328	\$ 1,521,812		
Beginning Reserve Balance 10-1-18	\$ 2,822,798	<i>Actual</i>	\$ 2,822,798		
Ending Reserve Balance	\$ 1,746,798		\$ 4,344,610		
% of Operating Reserves	24%		61%		
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 94% being over budget expectations due to the timing of a grant payment and fuel sales.
- 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 101% which is over the budget target. This is due to the timing Routine Annual Maintenance Projects (RAMP) at the airport. Part of the overage is due to the carryover from prior year related to RAMP. The grant reimbursement should help offset this additional cost.

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	-	-	350	(350)	N/A
Miscellaneous (Rentals, Grants)	156,000	9,211	170,320	(14,320)	109%
Transfers (General Fund)	250,000	20,833	208,333	41,667	83%
Other Revenue (Fuel Sales)	178,500	33,894	169,387	9,113	95%
Total Revenues	\$ 584,500	\$ 63,938	\$ 548,390	\$ 36,110	94%
Expenditures					
Personnel	136,850	13,646	121,326	15,524	89%
Supplies & Materials	154,000	(754)	140,787	13,213	91%
Other Charges & Services	73,700	5,648	65,030	8,670	88%
Repairs & Maintenance	136,336	8,487	205,035	(68,699)	150%
Capital Expenditures	141,114	-	113,439	27,675	80%
Total Expenditures	\$ 642,000	\$ 27,026	\$ 645,617	\$ (3,617)	101%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(57,500)	\$ 36,912	\$ (97,227)		
Beginning Reserve Balance 10-1-18	133,310	<i>Actual</i>	\$ 133,310		
Ending Reserve Balance	75,810		\$ 36,083		
<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 83%. Most hotels remit tax on a quarterly basis causing the percent to be low.
- Miscellaneous Revenue: Civic Center rentals are above budget target by \$4,000 while Tourism income is over by \$8,000.

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	83%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	800,000	89,643	489,063	310,937	61%
Miscellaneous	79,000	7,805	90,868	(11,868)	115%
Total Revenues	\$ 879,000	\$ 97,447	\$ 579,932	\$ 299,068	66%
Expenditures					
Hotel General	133,000	4,000	106,000	27,000	80%
Tourism Department	263,000	25,357	192,449	134,918	73%
Civic Center	311,000	21,148	210,786	100,214	68%
Bay City Theatre	172,000	32,105	69,188	102,812	40%
Total Expenditures	\$ 879,000	\$ 82,610	\$ 578,423	\$ 364,944	66%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 14,837	\$ 1,509		
Beginning Fund Balance 10-1-18	\$ 419,255	<i>Actual</i>	\$ 419,255		
Ending Fund Balance	\$ 419,255		\$ 420,764		
<i>Proposed to maintain \$50,000</i>					