



CITY OF BAY CITY Monthly Financial Report Month of August 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 **August 2020**, the eleventh month of the fiscal year, and **92%** 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 \$14,684,990 or 97.2% of the budget.

- Property Tax. The certified value totaled \$869 million. Through July, the City received \$4,354,804 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- Sales tax. August Sales Tax Allocation to the City is up 28.45% (\$143,893) as compared to August 2019. These are collections related to June that are remitted to the City in August. Collections are up \$545,047 YTD as compared to prior year.
- Franchise fees are slightly under budget. Licenses & Permits are at 101.6% of budget being well over the budget mark!
- Charges for services represents sanitation fees - \$2,306,680 (91.3% of budget).
- Miscellaneous exceeds budget, however most is attributable to interest income or the timing of grant payments or interlocal agreements. (County, Bay City Gas Company, BCCDC).
- Transfers In – Utility fund is charged a 6% administrative fee (based on utility revenue). Transfer from Hotel Motel offset the cost of expenditures related to the Main Street budget that qualify for Hotel Occupancy tax use.

General Fund Expenditure Highlights

Expenditures total \$12,564,431 or 83.4% of budget.

All departments are under within the anticipated budget parameters.

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	92%				
	Total Budget	Current Period	YTD Actual*	(Over) Under Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,434,737	69,809	4,354,804	79,933	98.2%
Sales Tax	4,350,000	487,309	4,464,311	(114,311)	102.6%
Other Local Taxes (Franchise)	1,321,000	131,930	1,189,432	131,568	90.0%
Charges for Services (Sanitation)	2,527,000	210,292	2,306,680	220,320	91.3%
Fines & Penalties	203,000	14,830	197,387	5,613	97.2%
Licenses & Permits	196,000	9,739	199,092	(3,092)	101.6%
Miscellaneous	1,432,945	556,534	1,382,220	50,725	96.5%
Transfers In (Hotel/Motel & Utility)	643,500	52,792	591,065	52,435	91.9%
Total Revenues	\$ 15,108,182	\$ 1,533,234	\$ 14,684,990	\$ 423,192	97.2%
Expenditures					
City Secretary	153,269	6,131	76,711	76,558	50.0%
City General Services	2,498,547	210,459	2,139,057	359,490	85.6%
Administrative Council	318,192	22,726	286,319	31,873	90.0%
Main Street	58,000	-	47,375	10,625	81.7%
Human Resources	287,112	17,362	260,429	26,683	90.7%
Municipal Court	328,673	21,425	262,563	66,110	79.9%
Finance	337,281	27,786	306,172	31,109	90.8%
Police	4,618,763	347,874	4,043,402	575,361	87.5%
Animal Impoundment	167,892	13,005	137,766	30,126	82.1%
Volunteer Fire Dept.	199,319	5,574	166,549	32,770	83.6%
Street and Bridge	3,461,184	430,825	2,602,819	858,365	75.2%
Recycling Center	161,926	11,856	147,097	14,829	90.8%
Parks	1,405,308	62,986	1,279,223	126,085	91.0%
Riverside Park	184,103	25,205	145,712	38,391	79.1%
Recreation	99,823	415	55,976	43,847	56.1%
Pool Operations	275,841	31,358	191,389	84,452	69.4%
Library	518,754	30,148	415,873	102,881	80.2%
Total Expenditures	\$ 15,073,987	\$ 1,265,136	\$ 12,564,431	\$ 2,509,556	83.4%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 34,195	\$ 268,098	\$ 2,120,559		
Beginning Fund Balance 10-1-19	\$ 3,210,330		\$ 3,210,330		
Ending Fund Balance	\$ 3,244,525		\$ 5,330,889		
% of Operating Reserves	22%		37%		
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 88% being slightly below budget expectations. This is because the City bills in arrears.

Expenditure Highlights

- Total expenditures for the Utility Fund are 81% of budget.
- The Utility Fund is budgeted to use \$1.8 million to fund capital projects and emergency infrastructure repairs.
- Utility Operations account for general operating costs of the Utility Fund in addition to transfers for debt service & transfers to other funds for administrative or operational support (ie. IT)

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete		92%			
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	7,755,500	634,812	6,856,860	898,640	88%
Fines & Penalties	145,000	(314)	56,882	88,118	39%
Miscellaneous	65,000	358	106,290	(41,290)	164%
Total Revenues	\$ 7,965,500	\$ 634,856	\$ 7,020,031	\$ 945,469	88%
Expenditures					
Utility Billing	903,392	17,669	625,354	278,038	69%
Utility Maintenance	2,958,330	91,194	2,243,734	714,596	76%
Water & WWTP Division	2,354,432	150,329	1,682,537	671,895	71%
Utility Operations	3,563,846	272,354	3,333,342	230,504	94%
Total Expenditures	\$ 9,780,000	\$ 531,546	\$ 7,884,967	\$ 1,895,033	81%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (1,814,500)	\$ 103,310	\$ (864,936)		
Beginning Reserve Balance 10-1-19	\$ 3,756,008		\$ 3,756,008		
Ending Reserve Balance	\$ 1,941,508		\$ 2,891,072		
% of Operating Reserves	27%		40%		
Target 90 days (25%)	\$ 1,820,599				
Over/(Under) Target	\$ 120,909				
<i>Designated for Capital Projects</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 89% 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 86% which is under the budget target. This is primarily due to the timing of the routine infrastructure maintenance program expenditures & timing of the drainage improvement project.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	92%				
	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	15,153	131,102	22,198	86%
Transfers (GF & BCCDC)	330,000	27,500	302,500	27,500	92%
Other Revenue (Fuel Sales)	180,500	12,220	154,928	25,572	86%
Total Revenues	\$ 663,800	\$ 54,873	\$ 588,729	\$ 75,471	89%
Expenditures					
Personnel	213,217	16,796	179,111	34,106	84%
Supplies & Materials (Fuel etc)	174,600	13,028	138,070	36,530	79%
Other Charges & Services	79,550	3,267	62,940	16,610	79%
Repairs & Maintenance	126,900	32,572	112,739	14,161	89%
Capital Expenditures	311,200	6,000	272,979	38,221	88%
Transfers	86,301		86,301	-	100%
Total Expenditures	\$ 991,768	\$ 71,664	\$ 852,140	\$ 139,628	86%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(327,968)	\$ (16,791)	\$ (263,410)		
Beginning Reserve Balance 10-1-19	394,987		\$ 394,987		
Ending Reserve Balance	67,019		\$ 131,577		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes approx \$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 71%. 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 under budget with total expenditures at 61%.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	92%				
	Total Budget	Current Period	YTD Actual*	(Over)(Under Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	750,000	49,435	534,082	215,918	71%
Rental Fees- Civic Center	85,000	1,150	47,263	37,738	56%
Other Income- Special Events	10,000	1,619	15,499	(5,499)	155%
Miscellaneous	6,000	518	9,057	(3,057)	151%
Total Revenues	\$ 851,000	\$ 52,723	\$ 605,900	\$ 245,100	71%
Expenditures					
Hotel General	108,000	4,414	106,938	1,062	99%
Tourism Department	292,000	19,934	203,329	88,671	70%
Civic Center	350,000	15,112	199,913	150,087	57%
Bay City Theatre	150,000	-	40,921	109,079	27%
Total Expenditures	\$ 900,000	\$ 39,460	\$ 551,101	\$ 348,899	61%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (49,000)	\$ 13,263	\$ 54,799		
Beginning Fund Balance 10-1-19	\$ 487,418		\$ 487,418		
Ending Fund Balance	\$ 438,418		\$ 542,217		
<i>Proposed to maintain \$50,000</i>					