



CITY OF BAY CITY

Monthly Financial Report

Month of July 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 **July 2020**, the tenth month of the fiscal year, and **83%** 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 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 \$13,151,756 or 87.1% of the budget.

- Property Tax. The certified value totaled \$869 million. Through July, the City received \$4,284,995 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 16.10% (\$82,239) as compared to July 2019. These are collections related to May that are remitted to the City in July. Collections are up \$401,154 YTD as compared to prior year.
- Franchise fees are slightly under budget. Licenses & Permits are at 96.6% of budget being well over the budget mark!
- Charges for services represents sanitation fees - \$2,096,388 (83% 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 \$11,299,295 or 75% 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
- 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. The goal is to maintain reserves between 3-4 months operating reserve. Sales tax and departmental savings will 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	4,434,737	35,193	4,284,995	149,742	96.6%
Sales Tax	4,350,000	444,741	3,977,002	372,998	91.4%
Other Local Taxes (Franchise)	1,321,000	107,370	1,057,503	263,497	80.1%
Charges for Services (Sanitation)	2,527,000	210,424	2,096,388	430,612	83.0%
Fines & Penalties	203,000	10,722	182,556	20,444	89.9%
Licenses & Permits	196,000	7,091	189,353	6,647	96.6%
Miscellaneous	1,432,945	289,899	825,686	607,259	57.6%
Transfers	643,500	52,792	538,273	105,227	83.6%
Total Revenues	\$ 15,108,182	\$ 1,158,230	\$ 13,151,756	\$ 1,956,427	87.1%
Expenditures					
City Secretary	153,269	12,088	70,580	82,689	46.0%
City General Services	2,498,547	144,476	1,928,598	569,949	77.2%
Administrative Council	318,192	23,679	263,593	54,599	82.8%
Main Street	58,000	7,182	47,375	10,625	81.7%
Human Resources	287,112	22,092	243,067	44,045	84.7%
Municipal Court	328,673	21,014	241,137	87,536	73.4%
Finance	337,281	25,853	278,386	58,895	82.5%
Police	4,618,763	372,850	3,695,528	923,235	80.0%
Animal Impoundment	167,892	14,229	124,761	43,131	74.3%
Volunteer Fire Dept.	199,319	9,656	160,975	38,344	80.8%
Street and Bridge	3,461,184	242,412	2,171,994	1,289,190	62.8%
Recycling Center	161,926	12,491	135,240	26,686	83.5%
Parks	1,405,308	54,132	1,216,237	189,071	86.5%
Riverside Park	184,103	18,731	120,507	63,596	65.5%
Recreation	99,823	1,497	55,561	44,262	55.7%
Pool Operations	275,841	43,776	160,031	115,810	58.0%
Library	518,754	56,219	385,724	133,030	74.4%
Total Expenditures	\$ 15,073,987	\$ 1,082,375	\$ 11,299,295	\$ 3,774,692	75.0%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 34,195	\$ 75,855	\$ 1,852,461		
Beginning Fund Balance 10-1-19	\$ 3,210,330		\$ 3,210,330		
Ending Fund Balance	\$ 3,244,525		\$ 5,062,791		
% of Operating Reserves	22%		35%		
Fund Balance Target 90 days (25%)	\$ 3,606,502				
Over/(Under) min Policy Level (25%)	\$ (361,977)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 80% being slightly below budget expectations. This is because the City bills in arrears.

Expenditure Highlights

- Total expenditures for the Utility Fund are 75% 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		83%			
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	7,755,500	632,713	6,222,048	1,533,452	80%
Fines & Penalties	145,000	(20)	57,196	87,804	39%
Miscellaneous	65,000	21,687	105,932	(40,932)	163%
Total Revenues	\$ 7,965,500	\$ 654,380	\$ 6,385,175	\$ 1,580,325	80%
Expenditures					
Utility General	903,392	20,177	607,685	295,707	67%
Utility Maintenance	2,958,330	158,243	2,152,540	805,790	73%
Water & WWTP Division	2,354,432	128,479	1,532,208	822,224	65%
Warehouse Operations	3,563,846	857,949	3,060,988	502,858	86%
Total Expenditures	\$ 9,780,000	\$ 1,164,847	\$ 7,353,421	\$ 2,426,579	75%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (1,814,500)	\$ (510,467)	\$ (968,246)		
Beginning Reserve Balance 10-1-19	\$ 3,756,008		\$ 3,756,008		
Ending Reserve Balance	\$ 1,941,508		\$ 2,787,762		
% of Operating Reserves	27%		38%		
Target 90 days (25%)	\$ 1,820,599				
Over/(Under) Target	\$ 120,909				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 80% 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 79% 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	83%				
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	-	-	200	200	N/A
Miscellaneous (Rentals, Grants)	153,300	27,053	115,948	37,352	76%
Transfers (GF & BCCDC)	330,000	27,500	275,000	55,000	83%
Other Revenue (Fuel Sales)	180,500	15,733	142,708	37,792	79%
Total Revenues	\$ 663,800	\$ 70,286	\$ 533,856	\$ 130,344	80%
Expenditures					
Personnel	213,217	16,023	162,315	50,902	76%
Supplies & Materials (Fuel etc)	174,600	23,681	125,042	49,558	72%
Other Charges & Services	79,550	3,016	59,673	19,877	75%
Repairs & Maintenance	126,900	20,505	80,167	46,733	63%
Capital Expenditures	311,200	-	266,979	44,221	86%
Transfers	86,301	86,301	86,301	-	100%
Total Expenditures	\$ 991,768	\$ 149,525	\$ 780,476	\$ 211,292	79%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(327,968)	\$ (79,239)	\$ (246,620)		
Beginning Reserve Balance 10-1-19	394,987		\$ 394,987		
Ending Reserve Balance	67,019		\$ 148,367		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx \$250,000					
Reserve encumbered for fuel trucks					

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

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 65%. 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	83%				
	Total Budget	Current Period	YTD Actual*	(Over)(Under Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	750,000	64,093	484,647	265,353	65%
Rental Fees- Civic Center	85,000	(1,013)	46,113	38,888	54%
Other Income- Special Events	10,000	-	13,879	(3,879)	139%
Miscellaneous	6,000	5,319	8,539	(2,539)	142%
Total Revenues	\$ 851,000	\$ 68,400	\$ 553,178	\$ 297,822	65%
Expenditures					
Hotel General	108,000	4,070	102,524	5,476	95%
Tourism Department	292,000	20,429	183,395	108,605	63%
Civic Center	350,000	12,780	184,801	165,199	53%
Bay City Theatre	150,000	3,870	40,921	109,079	27%
Total Expenditures	\$ 900,000	\$ 41,150	\$ 511,641	\$ 388,359	57%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (49,000)	\$ 27,250	\$ 41,536		
Beginning Fund Balance 10-1-19	\$ 487,418		\$ 487,418		
Ending Fund Balance	\$ 438,418		\$ 528,954		