



CITY OF BAY CITY

Monthly Financial Report

Month of November 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 **November 2019**, the second month of the fiscal year, and **17%** 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 \$2,040,478 or 13.8% of the budget.

- **Property Tax.** The certified value totaled \$869 million. Through November, the City received \$289,730 of the 4.4-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** November Sales Tax Allocation to the City is up 2.2% (\$11,187) as compared to November 2018. These are collections related to September that are remitted to the City in November. Collections are up \$33,674 YTD as compared to prior year.
- Franchise fees are slightly over budget. Licenses & Permits are below budget target; however this is due to timing of building permits pulled.
- Charges for services represents sanitation fees - \$416,515 (16.5% 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 \$1,933,271 or 13.4% of budget.

- Most departments are under the 17% budget target. Budgets that are over the budget target are primarily due to timing of payments.

The General Fund's fund balance is budgeted to increase by \$400,000. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The unaudited 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	17%				
	Total Budget	Current Period	YTD Actual*	(Over) Under Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,434,737	237,320	289,730	4,145,007	6.5%
Sales Tax	4,350,000	391,767	767,499	3,582,501	17.6%
Other Local Taxes (Franchise)	1,321,000	127,019	255,262	1,065,738	19.3%
Charges for Services (Sanitation)	2,527,000	211,021	416,515	2,110,486	16.5%
Fines & Penalties	203,000	25,632	48,683	154,317	24.0%
Licenses & Permits	196,000	10,733	23,576	172,424	12.0%
Miscellaneous	1,143,763	89,344	133,630	1,010,133	11.7%
Transfers	643,500	52,792	105,583	537,917	16.4%
Total Revenues	\$ 14,819,000	\$ 1,145,628	\$ 2,040,478	\$ 12,778,522	13.8%
Expenditures					
City Secretary	150,039	9,421	13,706	136,333	9.1%
City General Services	2,685,000	188,204	423,818	2,261,182	15.8%
Administrative Council	316,254	36,247	53,171	263,083	16.8%
Main Street	58,000	875	4,466	53,534	7.7%
Human Resources	247,732	34,212	45,127	202,605	18.2%
Municipal Court	323,290	31,609	45,119	278,171	14.0%
Finance	329,100	36,646	51,219	277,881	15.6%
Police	4,511,113	473,853	676,195	3,834,918	15.0%
Animal Impoundment	164,662	17,284	24,717	139,945	15.0%
Volunteer Fire Dept.	198,242	10,119	18,550	179,692	9.4%
Street and Bridge	3,438,577	112,442	159,183	3,279,394	4.6%
Recycling Center	158,266	23,971	24,888	133,378	15.7%
Parks	825,508	241,804	266,494	559,014	32.3%
Riverside Park	181,627	14,299	20,546	161,081	11.3%
Recreation	99,823	5,207	9,252	90,571	9.3%
Pool Operations	274,549	21,775	24,008	250,541	8.7%
Library	457,218	50,608	72,812	384,406	15.9%
Total Expenditures	\$ 14,419,000	\$ 1,308,576	\$ 1,933,271	\$ 12,485,729	13.4%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ 400,000	\$ (162,948)	\$ 107,207		
Beginning Fund Balance 10-1-19	\$ 3,210,484	<i>Unaudited</i>	\$ 3,210,484		
Ending Fund Balance	\$ 3,610,484		\$ 3,317,691		
% of Operating Reserves	25%		23%		
Fund Balance Target 90 days (25%)	\$ 3,604,750				
Over/(Under) min Policy Level (25%)	\$ 5,734				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 16% being slightly below budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 12% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete		17%			
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	7,698,000	625,819	1,207,794	6,490,206	16%
Fines & Penalties	145,000	9,923	25,101	119,899	17%
Miscellaneous	35,000	2,809	30,744	4,256	88%
Total Revenues	\$ 7,878,000	\$ 638,551	\$ 1,263,639	\$ 6,614,361	16%
Expenditures					
Utility General	4,351,157	326,265	610,050	3,741,107	14%
Utility Maintenance	1,561,044	324,161	249,557	1,311,487	16%
Water & WWTP Division	2,683,299	209,713	201,060	2,482,239	7%
Warehouse Operations	154,500	5,463	7,253	147,247	5%
Total Expenditures	\$ 8,750,000	\$ 865,601	\$ 1,067,920	\$ 7,682,080	12%
*YTD does not include encumbrances					
Net Revenue (Expenditures)	\$ (872,000)	\$ (227,050)	\$ 195,719		
Beginning Reserve Balance 10-1-19	\$ 3,518,137	<i>Unaudited</i>	\$ 3,518,137		
Ending Reserve Balance	\$ 2,646,137		\$ 3,713,856		
% of Operating Reserves	30%		42%		
Target 90 days (25%)	\$ 2,187,500.00				
Over/(Under) Target	\$ 458,636.94				
<i>Designated for capital projects</i>					
<i>Encumbered from PY \$315,575</i>					

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, total Airport Revenue is 16% being 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.

Expenditure Highlights

- As a percentage of budget, total expenditures are 12% which is under the budget target. This is due to the timing of the routine infrastructure maintenance program & capital projects.

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete	17%				
	Total Budget	Current Period	YTD Actual*	(Over)Under Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	-	-	-	-	N/A
Miscellaneous (Rentals, Grants)	153,300	9,072	17,828	135,472	12%
Transfers (GF & Tax Note)	330,000	27,500	55,000	275,000	17%
Other Revenue (Fuel Sales)	180,500	15,936	36,406	144,094	20%
Total Revenues	\$ 663,800	\$ 52,508	\$ 109,235	\$ 554,565	16%
Expenditures					
Personnel	209,449	20,297	26,887	182,562	13%
Supplies & Materials (Fuel etc)	174,600	12,696	27,898	146,702	16%
Other Charges & Services	79,550	3,302	19,519	60,031	25%
Repairs & Maintenance	126,900	5,518	11,481	115,419	9%
Capital Expenditures	44,200	-	-	44,200	0%
Transfers	86,301	-	-	86,301	0%
Total Expenditures	\$ 721,000	\$ 41,813	\$ 85,785	\$ 635,215	12%
*YTD includes encumbrances					
Net Revenue (Expenditures)	(57,200)	\$ 10,695	\$ 23,449		
Beginning Reserve Balance 10-1-19	318,567	<i>Unaudited</i>	\$ 318,567		
Ending Reserve Balance	261,367		\$ 342,016		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes \$330,000					
<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 8%. Most hotels remit tax on a monthly or quarterly basis.
- Miscellaneous Income: Civic Center rentals & special event income are above budget target.

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	17%				
	Total Budget	Current Period	YTD Actual*	(Over)(Under Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	750,000	23,780	7,310	742,690	1%
Miscellaneous	101,000	15,625	31,786	69,214	31%
Total Revenues	\$ 851,000	\$ 39,405	\$ 39,096	\$ 811,904	5%
Expenditures					
Hotel General	108,000	64,584	68,584	39,416	64%
Tourism Department	292,000	39,160	60,209	231,791	21%
Civic Center	350,000	19,880	29,837	320,163	9%
Bay City Theatre	150,000	-	-	150,000	0%
Total Expenditures	\$ 900,000	\$ 123,623	\$ 158,630	\$ 741,370	18%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (49,000)	\$ (84,218)	\$ (119,535)		
Beginning Fund Balance 10-1-19	\$ 499,899	<i>Unaudited</i>	\$ 499,899		
Ending Fund Balance	\$ 450,899		\$ 380,364		
<i>Proposed to maintain \$50,000</i>					