

ADOPTED ANNUAL BUDGET FY 2020





CITY OF BAY CITY

**1901 Fifth Street
Bay City, Texas 77414
979-245-2137**

www.cityofbaycity.org

CITY OF BAY CITY, TEXAS

ANNUAL OPERATING BUDGET

FOR FISCAL YEAR 2020

This budget will raise less revenue from property taxes than last year's budget by an amount of \$-19,931, which is a -.36% decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$58,867.

City Council Voted on September 12, 2019

The members of the governing body voted on the adoption of the budget as follows:

Record of Vote	Adopted Budget	Ratification of Property Tax Increase	Setting of Property Tax Rate
Mayor Robert K. Nelson*	Not Voting	Not Voting	Not Voting
Mayor Pro-Tem Jason Childers	X	n/a	X
Julie Estlinbaum	X	n/a	X
William Cornman	X	n/a	X
Becca Sitz	X	n/a	X
Brent Marceaux	X	n/a	X

*Note: Mayor Robert K. Nelson only votes in the event of a tie.

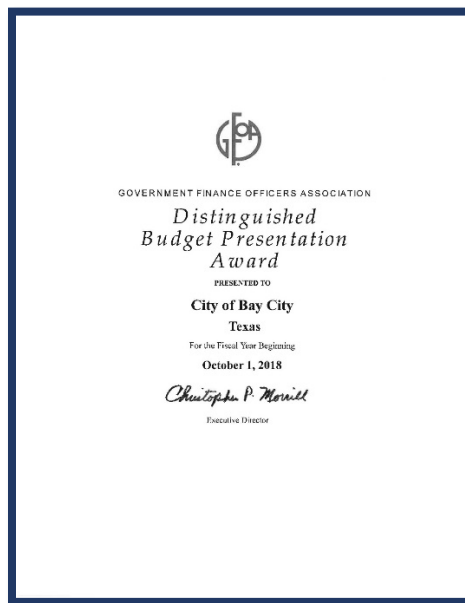
Tax Rate Information	Adopted FY 2019	Adopted FY 2020
Property Tax Rate	.65500	.65500
Effective Rate	.64044	.65110
Effective M&O Tax Rate	.50693	.50663
Debt Rate	.14460	.15324
Rollback Tax Rate	.70548	.71404

Debt service requirements for the City of Bay City are currently \$.15324 of the current **adopted** property tax rate of **\$.65500**. The City has six outstanding debt issues. At the end of Fiscal Year 2020, outstanding general obligation bond and certificates of obligation bonds will be \$16,805,000 however only \$9,611,825 is currently supported by property taxes.

FY 2020 Debt Service Requirement to be paid by property taxes \$1,308,070. See Debt rate (.15324) requirement above.

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Bay City, Texas**, for its Annual Budget for the fiscal year beginning **October 1, 2018**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.



Mayor and City Council members pictured with the Finance Department after receiving GFOA's Distinguished Budget Presentation Award for the second year in a row.

How to use this Book

We understand how difficult it can be to find what you're looking for in such a complex document. We've made every effort to provide an easy way to navigate through this document to areas of interest.

The City of Bay City's Annual Budget is comprised of a table of contents and twelve sections. The book, in its entirety, can be grouped into three broad categories.

Introduction and Information:

Budget Message

This section contains the Mayor's Budget Transmittal Letter and a summary narrative of the budget plan.

City Profile

This section provides our organizational chart, the City's history and information about our City today.

Budget Summaries

This section depicts the "big picture" of city-wide revenue and expenditures, reflects the changes in fund balance or working capital for each budgeted fund and provides comparison to prior year.

Revenue Assumptions and Trends

This section provides revenue descriptions, trends and assumptions for major revenue line items. Detailed revenue information can be found within each respective fund.

Financial:

General Fund

The General Fund is the general operating fund of the City. This section provides a three (3) year comparative summary and detailed information for revenue and expenditures. You will also find each operating department's mission, upcoming goals, budget history, performance measures and major additions related to the General Fund.

Enterprise Funds

This section provides a three (3) year comparative summary and detailed information for revenue and expenditures. You will also find each department's mission, upcoming goals, budget history, performance measures and major additions related to the Public Utility and Airport Fund.

Special Revenue Funds

This section includes special revenues such as the Hotel/Motel, TIRZ, Forfeiture, Building Security and Court Technology Funds. These funds are legally restricted for certain purposes.

Internal Service Funds

This section includes two funds (Information Technology and Maintenance) that are used by the City to charge the costs of certain activities.

Capital

This section provides current year capital expenditures and projects for all major funds and the City's Five-Year Capital Improvement Plan.

City Wide Debt

This section provides summary and detailed information on all debt issued and each annual debt service obligation by fund.

Supporting Information:

Statistical Information

This section provides statistical and historical information.

Appendix

This section provides the City's budgetary and financial policies, personnel staffing and compensation plan, glossary of terms, acronyms and index.

(Hard copy only)

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Contributors

Inside Back Cover



BUDGET MESSAGE





Dear Citizens of Bay City,

Thank you for the opportunity and privilege to serve you as the Mayor of the City of Bay City.

As I stated during my campaign, one of my goals is to unite and collaborate with the community for the betterment of Bay City. However additional responsibilities include managing the budget, which means spending your tax dollars wisely and effectively. You can rest assure we will always have the best interest of Bay City at heart. With that, presented hereafter is the budget for the 2019-2020 fiscal year.

You will quickly notice that our tax rate has not changed. We've had to change some of our aggressive goals in order to maintain the current rate, nevertheless, we will continue to provide you with the same level of customer service as we strive to continually improve. We are focused on retaining our employees by providing them with salary increases and quality health care benefits.

I ask for your patience during this transition as we continue to address some of the infrastructure and employment issues we've experienced as we plan for future economic growth and prosperity.

In the spirit of unity, we are developing relationships with several entities and partnering with our industry neighbors and vendors to improve services to the citizens of the City of Bay City.

Please accept the FY 2019-2020 budget as an integral component of our movement towards a family-centered, citizen incorporated, and culturally diverse community.



"Coming together is the beginning, Staying together is progress, Working together is success"

Henry Ford

Robert K. Nelson
Mayor

Executive Summary

The City Council and Staff reviewed the progress of the City's Comprehensive Plan (Vision 2040) and from those sessions provided staff with 2020 Strategic Goals. This process will set the tone and direction for each year's budget process. The Mayor and Key Leader Team reviewed the Vision 2040 Elements & the new Strategic Plan recently adopted by Mayor and City Council in September 2018. Through these discussions, a new set of objectives were placed in each department's business plan to meet Mayor's / Council's expectations or better known as "Strategic Areas of Emphasis".

These "Strategic Areas of Emphasis" support the City's long-term vision but provide staff a more defined direction for the upcoming year. The 2020 strategic focus areas are Governance: Improving the City's Image, Organizational and Operational Effectiveness, Communication, and Community and Economic Development. More information on the City's Comprehensive Master Plan: Vision 2040 and the Strategic Plan can be found in the **City Profile** section of this book.



Reviewing our Priorities for the FY 2020 Budget

What did we do last year? Is our budget focus changing?

The prior year's budget was focused on balancing the budget without using reserves in order to build reserves (fund balance) back to sufficient levels. In addition to maintaining service levels, the City focused on improving infrastructure and other amenities. This was accomplished through numerous public improvement projects such as the following:

- Rehabilitated numerous water and sewer lines
- Reconstructed of streets in Holly Lane area: Belegarde Drive, Gontier Drive, Thierr Drive, and Sims Street in the Moore Addition
- Installed 2 blocks new drainage pipe and cleaned 35 blocks of ditches in various locations
- Constructed approx. 3,210 LF of sidewalk on the east side of SH60S from Nile Valley Drive to Hamman Road
- Constructed and opened new Recycling Center
- Constructed new picnic tables at various city parks
- Added a Veteran's Memorial mural at the VFW hall
- Replaced roof on ranger's house/office at Riverside Park
- Installed new generators at various city locations
- Added sidewalks and stop signs to Avenue H and Sixth Street
- Relocated and upgraded AvGas fuel system
- Completed design services for the Texas Theater of Art's Center

With the 2040 Plan in mind along with the most recent set of strategic goals, the City's capital budget remains focused on replacing aging infrastructure, providing additional enhancements to City's Parks, and upgrading various city facilities. Additionally, departments will work to improve internal and external communication, review procedures to improve organizational and operational effectiveness, and support community and economic development initiatives.

Budget Overview

The Proposed Budget for FY 2020 recommends no increase to the property tax rate. However, an increase in water, sewer and garbage rates. This budget will raise less revenue from property taxes than last year's budget by \$-19,931 (-.36%) decrease from last year's budget. The City-Wide Budget totals \$26,501,000 (-4% decrease from prior year). Of this amount, \$14,819,000 is estimated for the operations and maintenance of the General Fund (4% decrease from prior year), \$1,311,000 for the Debt Service Fund (28% decrease from prior year), \$8,750,000 for the Public Utility Fund (1% decrease from prior year), and \$721,000 for the Airport Fund (12% increase from prior year). Within these budgets are capital costs of approximately \$7.2 million to fund equipment and major public improvement projects. Grant revenues, one-time revenue sources coupled with decreases in capital costs and debt account for most of the variances from prior year. More information on the City's Capital Program can be found in the Capital section of this document.

The City also appropriates for one of five Special Revenue Funds. The Hotel/Motel Tax Fund totals \$900,000. Capital projects account for approximately \$150,000 to fund facility improvements. Spending plans are not provided for the City's other Special Revenue Funds because activity is recorded on a project length basis or as it occurs. Even though the City is not required to adopt budgets for these funds, they are subject to an annual audit. More information on these funds can be found behind the Special Revenue Fund section of this document.

Budget Challenges

Issues below:

1. The City's largest revenue sources for the General Fund are tied to property tax and sales tax. While sales tax appears to have steady growth, the sales tax revenue is just now building back up to the 2011 revenue stream. The City's population has remained relatively flat for the last eight years. Property values only grew 1.5% which only amounts to approximately \$85,000 at same tax rate.
2. The City's form of government changed from Mayor-Council to Mayor/Council-City Manager. This increased the General Fund budget over 100K.
3. The City struggles to maintain a competitive salary with surrounding cities. The City is currently updating the salary scale for Mayor and Council to review.
4. The City's fund balance is below the 90 days (25%) operating reserve and was 16 % by fiscal year end 2018. The City has since adopted a Financial and Budgetary Policy to build reserves to 25% of operational expenditures. The City will build the fund balance over a 1 to 2-year period. The reserves are anticipated to be near 19% by fiscal year end 2019.
5. The City's legal costs are high due to special litigation (non-routine).
6. Available road materials were recently depleted; therefore, the City will have to purchase its own material (\$70,000).
7. Many City Parks have aged amenities while aging infrastructure is a continual budgetary challenge. It is difficult to address future growth while current infrastructure (streets, water, and sewer lines) replacement is needed.
8. The City acquired in recent years a library and a swimming pool. Though very significant to the community, both have impacted the City's General Fund by approximately \$390,000 in operational cost per year. In addition, the pools need major repairs.

9. The City is still repairing Riverside Park that was impacted by Hurricane Harvey. Due to Park closure, the City lost approximate \$75,000 in revenue this year and continued work will be needed in Fiscal Year 2020 to replace the dock and boat ramp.

How City Addressed Challenges

The FY 2020 Proposed Budget utilizes business plans that were developed in support of the City's **Vision 2040 and 2020 Strategic Plan (Focus)**. The Annual Strategic Plan better known as **"Bay City Works"** links the City Council to the workforce—working together to improve Governance, Organizational and Operational Effectiveness, and Community and Economic Development. Capital projects and expenditures were prioritized early in the budget process based on these same guiding principles.

Response to maintain service levels and to fund strategic initiatives are as follows:

- The City's steady sales tax revenue stream helped the City maintain existing service levels.
- The City's reduced spending on capital projects helped the City to provide a pay plan pool of (3.0%) and offset the costs associated with *new* Form of Government.
- The City's 2009 bond that was self-supported by the General Fund matured allowing the City to maintain service levels and build fund balance by \$400,000 without a large property tax increase.
- The City staff negotiated down medical premiums to 3% increase from original proposals.
- The Bay City Gas Company maintained their level of support of \$400,000. These dollars will be dedicated to street rehabilitation.
- The City will continue to review all franchise agreements and make recommended changes.
- The City will continue to find cost reductions by reviewing all service/financial related contracts with outside parties then recommend changes for the most efficient and effective ways to operate. (i.e. legal, mowing, landscaping, consulting services)
- The City will continue to find cost reductions by reviewing various city services to determine the cost benefit analysis of outsourcing services verses doing it in-house.
- The City will begin a fixed asset replacement program for governmental type assets.
- The City will slowly begin to budget to cover depreciation in each enterprise fund. This practice builds the reserve to replace infrastructure assets rather than issue debt.

- The City annually reviews the budgetary/financial policy document to analyze the adequacy of reserve levels and revenue management practices. This is performed regardless of the economy climate.

With the decisions above coupled with steady sales tax revenue, the City can maintain a solid service plan, build the fund balance in General Fund, and fund some major public improvements as explained in more detail below.

Budgetary Expenditure Highlights

The adopted expenditures of the City's major funds total \$26,501,000, down \$1,091,499 or 4% from prior year. Staff made several expenditure recommendations that are included within each department's summary found in this budget document. Some of the significant highlights are as follows:

- Salary Increases- This budget holds a compensation increase of 3.5% or \$240,000
- Fund Balance- This budget increases fund balance by \$400,000 in the General Fund
- Staffing Levels- The City did not increase staffing levels.
- Capital Additions- Machinery and Equipment in General Fund (\$567,000), Utility Fund (\$1,700,442), and Airport Fund (\$340,612)
- Capital Projects- General Fund: appropriated \$200,000 for a seal coating project on various streets and \$225,000 for the Nile Valley Road Project
- Capital Projects- Hotel Motel Fund: appropriated \$150,000 towards rehabilitation of the City's Theatre of Arts Center
- Capital Projects- Utility Fund: appropriated \$350,000 for north quadrant waterline improvements; \$250,000 for rehabilitation to Water Wastewater Treatment Plant (Phase I); \$700,000 for improvements to the Katy Water Plant; and \$400,000 for engineering for 5th Street waterline project
- Capital Projects- Airport Fund: appropriated \$442,000 for Taxiway Relocation; \$250,000 for Real Estate purchase; and \$1,590,000 for T-Hanger A rehab and T-Hanger E construction

*Please note that many capital projects are funded in part by Grant contributions. *

Outlook for the Future

Sales tax is anticipated to remain flat over FY 2020. The construction of a seamless pipe mill company (Tenaris-Bay City) just outside of the City limits bumped City Sales tax nearly 6% or \$200,000 from 2016 to 2017, however the City's sales tax has leveled out since then. This facility added more than 600 permanent jobs to the community. The new facility is now in full operation.

Other developments are taking place in Bay City and in our extra-territorial jurisdiction (ETJ). The City will focus on improvements that capitalize on this growth. We will examine infrastructure needs, housing, and amenity upgrades.

Conclusion

With Bay City anchored to the VISION 2040 PLAN—this budget looks ahead to build a budget to make things better for its residents and visitors. It is a budget preparing for growth while improving the appearance for our welcomed visitors. This year's budget and corresponding Five Year Capital Plan address our service and infrastructure needs. We want to thank a very supportive and progressive City Council and the great employees of the City of Bay City without whom none of this would have been possible.

Robert K. Nelson, Mayor

Scotty Jones, Finance Director



CITY PROFILE



Elected Officials

Vision and Mission

**Strategic Plan and
Goals**

City Officials

Organizational Chart

History of Bay City

Bay City Today

Demographic Overview





CITY OF BAY CITY

ELECTED OFFICIALS

The City has a home-rule City Manager-Council form of government. The elected body is made up of a Mayor and five council members who are elected on an “at-large” basis by the community. The Mayor is elected for a three-year term while Council Members are all elected for staggered two-year terms. Your City Council meets every second and fourth Tuesday at 6:00 p.m. Special Called meetings, Workshops and/or Public Hearings are scheduled, as necessary, with the approval of the Mayor.

The Mayor presides at council meetings and is the Chief Executive Officer of the City. The City Manager is in charge of administering the City’s daily activities, advising and assisting City Council, and representing the City’s interests with other levels and agencies of government, business interests and the community at large. The City Council is responsible for appointing the City Secretary, City Treasurer, Municipal Judge(s) and Chief of Police.



CITY OF BAY CITY
CITY COUNCIL
FY 2020

Mayor Nelson



Councilwoman Estlinbaum
Position 1



Councilman Cornman
Position 2



Councilman Marceaux
Position 3



Councilwoman Sitz
Position 4



Councilman Childers
Position 5
Mayor Pro-Tem

Official	Title	Years of Service	Term Expires
Robert Nelson	Mayor	1	2022
Julie Estlinbaum	Councilwoman Position 1	7	2020
William "Bill" Cornman	Councilman Position 2	7	2020
Brent Marceaux	Councilwoman Position 3	1	2021
Becca Sitz	Councilwoman Position 4	2	2021
Jason Childers *Mayor Pro-Tem*	Councilman Position 5	2	2021

VISION

Bay City, Texas: Clean, Safe and Prosperous

A community for all people where dreams are big and results are even bigger.

MISSION

The City of Bay City is a community that fosters future economic growth, strives to deliver superior municipal services, invests in quality of life initiatives and is the gateway to the great outdoors. We encourage access to our unique historical and eco-cultural resources while maintaining our small-town Texas charm.

Comprehensive Master Plan- Vision 2040

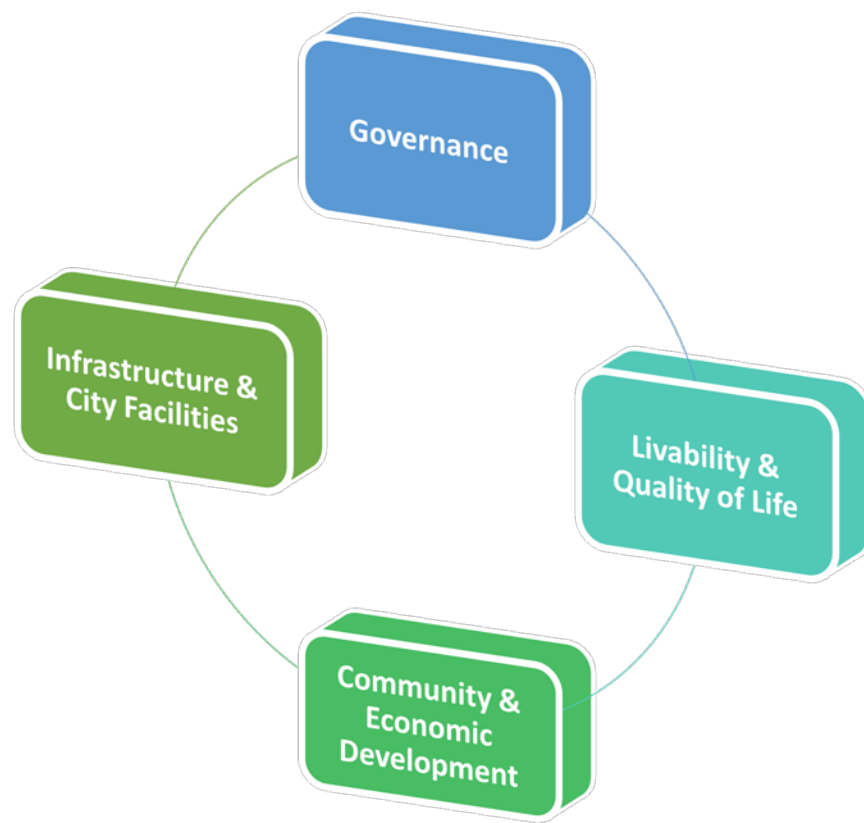
Vision

Bay City adopted the Comprehensive plan in 2014 consisting of four areas of emphasis as shown in the graph below. This plan reflects the priorities of the City and serves as a guide of city-wide action. The City is committed to fostering future economic growth by building economic partnerships, continually improving our infrastructure, expanding our tax base and creating a culture, which retains as well as attracts new business and investments.

The City will work to deliver quality services in a healthy and safe environment by consolidating our assets and resources and empowering our employees while encouraging volunteer citizen involvement.

We will enhance our tourism opportunities by promoting our or City.

We will commit our resources, talents and energy to achieve economic well-being and improve the quality of life for our citizens. **Below are the Vision 2040 Plan Elements.**



City Council Area of Emphasis with Associated Goal Statement

Fiscal Year 2020 Strategic Focus*



Governance*

- Improving the Image of Bay City
- Organizational & Operational Effectiveness
- Communication

Bay City residents are well informed and involved with the affairs of local city government.



Infrastructure & City Facilities

Bay City residents enjoy new community infrastructure and enhancements to the transportation network and systems.



Community & Economic Development*

- Housing
- Downtown Revitalization/Historic Preservation
- Tourism
- Land Use

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.



Livability & Quality of Life

- Parks and Recreation

Bay City residents enjoy a safe community with great amenities and affordable living.

Linking Long-Term Goals to Departmental Objectives

For the FY 2020 Budget, each department has outlined a description of services and aligned themselves with the City's Vision 2040 Plan along with Council's 2020 Strategic Area of Focus.

To succeed in the fulfillment of these goals, department staff compiled department objectives keeping the long-term vision mind while also considering the following:

- How does this help Mr. or Ms. Citizen?
- How does this help their quality of life?
- How does this help their standard of living?

When compared to prior year accomplishments, these goals and objectives help us mark our progress toward the achievement of the City Council's goals. The section below shows the linkage of our short-term departmental objectives to long-term council goals.

GOVERNANCE

- **Positive Community Perception**
- **Organizational & Operational Effectiveness (2020 Focus)**
- **Communication (2020 Focus)**

Bay City residents are well informed and involved with the affairs of local city government.

Fiscal Year 2020 Departmental Business Plans (Objectives)

Administrative Council

- Conduct annual strategic planning session with Council and staff together
- Conduct regular workshops between City, Council, and staff to promote communication and understanding of issues in advance of decision making

City Secretary Department

- Develop and promote a process to streamline historic lien data to improve collection success
- Develop and present a fee schedule for street closures and parade requests by the public
- Enhance the City Secretary's website information

Human Resource Department

- Review and amend new employee orientation program
- Phase in the Council approved compensation pay scale
- Provide quarterly training and policy review for supervisors

Municipal Court Department

- Continue to create more opportunities for outreach via Health Fair, MC week and quarterly school visits to bring awareness to traffic safety throughout our community

Finance Department

- Assist in efficiency improvements (annual contracts, cost benefit analysis)
- Create a fixed asset replacement fund

Public Safety Departments (Police, Fire, Animal Control & Code Enforcement)

- Create Citizens on Patrol division who will patrol neighborhoods and enforce parking violations

Public Works Departments (Streets and Utility Departments)

- Utilize CityWorks software to track all street repairs, drainage repairs, mowing, and striping in order to analyze and improve efficiencies

Parks

- Provide an electronic message sign at the Service Center (USO)

Library

- Update website adding online payment options
- Create marketing plan

Information Technology

- Create an intranet to enhance internal communication
- Revamp the City's website to improve web presence in providing citizens useful information in addition to streamlining processes

INFRASTRUCTURE & CITY FACILITIES

Bay City residents enjoy new community infrastructure and enhancements to the transportation network and systems.

*Fiscal Year 2020 Departmental Business Plans (Objectives)***Public Works Departments (Streets and Utility Departments)**

- Establish a street overlay, repair and maintenance program
- Establish a curb and gutter repair and replacement program
- Water and sewer line improvement projects

Airport

- Complete T-hangar A row repair or replacement
- Complete engineering to relocate and repair drainage
- Complete engineering for taxiway ditch relocation

COMMUNITY & ECONOMIC DEVELOPMENT

- **Housing**
- **Downtown Revitalization/Historic Preservation**
 - **Tourism**
 - **Land Use**

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

*Fiscal Year 2020 Departmental Business Plans (Objectives)***Main Street Department**

- Expand Camofest to draw more visitors to our downtown and City
- Improve downtown through façade grants and beautifications projects
- Promote downtown with increased presence on social media

LIVABILITY AND QUALITY OF LIFE**➤ Parks and Recreation**

Bay City residents enjoy a safe community with great amenities and affordable living.

Fiscal Year 2020 Departmental Business Plans (Objectives)

Police

- Lower overall NIBRS statistics from prior year
- Increase patrol activities and special operations

Parks Department

- Add picnic tables to various parks
- Implement the Parks Master Plan by adding new capital amenities
- Create a community garden
- Expand on kid's camp program

Library

- Improve customer service by installing drive up book return and adjusting the service hours
- Provide safe facilities by upgrading the security camera system and replacing outdoor carpets
- Expand services by taking the Library to the resident through outreach opportunities



CITY OFFICIALS FY 2020

Elected Offices

Robert K. Nelson

Mayor

Division Directors

Scotty Jones

Finance Director

David Holubec

City Secretary

Rhonda Clegg

Human Resources Director

Barry Calhoun

Director of Public Works

Robert Lister

Chief of Police

Suzan Thompson

Municipal Court Judge- Appointed

Shawn Blackburn

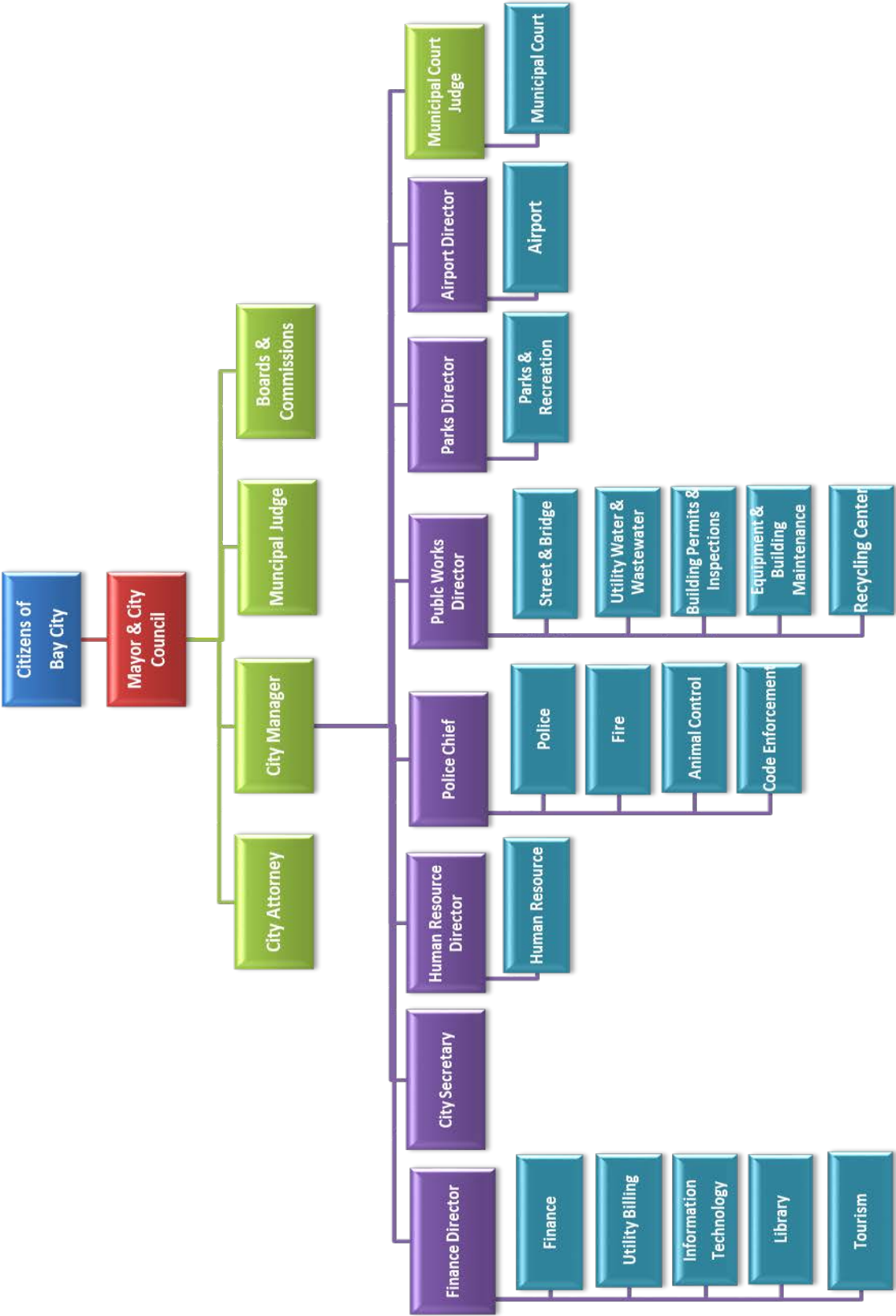
Parks & Recreation Director

James Mason

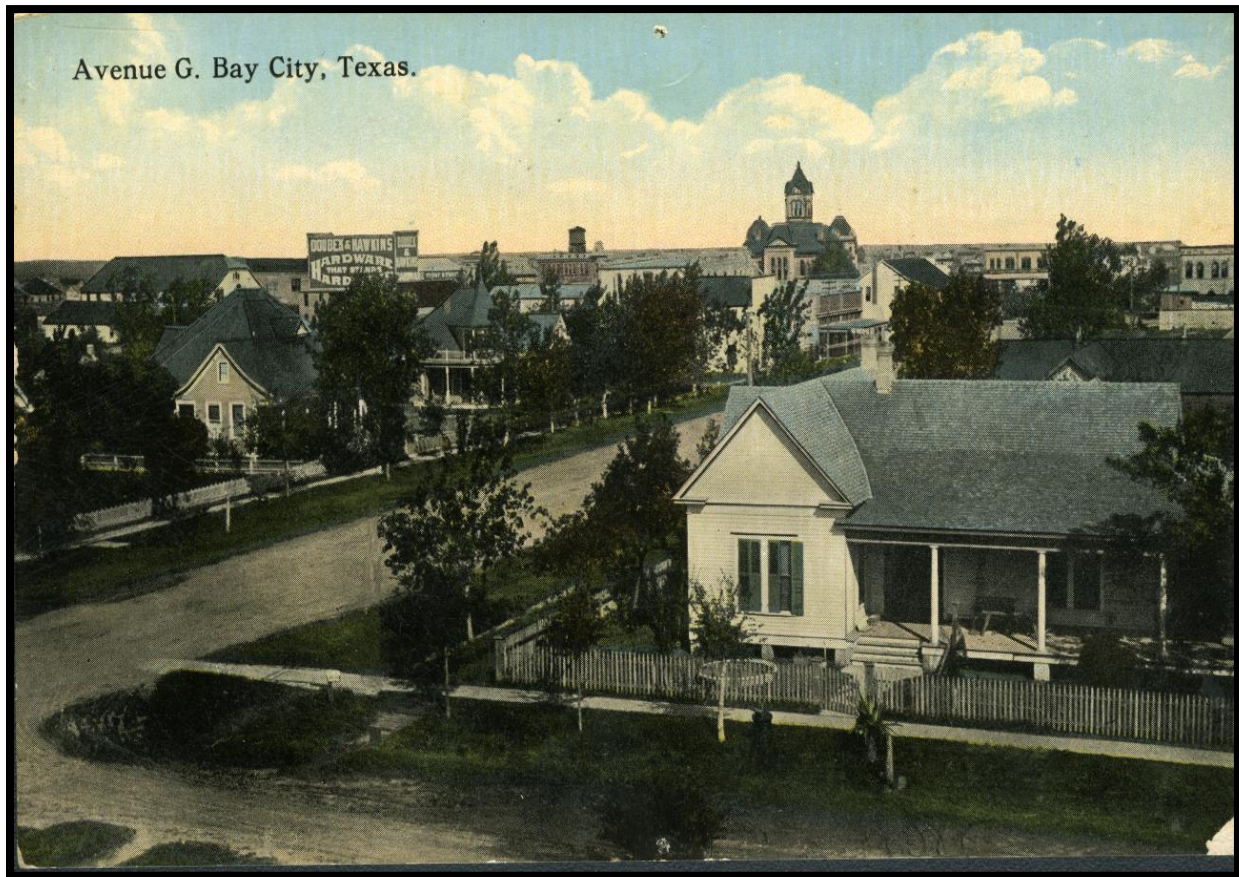
Airport Manager



"Alone we can do so little; together we can do so much"-Helen Keller



History of Bay City, Texas



Bay City, the county seat of Matagorda County, is an incorporated city at the junction of State Highways 35 and 60, in the north central portion of the county ninety miles southwest of Houston. The community is named for its location on Bay Prairie, between the richly productive bottomlands of the Colorado River and Caney Creek. It was established in 1894 when David Swickheimer, a Colorado mining millionaire and participant in a promotional organization called the Enterprise Land and Colonizing Company, formed the Bay City Town Company in partnership with G. M. Magill, N. M. Vogelsang, and Nicholas King. Planning that Bay City would one day supplant Matagorda as county seat, the men selected two cow pastures on Bay Prairie as the site for a new community. The company bought 320 acres from D. P. Moore and another 320 acres from the Mensing brothers of Galveston. One square mile was given to the townsite, on which the promoters laid out wide, regular streets. Elliott's Ferry (see Elliott, Texas), two miles away, provided transportation across the Colorado River.

In August 1894, before a single building had been erected, Magill and Vogelsang released the first issue of the Bay City Breeze and began to promote the new community. Distributed countywide, the newspaper, coupled with the promoters' promise to build a new courthouse if the county government were moved, succeeded in convincing county residents to support the new town.

At the time, the population of the county totaled roughly 3,000 people, of which 75 percent were black. On September 18, 1894, Matagorda County voters elected to make Bay City the new county seat. A week later, when editor Vogelsang announced the victory in the Breeze, he also revealed that the town did not yet actually exist: "As soon as it can be surveyed, lots will be put on the market, buildings will go up and Bay City will be a reality." Bay City was a tent city before construction began on its first buildings.

The Town Company office, which housed the printing presses of the Bay City Breeze, was among the first completed. A small frame house, formerly used as the grand jury room at Matagorda, was moved overland to Bay City to serve as a makeshift courthouse, as was D. P. Moore's dry-goods store, which housed the post office. Education for black and white children began immediately. The town's first telephone was installed in 1900, and the Wharton-Bay City Telephone Company was awarded a franchise in 1903. Bay City Rice Mills completed construction on its rice warehouse in 1901, and the next year it opened the town's first mill. Other businesses at that time included four groceries, three implement stores, three saloons, and two each of butcher shops, barbershops, confectioneries, and drugstores, as well as several dry-goods stores and a bakery, a laundry, a blacksmith shop, a brickmaking plant, a broom factory, a cotton gin, and a lumberyard.



In 1901 the Cane Belt Railroad reached Bay City, the first of several lines to serve the town. By that time the Breeze had ceased publication and been replaced by the Matagorda County Tribune, edited by J. L. Ladd, and the Weekly Visitor, edited by W. E. Green. Methodist, Baptist, Christian, Episcopalian, and Presbyterian congregations held services in the community. An eight-room, two-story frame school building had opened, and residents had the services of one dentist, four physicians, six lawyers, and three teachers. In 1902 the city, with about 2,000 inhabitants, incorporated, but it failed to replace its plank roads with streets until sometime later. Also in 1902 the New York, Texas and Mexican Railway came into Bay City. Oil was discovered in the county in 1904, and that year the St. Louis, Brownsville and Mexico Railway arrived. By 1914 Bay City, with 3,156 residents, was a thriving community at the center of the largest rice-producing area in the nation and was served by three railroads: the St. Louis, Brownsville and Mexico, the Galveston, Harrisburg and San Antonio, and the Gulf, Colorado and Santa Fe. In 1914 the town had four cotton gins, three banks, two rice mills, a brick and tile factory, a nursery, a creamery, an ice factory, a municipal waterworks, and a large cooling station for fruits and vegetables. By 1915 residents had built a library, and Bay City Business College offered the community's first higher education.

In 1916, as revolution developed in Mexico, a company of men from the community served on the border. The town grew slowly during World War I and reached a population of 3,454 by 1920. Bay City was regularly flooded by the Colorado River until levees and dams were built along the river in 1924. The population rose by roughly 600 between 1920 and 1930, and during that period the town reported a maximum of 165 businesses. In the 1930s Bay City had a canning plant, a bottling works, a hollow-tile factory, two rice mills, two gins, three hatcheries, and six dairies. LeTulle Park, named for local rice grower Victor L. LeTulle, was developed in 1934, despite the Great Depression. In the 1937-38 school year, the local school district employed thirty-eight teachers to instruct 1,146 white students through the eleventh grade, and ten teachers to instruct 377 black students through the tenth grade. Bay City continued to grow steadily, and its population reached 9,427 by 1940. A United Service Organizations building was constructed in 1941, and World War II increased the city's building program. A new football stadium and high school were finished by 1949. The 1950s saw the completion of a new public library and a United States Army Reserve building. Between 1960 and 1970 an airport was built, and a barge canal was constructed to link Bay City to the Gulf Intracoastal Waterway. The manmade port of Bay City was completed, and an inflatable rubber dam, designed to impound water for rice irrigation, improved use of the river. In 1960 the population of Bay City was about 77 percent white, 10 percent Hispanic, and 23 percent black.

Over the ensuing decade the population rose by less than 100, and businesses increased from 285 to 330. The town attracted new industry beginning in 1960, when the Celanese Chemical Company built a petrochemical plant that would become the city's largest employer. The population of Bay City grew in the 1970s and early 1980s as Celanese, the South Texas Nuclear Project (later known as the South Texas Project), Occidental Chemical Company, and other employers entered the county. Between 1980 and 1990 the city's population rose from 14,291 to 19,684, and the number of businesses increased from 335 to 391. During this time the city limits were expanded to include more than six square miles. In the early 1990s the town was served by the Union Pacific and the Atchison, Topeka and Santa Fe railways and was a shipping center for the county oil industry.

BIBLIOGRAPHY: Bay City Chamber of Commerce, *Bay City Story* (1957). Matagorda County Historical Commission, *Historic Matagorda County* (3 vols. 1986-88). Junann J. Stieghorst, *Bay City and Matagorda County* (Austin: Pemberton, 1965).



Snapshot of Bay City Today

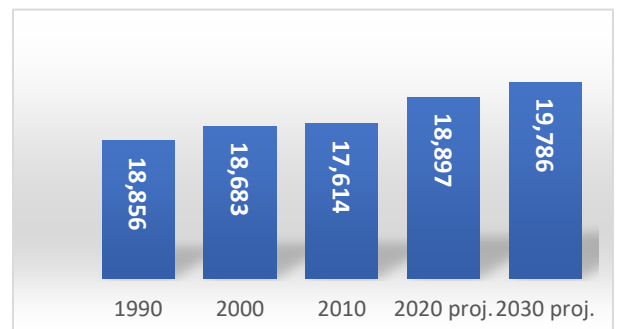


Location

The City of Bay City is in southeast Texas, near the Texas Gulf Coast. The City is about 8.87 square miles, of which 0.12 square miles of water area, with an elevation of 52 feet. Bay City is the county seat of Matagorda County, which also includes the cities of Palacios, Matagorda, Van Vleck, Markham, Blessing and Sargent. Bay City is accessible via State Highways 35 and 60 along with FM 457. These roads provide access to Houston and the market areas of Brazoria, Jackson and Wharton Counties.

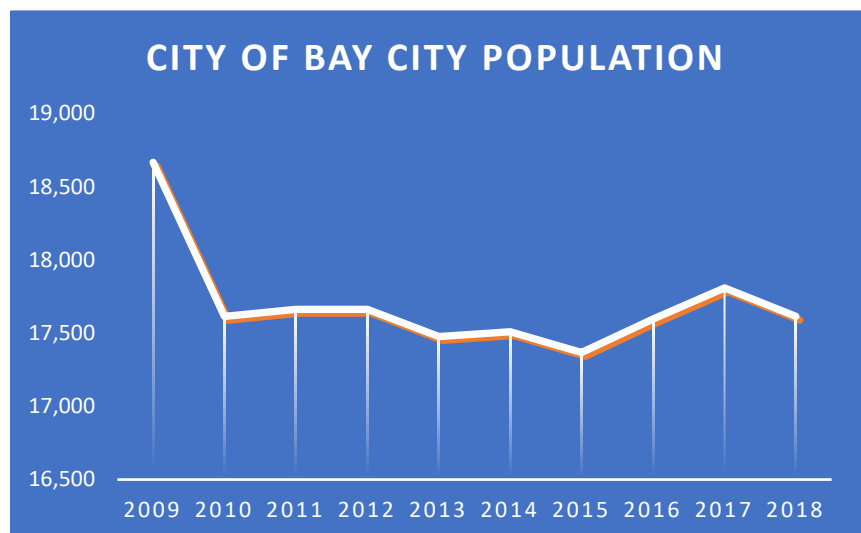
Population

According to the 2010 census, Bay City is currently home to about 17,614 residents. The graph to the right represents the City's population beginning in 1990 to the projected 2030, based on the records of the U.S. Census Bureau. The City, according to the Texas Water Development Board is projected to reach 19,786 by 2030. The City has seen slow, but steady growth. An updated population count will come out once 2020 census is complete.



City of Bay City, Texas
Population

<u>Year</u>	<u>Population</u>
2009	18,667
2010	17,614
2011	17,663
2012	17,663
2013	17,476
2014	17,509
2015	17,368
2016	17,598
2017	17,809
2018	17,614



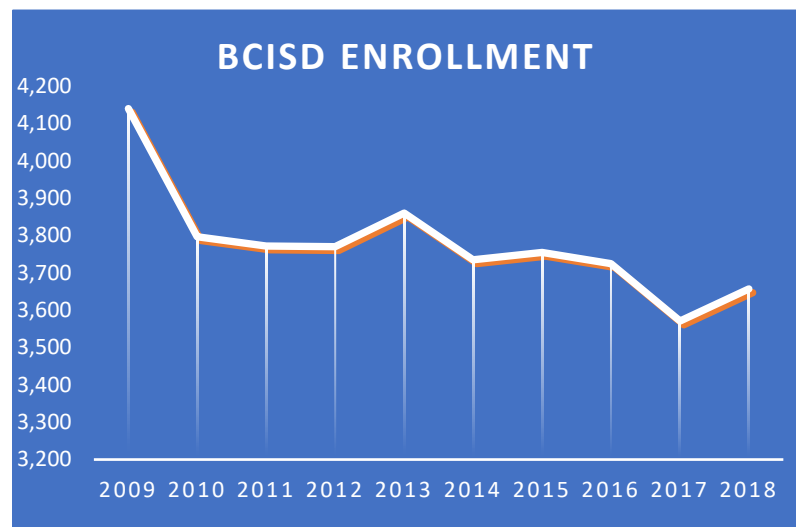
*Source for Population: US Department of Labor, Bureau of Labor Statistics

Schools

Bay City is served by the Bay City Independent School District. The City presently has three Pre-Kindergarten through Fifth grade elementary schools: Cherry Elementary for Pre-K and Kindergarten, Linnie Roberts Elementary for First and Second grade and Tenie Holmes for Third through Fifth grades; Bay City Jr. High serves the Sixth through Eighth grades; Bay City High School serves the Ninth through Twelfth grades. Tenie Holmes and BCJH have newly constructed campuses opening the Fall of 2019. The new Blackcat football stadium is slated to open, on the BCHS grounds, in the fall of 2019 as well. Bay City also has a college campus, Wharton County Junior College, which focuses on technical training and nuclear plant operations. Bay City ISD has earned a TEA Accountability rating of “B” for the 2018-2019 school year.

BCISD Enrollment

<u>Year</u>	<u>Enrollment</u>
2009	4,140
2010	3,797
2011	3,772
2012	3,770
2013	3,860
2014	3,735
2015	3,755
2016	3,725
2017	3,571
2018	3,657



*Source for School Enrollment: Bay City Independent School District



City Amenities/Services

The City's primary objective is Public Safety. A full-time equivalent staff of 61 employees are dedicated to serving the community in the most efficient and cost-effective way possible. The City has one police station with 39 sworn police officers dedicated to serving and protecting our citizens. The Bay City Volunteer Fire Department, consisting of 29 volunteers, provides the City with fire suppression and rescue protection. Our Animal Control Department, consisting of 2 animal control officers, responds to all animal calls in conjunction with our Animal Impound.

Utilities

The City of Bay City owns and operates its own water, wastewater and gas which is operated by the Bay City Gas Company. Sanitation services have been contracted out to WCA. Currently, the City has approx. 6,100 water and sewer customers, whether it be residential or commercial. Average daily water consumption (millions) is 2.024 and average daily sewage consumption (millions) is 1.634. The City maintains 109 miles of streets, 113 water main miles and 108 sewer miles.

Culture and Recreation

"The Gateway to the Great Outdoors", there are a variety of things to do within Bay City and the surrounding cities of Matagorda County.

Citizens can enjoy any one of the City's 23 parks, 2 pools and sports complex. Hilliard Pool is open from Memorial Day through Labor Day while the 16th Street Pool is open year-round.

Local attractions include: Matagorda County Birding and Nature Center, Rio Colorado Golf Course, Shulman Movie Bowl Grill, Bowlera, Bay City Public Library, Matagorda County Museum, local downtown square and the Texas Theatre which is currently under construction.

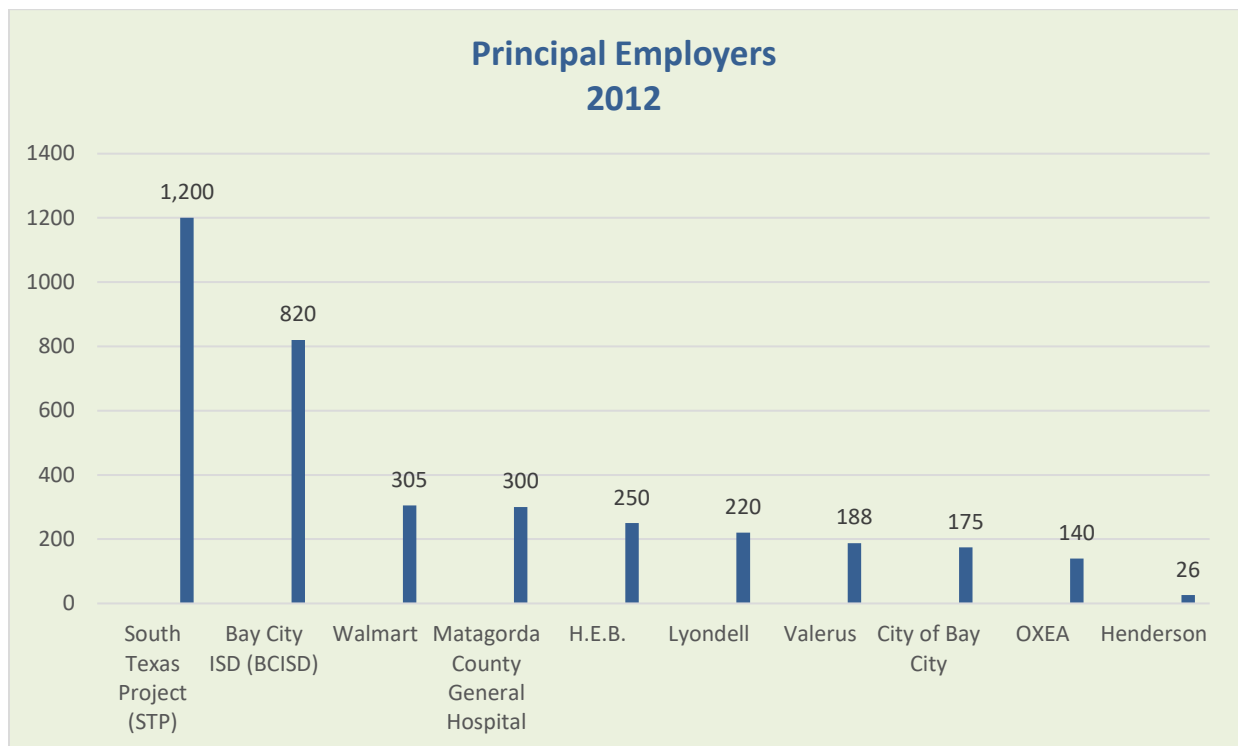
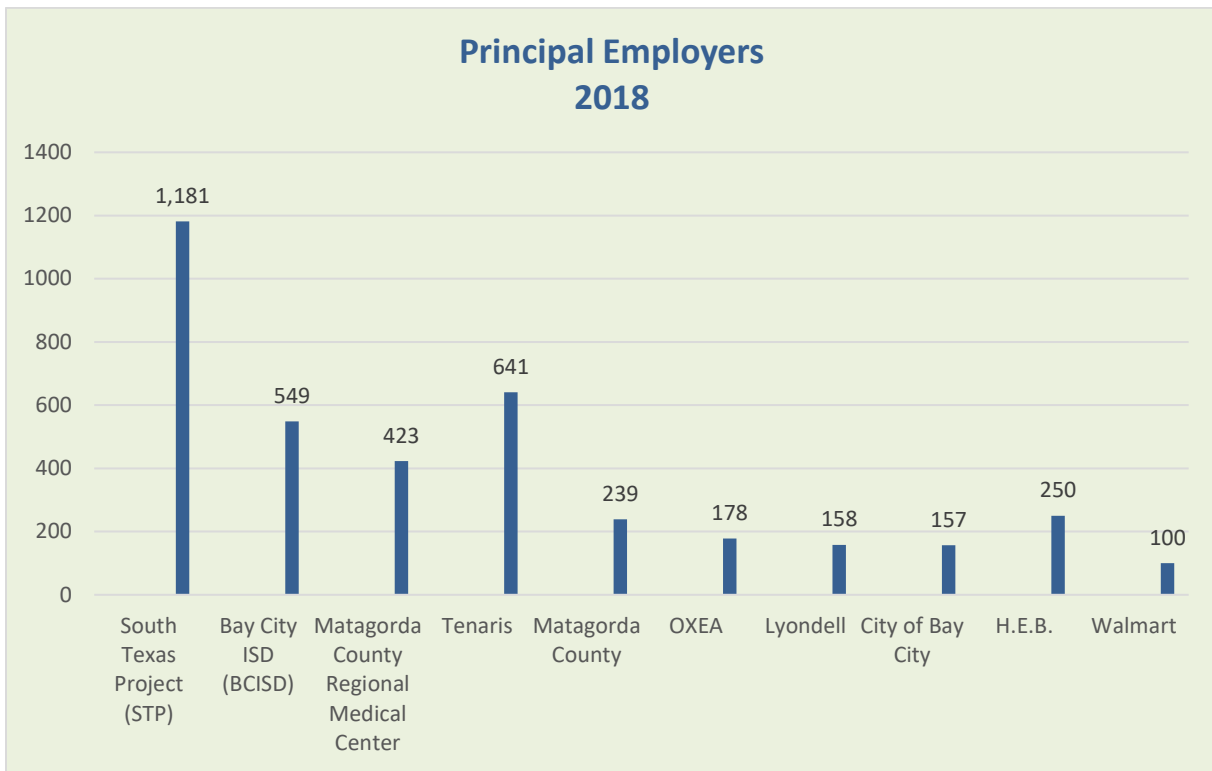


Festivals and events are constantly being held throughout our community in which citizens can attend. Some of our notable events/festivals are:

Rotary Concert	Annual
Rice Festival	Annual
Christmas in the Park	Annual
CamoFest	Annual (January)
Sparks in the Park	Annual (4 th of July)

Principal Employers

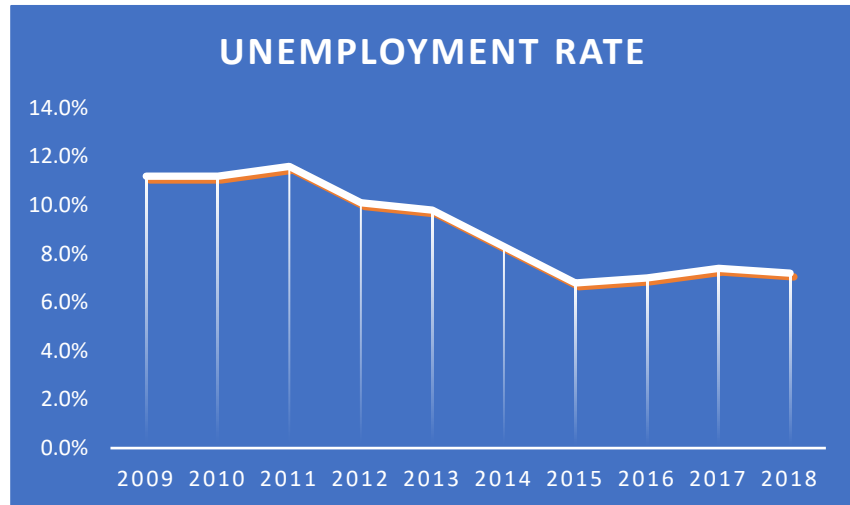
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Demographic and Economic Statistics

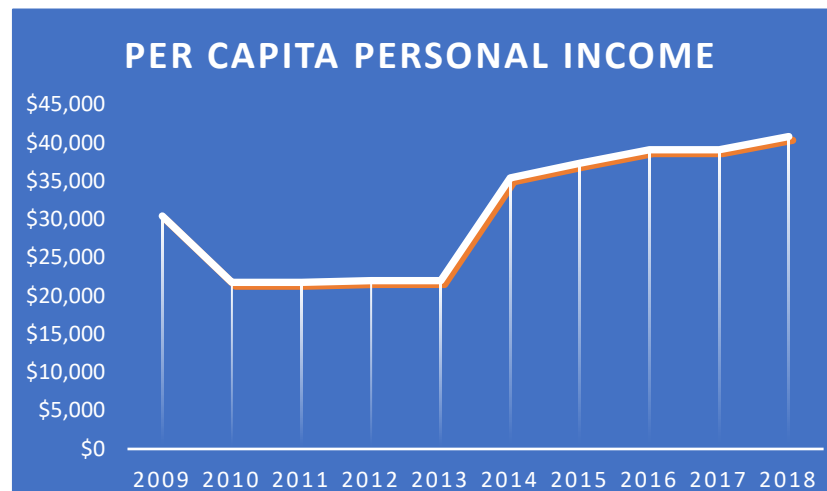
(Unaudited)

<u>Year</u>	<u>Rate</u>
2009	11.2%
2010	11.2%
2011	11.6%
2012	10.1%
2013	9.8%
2014	8.3%
2015	6.8%
2016	7.0%
2017	7.4%
2018	7.2%



*Source for Unemployment Rate: Texas Workforce Commission

<u>Year</u>	<u>Income</u>
2009	\$30,446
2010	\$21,773
2011	\$21,773
2012	\$22,000
2013	\$22,000
2014	\$35,426
2015	\$37,324
2016	\$39,111
2017	\$39,090
2018	\$40,827



*Source for Per Capita Personal Income: US Department of Labor, Bureau of Labor Statistics

BUDGET SUMMARIES



Budgetary Fund Structure

Combined Budget Overview

**Changes in Fund Balances /
Working Capital**

**Combined Revenue and
Expenditure Summary**

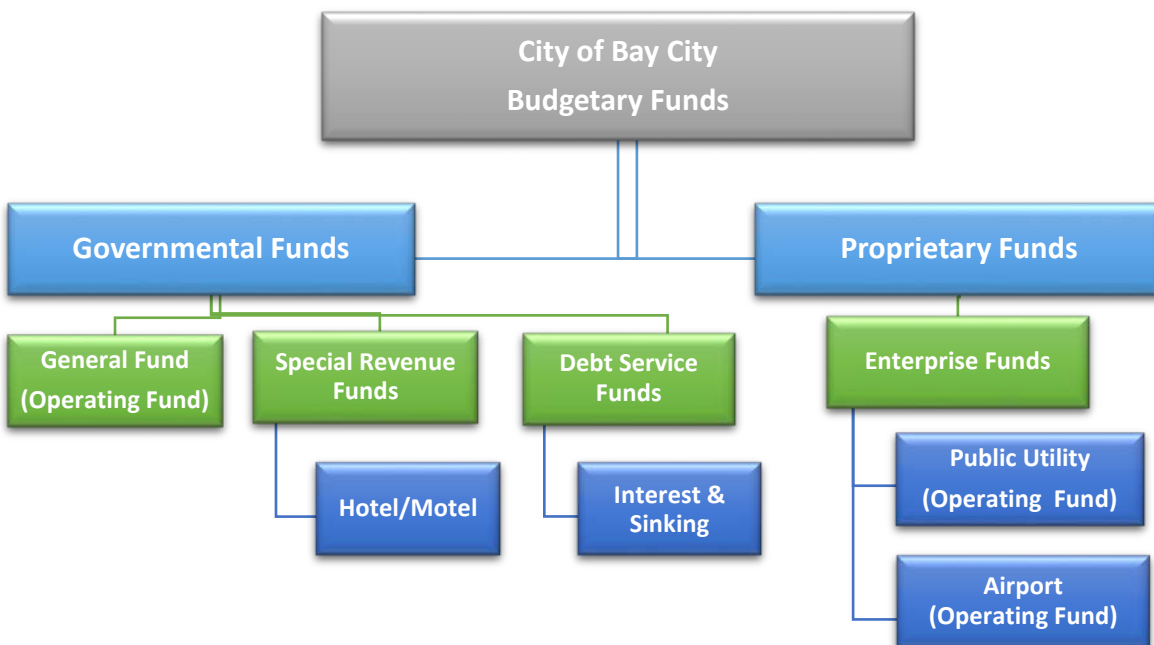


This section depicts the “big picture” of City-wide revenue and expenditures, reflects the changes in fund balance or working capital for each budgeted fund and provides a comparison to prior year.

Budgetary Fund Structure

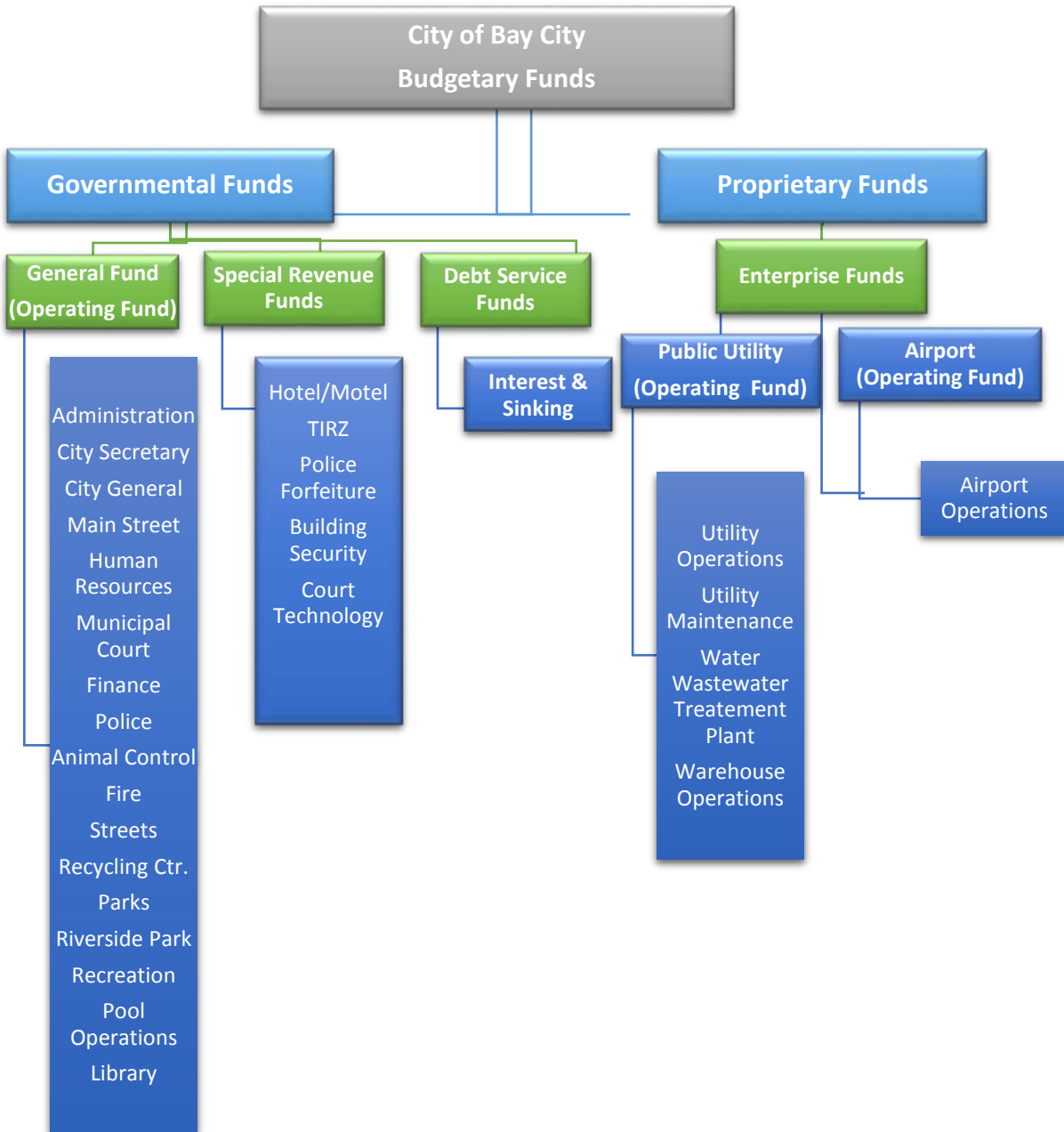
The illustration below is intended to serve as a “big picture” overview for the City of Bay City’s FY 2020 budgeted fund structure. The adopted budget presents three operating funds (General, Public Utility and Airport), one special revenue fund (Hotel/Motel) and one debt service fund (Interest & Sinking). Not all funds of the City are appropriated (i.e., budgeted). Capital projects and most of the City’s special revenue funds are recorded on a project length basis as opposed to annual appropriation. Each fund is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The budgeted funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds are supported primarily with taxes while proprietary funds are supported by user charges. Operating funds provide for the day to day operations of the City. They account for all routine expenditures and capital outlay items. Debt service funds, also known as interest and sinking funds, are governmental type funds used for the accumulation of resources to pay off long-term debt. Special Revenue funds, such as the Hotel/Motel, are used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes. A more in-depth explanation of the budget is depicted with graphs, charts and a narrative of revenue and expenditures within the detail of each respective fund.



Detailed Budgetary Fund Structure

The following graph shows the funds in which the different departments are located for the City of Bay City's FY 2020 budgeted fund structure.



Combined Budget Overview

The FY 2020 budget for all appropriated funds totals \$26,501,000 in revenues and expenditures, including transfers between funds. The goal of the budget process is to provide a balanced budget, in which expenditures do not exceed revenues.

The table below shows an overview of FY 2020 Budget by Funds as it compares to the prior year.

	Budget FY 2019	Adopted Budget FY 2020	Variance	Variance By %
General Fund	15,384,499	14,819,000	-565,499	-4%
Interest & Sinking Fund	1,832,000	1,311,000	-521,000	-28%
Public Utility Fund	8,855,000	8,750,000	-105,000	-1%
Airport Fund	642,000	721,000	79,000	12%
Hotel/Motel Fund	879,000	900,000	21,000	2%
Total Budget	27,592,499	26,501,000	-1,091,499	-4%



***New Recycling Center that opened July 2019.**

Changes in Fund Balance/Working Capital- Budgeted Funds

The following summary shows the projected beginning and ending fund balance or working capital balance for each appropriated fund. The fund balances below include reserved and designated dollars and should not be considered as available for operations.

BUDGETARY FUNDS	Projected Fund Balance Working Capital 10-1-19	Budgeted Revenue FY 2020	Budgeted Expenditures FY 2020	Ending Fund Balance/ Working Capital 9-30-20
General Fund	2,618,367	14,819,000	(14,819,000)	2,618,367
Interest & Sinking Fund	191,351	1,311,000	(1,311,000)	191,351
Utility Fund	2,822,798	8,750,000	(8,750,000)	2,822,798
Airport Fund	75,000	721,000	(721,000)	75,000
Hotel Occupancy Tax Fund	494,255	900,000	(900,000)	494,255
Total Fund Balance/Working Capital	6,201,771	26,501,000	(26,501,000)	6,201,771

The following summary shows the available fund balance after reserve policies are applied. Reserve Policies can be found in the Financial Policy document located in the Appendix section of this budget document.

Changes in Fund Balance/Working Capital- Budgeted Funds

Fund Balance/Working Capital After Reserves and Designations	General Fund	I & S Funds	Public Utility Fund	Airport Fund	Hotel Occupancy Tax Fund
Projected Fund Balance/ Working Capital 10-1-19	2,618,367	191,351	2,822,798	75,000	494,255
Reserve Policy (90 days)	(3,435,795)	0	(1,794,419)	0	0
Reserves Used-Capital Projects	0	0	(872,500)	(57,200)	0
Reserves Used- Balance Budget*	0	0	0	0	0
Budgeted Depreciation**					
Build Reserve	400,000	0	0	0	0
Target Reserve Over/Under	(417,428)	191,351	156,379	17,800	494,255

Assumptions on the table above are as follows:

1. Budgeted revenues equal budgeted expenses.
2. Reserve designations are based on City policy to maintain three months operating reserve in the General Fund and three months reserve in the Utility Fund. This information may be found in the City's financial policies located behind the Appendix tab of this budget document.
3. *At times, the City will balance the budget with reserves. This is only used to fund one-time projects where additional reserves are available over the City's required reserve levels.
4. **The City currently does not budget to cover depreciation. This budget practice may be used in the future to enable the City to fund infrastructure projects rather than borrow funds.

Changes in Fund Balance/Working Capital – All Funds

FUNDS	Projected Beginning Balance 10-1-19	Revenues & Transfers In	Expenditures & Transfer Out	Revenue Over/(Under)	Projected Ending Balance
*General Fund	2,618,367	14,819,000	(14,419,000)	400,000	3,018,367
Internal Service Funds:					
Information Technology Fund	0	620,000	(620,000)	0	0
Maintenance Fund	0	600,000	(600,000)	0	0
Special Revenue Funds:					
*Hotel Occupancy Tax Fund	494,255	851,000	(900,000)	(49,000)	445,255
Police Forfeiture Fund	37,523	10,000	(10,000)	0	37,523
MC Court Technology Fund	27,176	4,500	(27,000)	(22,500)	4,676
TIRZ District # 1	0	64,000	(1,600)	62,400	62,400
TIRZ District # 2	3,137	159,000	(159,000)	0	3,137
TIRZ District # 3	0	0	0	0	0
MC Building Security Fund	29,994	3,500	(25,000)	(21,500)	8,494
Enterprise Funds:					
*Utility Fund	2,822,798	7,878,000	(8,750,000)	(872,000)	1,950,798
*Airport Fund	75,000	663,800	(721,000)	(57,200)	17,800
*Debt Service Fund	191,351	1,311,000	(1,311,000)	0	191,351
Total Fund Balance/Working Capital	6,299,601	26,983,800	(27,543,600)	(559,800)	5,739,801

*Budgetary Funds



Combined Revenue and Expenditures Summary

	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	% Change Budget FY 2019 to Adopted FY 2020
Funding Sources						
Property Tax	4,703,256	5,359,844	5,695,810	5,697,115	5,744,807	0.86%
Sales and Use Tax	4,334,905	4,318,203	4,333,000	4,432,842	4,390,000	-0.97%
Franchise Tax	1,127,475	1,253,205	1,274,500	1,259,500	1,281,000	0.51%
Hotel/Motel Tax	806,471	761,585	800,000	742,000	750,000	-6.25%
Licenses and Permits	154,409	396,638	202,500	259,500	196,000	-3.21%
Charges for Services	9,662,600	9,895,556	10,037,000	10,011,029	10,225,000	1.87%
Fines & Penalties	431,622	386,943	378,000	372,715	348,000	-7.94%
Other Revenues/ Sources	185,880	601,919	179,249	197,980	181,430	1.22%
Miscellaneous	1,328,839	1,345,901	1,872,015	2,020,173	1,433,063	-23.45%
Intergovernmental	2,209,803	1,614,369	1,586,925	1,586,801	973,500	-38.65%
Prior Fund Balance	-	-	1,133,500	0	978,200	-13.70%
Total Revenues & Transfers	24,945,261	25,934,166	27,592,499	26,579,655	26,501,000	-3.96%
Expenditures						
General Government	4,219,358	3,699,860	4,471,004	4,237,456	4,509,415	0.86%
Streets	3,241,311	3,429,104	3,898,832	3,972,512	3,596,843	-7.75%
Public Safety	5,077,197	4,784,438	4,865,850	4,820,696	4,874,017	0.17%
Parks & Recreation	1,789,981	1,829,775	2,148,813	2,032,280	1,838,725	-14.43%
Water & Sewer	8,052,151	8,841,384	8,855,000	7,695,742	8,750,000	-1.19%
Airport	707,869	585,108	642,000	641,613	721,000	12.31%
Hotel Motel	756,247	1,002,930	879,000	853,000	900,000	2.39%
Interest & Sinking	1,786,697	1,786,580	1,832,000	1,833,201	1,311,000	-28.44%
Total Expenditures & Transfers	25,630,811	25,959,180	27,592,499	26,086,500	26,501,000	-3.96%
Net Revenue (Expenditures)	-685,550	-25,014	0	493,155	0	

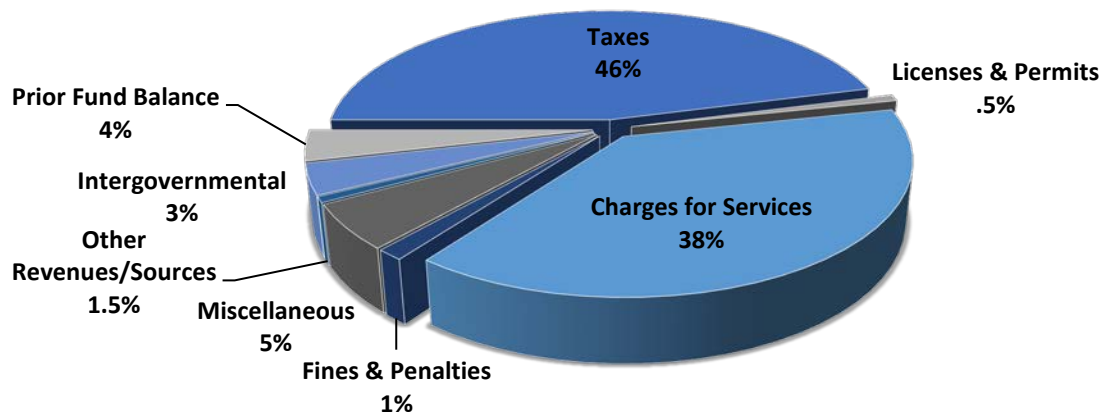
The following pages provide summaries related to City Wide Revenue by receipt type and City-Wide Expense by function.

City Wide Revenue

The FY 2020 budgeted revenues total \$26,501,000, which is down \$1,091,499 from prior year FY 2019 budget. The funding of prior year capital projects with grant funding and other outside sources attributes for this decrease. The largest revenue source fund is taxes which represents 46% of the total revenue. Detail of each revenue source fund can be found in the revenue section of this book.

Revenue by Receipt Type	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Taxes (Property, Sales, Franchise, Hotel/Motel)	10,972,108	11,692,838	12,203,310	12,131,457	12,165,807
Licenses & Permits	154,409	396,638	202,500	259,500	196,000
Charges for Services	9,662,600	9,895,556	10,037,000	10,011,029	10,255,000
Fines & Penalties	431,622	386,943	378,000	372,715	348,000
Miscellaneous	1,328,839	1,345,901	1,872,015	2,020,173	1,433,063
Other Revenues/ Sources	185,880	601,919	179,249	197,980	181,430
Intergovernmental	2,209,803	1,614,369	1,586,925	1,586,801	973,500
Prior Fund Balance	0	0	1,133,500	0	978,200
Total Revenue	24,945,261	25,934,166	27,592,499	26,579,655	26,501,000

Where do we get our dollars?

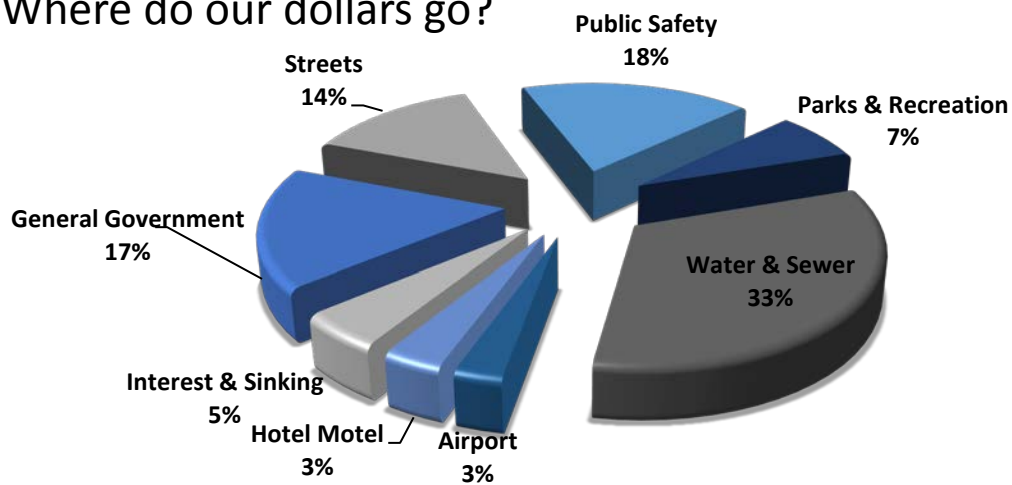


City Wide Expenditures

The FY 2020 budgeted expenditures total \$26,501,000, which is down \$1,091,499 over FY 2019 budget. This is primarily attributable to the timing of one-time capital projects in the General Fund, Water and Sewer Fund as it relates to capital projects in prior year. In addition, the General Fund is budgeted to build reserves by \$400,000.

By Object (Operational Funds)	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
General Government	4,219,358	3,699,860	4,471,004	4,237,456	4,509,415
Streets	3,241,311	3,429,104	3,898,832	3,972,512	3,596,843
Public Safety	5,077,197	4,784,438	4,865,850	4,802,696	4,874,017
Parks & Recreation	1,789,980	1,829,775	2,148,813	2,032,280	1,838,725
Water & Sewer	8,052,151	8,841,384	8,855,000	7,695,742	8,750,000
Airport	707,869	585,108	642,000	641,613	721,000
Hotel Motel	756,247	1,002,930	879,000	853,000	900,000
Interest & Sinking	1,786,697	1,786,580	1,832,000	1,833,201	1,311,000
Total Expenditures	25,630,811	25,959,180	27,592,499	26,086,500	26,501,000

Where do our dollars go?



REVENUE ASSUMPTIONS AND TRENDS



General Fund

Special Revenue Funds

Enterprise Funds



This section provides revenue descriptions, trends and assumptions for major revenue line items. Detailed revenue information can be found within each respective fund.

General Fund Revenue

The Property Tax Rate and Property Tax Revenue

Property taxes are levied each year on October 1st on the assessed values as of the prior January 1st for all real and personal property located in the City. Assessed values are established by the Matagorda County Appraisal District (MCAD). Certified taxable values are provided to the City by the MCAD in July. Property tax is the largest source of income for the General Fund and makes up **30%** of the budgeted revenue for the 2020 fiscal year. This tax supports operations such as police services, fire protection, streets, park maintenance and code enforcement. The City approved a \$10,000 exemption for all Bay City citizens over the age of 65. The citizens of Bay City elected for .5% of the City's 2% local option to be used for property tax relief. Increase sales tax helps the City decrease reliance on property tax revenue.

The total value of all taxable property as certified by the Matagorda County Appraisal District is summarized in the following table:

	Current Year FY 2020	Prior Year FY 2019	Variance	Variance
* Certified Taxable Value (2019 Tax Roll)	868,960,974	856,144,797	12,816,177	1.5%
** TIRZ New Value (Increment over Base)	15,377,607	3,753,496	11,624,111	309.7%

* The City has 3 Tax Increment Reinvestment Zones (TIRZ's). TIRZ value is included in the Certified Value Total.

**TIRZ New Value equals the 2019 Taxable Value less the value of the TIRZ when it was created.

Certified taxable property valuations provided to the City by the MCAD on July 23, 2019 totaled \$868,960,974 - an increase of 1.5% over prior year. For the Fiscal Year 2020 budget, the **adopted budget** will raise less property taxes than last year's budget by \$-19,931(-0.36%). The City Council adopted a tax rate of .65500/\$100 value which will still afford the City to maintain the same service levels and build the fund balance.

The table below shows the City's tax rate distribution & associated tax levy as approved in the budget.

	Tax Rate	Tax Rate Percent	Total Gross Levy ¹	FY 2020 Budget ²
Debt Service Funds:				
Various Debt Service	.1532	23.38%	1,308,070	1,308,070
Total Debt Service (Required)	<u>.1532</u>	<u>23.38%</u>	<u>1,308,070</u>	<u>1,308,070</u>
General Fund:				
Operation and Maintenance	<u>.5018</u>	<u>76.62%</u>	<u>4,282,901</u>	<u>4,273,237</u>
Total	<u>.6550</u>	<u>100.00%</u>	<u>5,590,971</u>	<u>5,581,307</u>

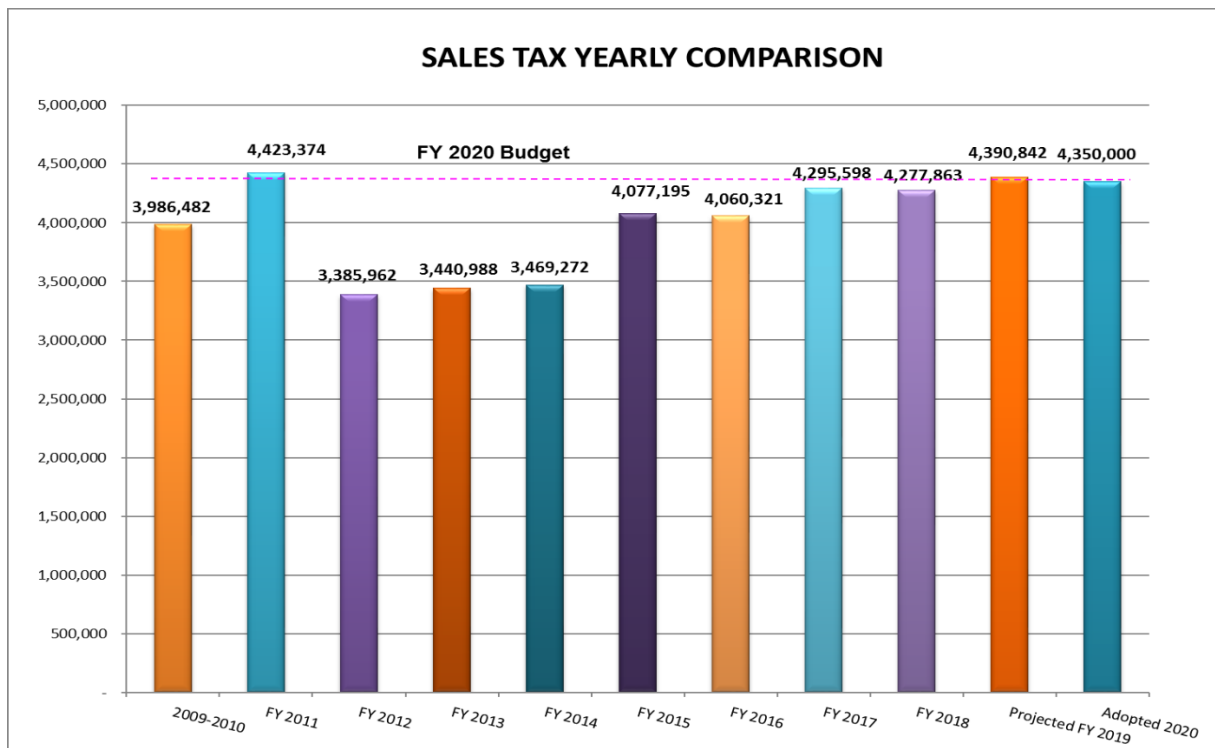
¹ **Gross levy**-anticipates 100% collection rate; ² **Budget** anticipates 100% collection rate in debt service and 98% collection rate in General Fund Operations and Maintenance Budget.

The graph below shows the history of the City's original tax levy.



Sales Tax

Sales tax is the second largest revenue source in the General Fund making up **29%** of the City's General Fund budget. The City receives 1.5% of the 8.25% tax charged inside the city limits. The Bay City Community Development Corporation receives 0.5% and the remaining 6.25% goes to the State. The City budgeted sales tax based on the last two years of activity.



Franchise Fees

Franchise Fees represent **9%** of the City's General Fund revenue. Franchise fees are collected from major public utility providers operating within the City limits. This charge is for the use of the City's right of ways and streets. The fee is usually computed by a percentage of gross receipts. The City is budgeted to collect a total of **\$1,281,000** a slight increase as compared to prior year's budget. Included in that amount is a Franchise Fee charged to the Public Utility Fund based on 6% of gross revenue. This franchise fee amounts to \$473,000. Historical collections of the most recent years are the primary basis for assumptions of Franchise fees as it relates to franchises such as cable, electric, and telecommunications.

Licenses & Permits

Revenues from these categories relate to various contractors' permits, alcohol permits and animal licenses. Historical averages are the basis of this budget assumption due to the timing of construction jobs.

Grants & Contributions

The City provides services to the County for library and animal impound services. This revenue is budgeted based on interlocal agreements between the City and County. The City also has agreements with each component unit of the City. The Bay City Community Development Corporation Board approves 4B Sales Tax dollars to fund various economic or community development projects while the Bay City Gas Company provides funds to rebuild city streets. This year's annual contracts & local grants equate to **\$751,451**.

- Interlocal agreement with Matagorda County for library services- \$200,000
- Interlocal agreement with Matagorda County for animal impound- \$72,451
- Agreement with the Bay City Gas Company- \$400,000
- Agreement with Bay City Community Development Corporation- \$75,000
- Local law enforcement grant - \$4,000

Intergovernmental Revenue

This revenue represents transfers from various funds to reimburse the General Fund for services such as office space, financial services, administrative services, equipment purchases, and capital projects.

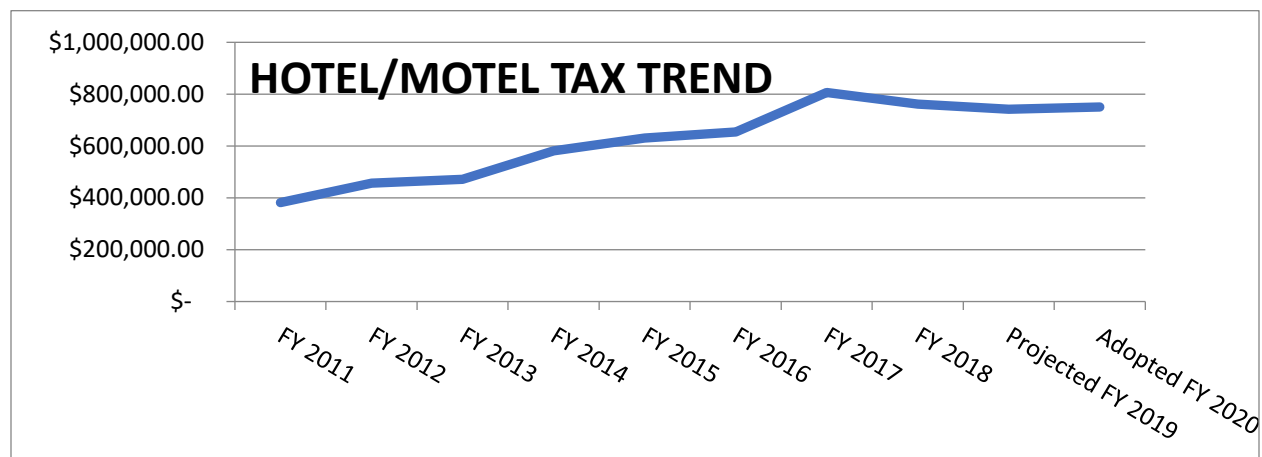
- Transfer in from Public Utility Fund to recover administrative fees- \$585,500
- Transfer in from Hotel Motel Fund to recover costs related to Main Street- \$58,000

Enterprise and Special Revenue Funds

Hotel Occupancy Tax (HOT) Fund

Hotel Tax

All occupants staying overnight in hotels or motels in the City of Bay City for less than 30 consecutive days, are charged a hotel tax of 13% of the room cost. The City receives 7% of the revenue while the State collects 6%. This money is used to promote the City of Bay City following strict guidelines on the use of this tax set up by the State Comptroller's Office. Historical trends are used to estimate this revenue. The City budgeted \$750,000.



Public Utility Fund

Water & Sewer Revenue

The water and waste water operations are funded primarily through user fees. The City has to set rates to cover the cost to pump and treat water along with the cost to maintain and repair the City's infrastructure. The City budget holds an increase in water and sewer rates by 3%. The City's last rate increase was **October 1, 2018**. The City estimates revenue based on historical trends that considers weather and consumption history.

Garbage Fees

Residential and commercial garbage pickup is provided by a private contractor. The City sets rates to cover the charges of the 3rd party contractor plus the cost of a remainder debt payment related to sanitation along with a 5% Franchise Fee. The City increased garbage rates by the calculated Consumer Price Index (CPI) of 2.50%. The estimated revenue is derived by the average number of customers multiplied by the rate, then annualized.

Airport Fund

The City charges tie down and full-service fees and jet and aviation fuel purchases. Hanger rentals (\$95,000) and fuel/oil sales (\$180,500) are the largest user fees in this fund and are estimated to be **\$275,500**, or **38%** of total budget. The General Fund subsidizes this fund by approximately \$330,000. Revenue assumptions are based on department input and historical trends.

All Major Funds

User & Service Charges

This type of charge can be found in the General Fund, Public Utility Fund and Airport Fund. These fees account for **38%** of citywide revenue.

Less than **17%** of the General Fund revenue comes from service fees (sanitation fees). However, this is **88%** of the Public Utility Fund's revenue source.

Fines & Forfeitures

Fines and forfeitures account for approximately **1%** of the citywide revenue and can be found in the General Fund and Public Utility Fund. In the General Fund, this revenue is represented by payments of citations, warrants, court costs and Library Fines. The revenue is represented as late payment penalties in the Public Utility Fund.

Other Revenue

This is the smallest resource of citywide revenue and can be found in most funds. This includes items such as interest income, auction proceeds and other financing sources.

Total City Revenue

The Fiscal Year 2020 budgeted revenues for the City totaled \$26,782,000. This is down \$810,499 or **3%** less than prior year's budget. This is attributable to funding various capital projects in prior years.



GENERAL FUND

Revenue

Expenditures

Department Summaries

Administration

City Secretary

City General

Main Street

Human Resources

Municipal Court

Finance

Police

Animal Control

Fire

Street & Bridge

Recycling Center

Parks

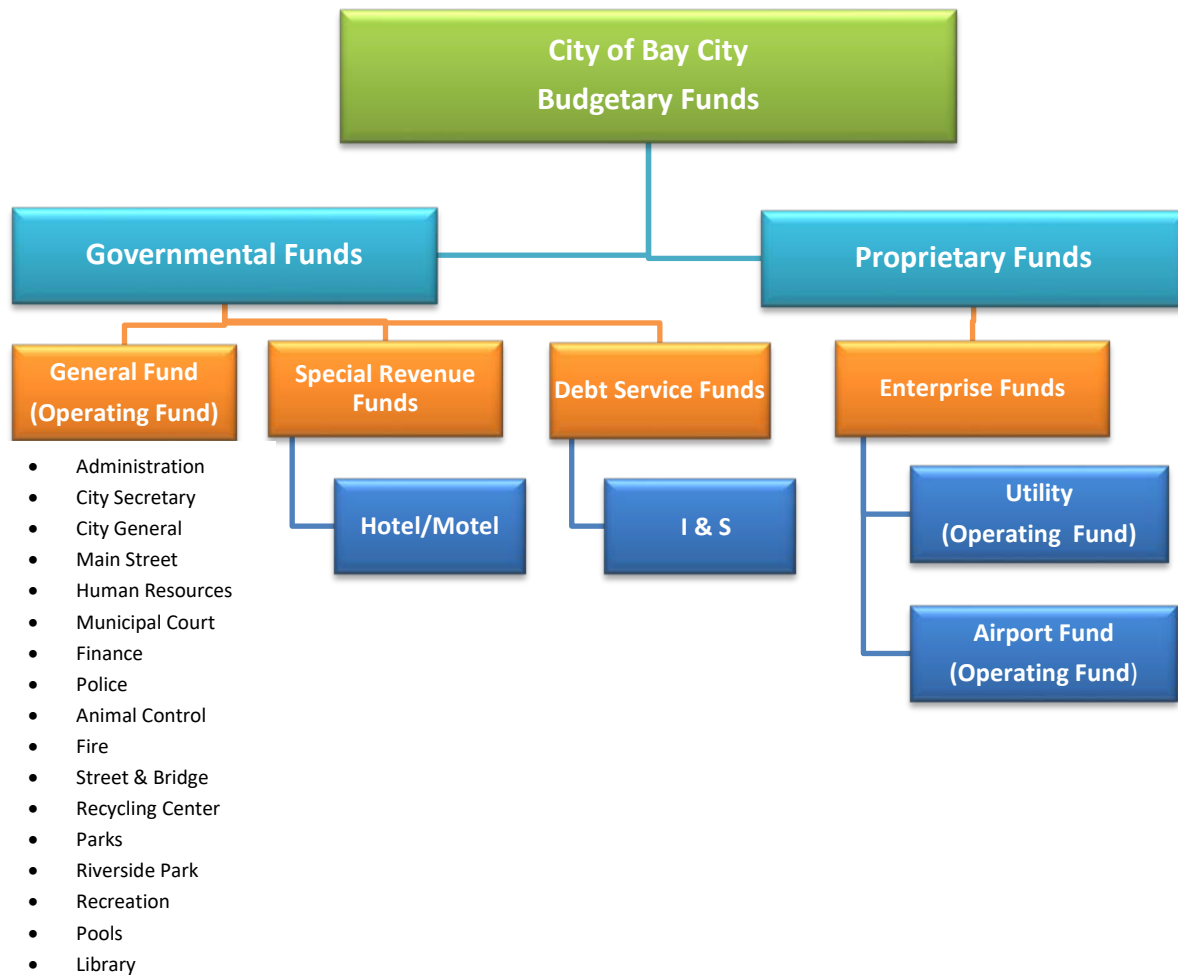
Riverside Park

Recreation

Pools

Library





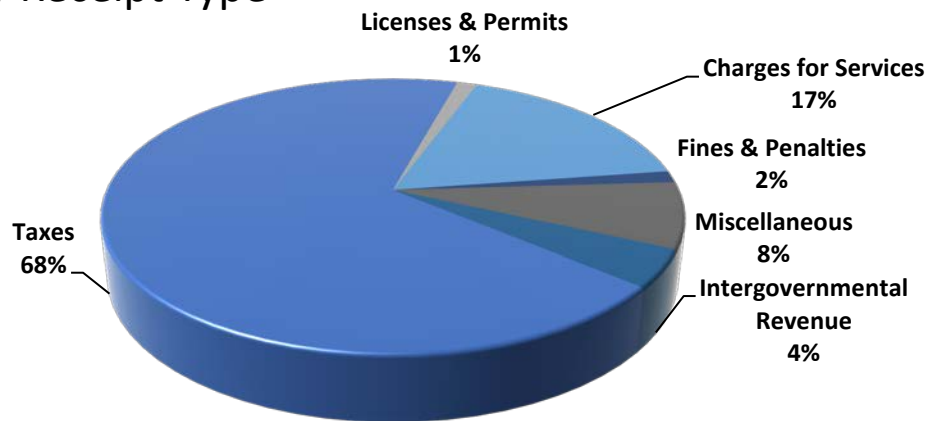
The General Fund is the general operating fund of the City. It is used to account for all financial resources accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.

This section provides a four-year comparative summary and detailed information for revenue and expenditures. You will also find each operating department's mission, upcoming goals, budget history, performance measures and major additions related to the General Fund.

General Fund Revenue

Receipt Type	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	Variance
Taxes	9,283,293	9,758,844	10,167,184	10,151,426	10,105,737	-61,447
Licenses & Permits	154,409	396,638	202,500	259,500	196,000	-6,500
Charges for Services	2,380,790	2,364,610	2,443,000	2,443,150	2,527,000	84,000
Fines & Penalties	257,791	201,602	203,000	200,295	203,000	0
Miscellaneous	972,817	1,024,078	1,627,015	1,650,879	1,143,763	-483,252
Intergovernmental Rev.	657,974	852,559	741,800	741,676	643,500	-98,300
Prior Fund Balance	-	-	-	-	-	-
Total Revenue	13,707,074	14,598,332	15,384,499	15,446,926	14,819,000	-565,499

Revenue by Receipt Type



Largest Revenue Sources	Budget FY 2019	% Of Total FY 19 General Fund Budget	Adopted FY 2020	% Of Total FY 2020 General Fund Budget	Variance
Property Taxes	4,459,684	29%	4,434,737	30%	-24,947
Sales Tax	4,395,000	29%	4,350,000	29%	-45,000
Franchise Fees	1,274,500	8%	1,281,000	9%	6,500
Mixed Beverage Tax	38,000	0.002%	40,000	0.003%	2,000
Total	10,167,184	66.002%	10,105,737	68.003%	-61,447

General Fund Revenue Detail

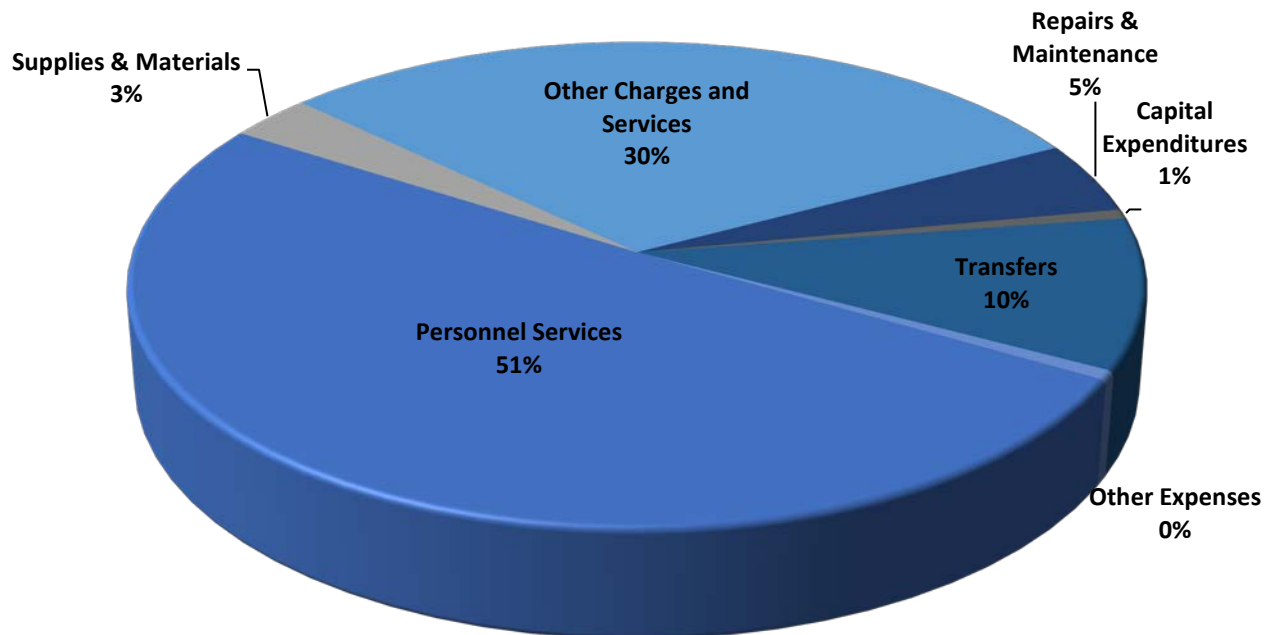
General Fund Revenues	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Taxes					
Property Taxes Collections	3,660,706	4,028,635	4,268,184	4,268,184	4,273,237
Delinquent Taxes	86,974	89,686	120,000	119,500	90,000
Tax Overpayments	609	3,073	1,500	1,400	1,500
Property Taxes- P&I Fees	72,624	66,041	70,000	70,000	70,000
State Sales Tax	2,856,164	2,862,652	2,930,000	2,927,228	2,900,000
State Mixed Drink Tax	39,307	40,341	38,000	42,000	40,000
Franchise Tax	682,475	665,583	680,000	665,000	675,000
Enterprise Franchise Fee	445,000	463,000	466,500	466,500	473,000
Waste Collection Franchise	-	124,622	128,000	128,000	133,000
State Sales Tax- Tax Relief	1,439,434	1,415,211	1,465,000	1,463,614	1,450,000
Total Taxes	9,283,293	9,758,844	10,167,184	10,151,426	10,105,737
Licenses & Permits					
Alcohol Beverage Permit	3,598	2,130	5,500	9,000	7,000
Building Permits	144,901	390,068	195,000	245,000	185,000
Misc. Inspection Fee- Code Enf.	1,670	1,170	1,000	2,000	1,000
Plat Filing Fees	4,240	3,270	1,000	3,500	3,000
Total Licenses & Permits	154,409	396,638	202,500	259,500	196,000
Charges for Services					
Sanitation Fees	2,380,790	2,364,610	2,443,000	2,443,000	2,527,000
Service Charges	0	107	0	150	0
Total Charges for Services	2,380,790	2,364,716	2,443,000	2,443,150	2,527,000
Fines & Penalties					
Court Fines	226,999	179,546	175,000	173,295	175,000
Warrant Fines-Collected	16,622	9,910	17,000	15,000	17,000
Arrest Fees	699	637	500	500	500
Juvenile Case Management	7,793	6,712	7,000	7,000	7,000
Library Fines	5,678	4,798	3,500	4,500	3,500
Total Fines & Penalties	257,791	201,602	203,000	200,295	203,000

General Fund Revenues (Continued)	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2018	Adopted FY 2019
Miscellaneous					
Interest Income	7,467	31,416	55,000	54,550	45,000
Liens	5,873	3,443	9,000	10,150	2,500
Building Demolitions	-	800	12,500	13,163	500
Rental Proceeds	64,034	21,949	58,000	67,500	86,000
Recycling Center	32,348	29,463	24,000	24,000	25,000
Royalties	-	-	0	0	-
PD Grants and Special Rev.	64,550	52,512	55,000	54,500	55,000
Grants- Various Sources	893	6,000	364,779	364,700	-
Law Enforcement Education	3,181	4,000	4,000	3,940	4,000
Parks- Rental Income	16,170	16,513	15,000	17,500	16,000
Rec Programs	27,037	26,302	25,000	24,880	25,000
Riverside- RV Rentals	54,850	-	15,500	15,000	65,000
Riverside Park Fees	20,935	(100)	5,500	5,000	10,000
Service Center Fees	1,331	260	3,000	3,291	5,000
Donations	15,927	360	0	1,000	-
BCISD- Pool Renovation	-	-	0	0	-
County- Animal Impound %	84,856	67,525	72,812	71,901	72,451
County- Library Funding	200,000	200,000	200,000	200,000	200,000
Animal Impound- Donations	433	255	0	250	-
Animal Impound- Fees	6,175	4,656	5,000	4,500	4,500
Suspense Account	-	-	0	200	-
Insurance Claims	17,973	14,262	11,000	10,595	-
Gain on Disposal of Assets	7,812	-	13,500	13,509	-
Other Income- From Gas Co.	166,000	366,000	400,000	416,000	400,000
Other Income- Police	6,035	13,651	5,924	4,750	6,000
Other Income- BCCDC	70,000	69,624	200,000	200,000	75,000
Other Income	98,937	95,186	72,500	70,000	46,812
Total Miscellaneous	972,817	1,024,078	1,627,075	1,650,879	1,143,763
Intergovernmental Revenue					
Transfer from FD 25	57,564	50,800	48,000	48,000	58,000
Transfer from Utility	464,986	463,000	668,800	668,800	585,500
Transfer from Fund 21	-	-	25,000	24,876	-
Transfer- Library	135,424	83,664	-	-	-
Transfer from Fund 31	-	220,589	-	-	-
Transfer from Fund 34	-	34,506	-	-	-
Total Intergovernmental	657,974	852,559	741,800	741,676	643,500
Prior Fund Balance					
Prior Fund Balance	-	-	-	-	-
Total Fund Balance	-	-	-	-	-
Total General Fund Revenue	13,707,074	14,598,332	15,384,499	15,446,926	14,819,000

General Fund Expenditures by Function

Expenses by Function	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	Variance
Personnel Services	7,253,703	7,131,925	7,353,161	7,311,807	7,508,596	155,435
Supplies & Materials	368,903	415,075	440,150	427,938	447,125	6,975
Charges and Services	4,017,313	3,875,683	4,109,583	3,849,914	4,484,079	374,496
Repairs & Maint.	422,957	524,228	646,200	631,970	707,200	61,000
Capital Expenditures	278,035	224,503	944,780	949,200	92,000	-852,780
Transfers	1,843,146	1,481,008	1,805,625	1,805,625	1,490,000	-315,625
Debt Service	53,226	-	-	-	-	-
Other Expenses	90,564	90,756	85,000	86,490	90,000	5,000
Total Expenditures	14,327,847	13,743,177	15,384,499	15,062,944	14,819,000	-565,499

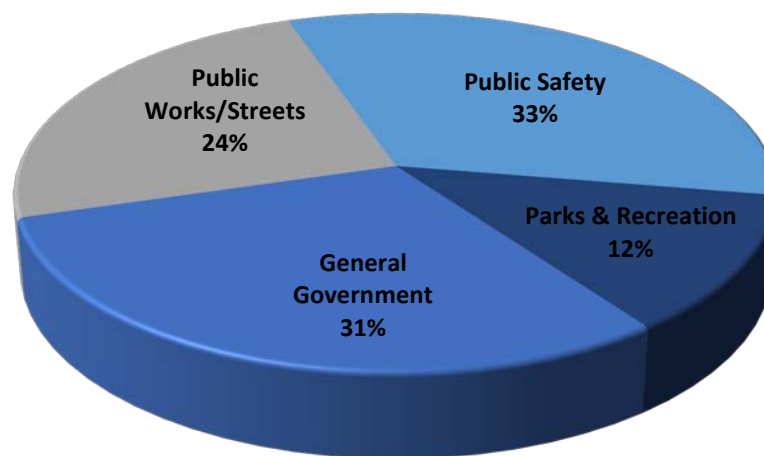
Expenditures by Function



General Fund Expenditures by Department

Department	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	Variance	%
City Secretary	309,841	150,305	161,949	161,180	150,039	-11,910	-7%
City General Services	2,987,097	2,433,038	3,157,948	2,925,159	3,085,000	-72,948	-2%
Administration	279,602	214,918	207,580	209,252	316,254	108,674	52%
Main Street	56,291	68,621	55,800	57,290	58,000	2,200	4%
Personnel Resources	-	247,645	246,623	246,840	247,732	1,109	0%
Municipal Court	280,761	277,123	318,522	317,032	323,290	4,768	1%
Finance	305,766	308,211	322,582	320,703	329,100	6,518	2%
Police	4,726,125	4,441,085	4,505,977	4,464,095	4,511,113	5,136	0%
Animal Impound	160,868	157,413	165,482	163,411	164,662	-820	0%
Fire	190,205	185,941	194,391	193,190	198,242	3,851	2%
Public Works/Streets	3,099,644	3,245,282	3,230,327	3,222,547	3,438,577	208,250	6%
Recycling Center	141,667	183,822	668,505	749,965	158,266	-510,239	-76%
Parks & Recreation	892,934	893,764	1,090,961	1,012,230	825,508	-265,453	-24%
Riverside Park	156,740	144,560	273,517	243,570	181,627	-91,890	-34%
Recreational Programs	97,946	85,993	94,186	91,590	99,823	5,637	6%
Pool Operations	191,286	274,856	266,681	263,965	274,549	7,868	3%
Library	451,075	430,603	423,468	420,925	457,218	33,750	8%
Total Expenditures	14,327,847	13,743,177	15,384,499	15,062,944	14,819,000	-565,499	-4%

Expenditures by Department



Departmental Summaries

ADMINISTRATION

Our Mission

To develop and enhance the long-term prosperity, sustainability and health of the community by providing direction, support and regulation to the operations of all City Departments based on State Law, City Charter or City Council.

Description of Our Services

The Mayor exercises leadership in maintaining effective communication between the City Council, City employees and the citizens of Bay City. As the City's Chief Executive Officer, the Mayor performs financial monitoring, presents the annual budget, prepares City Council agenda, provides citizen assistance and works on economic and community development opportunities. This office also handles customer service requests and provides general administrative assistance to other programs.

Vision 2040

2020 Strategic Focus*

Governance

- Organizational/Operational Effectiveness
- Improving Image of Bay City
- Communication

Bay City residents are well informed and involved with the affairs of local city government

Infrastructure and City Facilities

Bay City residents enjoy new streets, sidewalks and have access to public facilities that meet the standards of our community.

Community & Economic Development (2020 Strategic Focus)

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

Livability & Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

FY 2020 Business Plans (Objectives)

- Hire a permanent City Manager
- Conduct regular staff meetings with employees to enhance transparency and communication between departments and City administration
- Continue to conduct annual strategic planning sessions with City Council and staff together

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Conducted regular workshops with Council and staff in a casual environment that promoted communication and understanding of issues in advance of decision making
- ✓ Promoted a code of conduct conducive to a positive and productive work environment
- ✓ Successfully transitioned the CVB to become an active Tourism Department under the City
- ✓ Collaborated with the Tourism Manager to cast the Joe DeLoach memorial statue
- ✓ Collaborated with the Bay City Art League to commission two additional murals in Bay City, one of which will pay tribute to our local veterans
- ✓ Successfully aided local public servants in the relocation of the House of Refuge homeless shelter
- ✓ Educated local schools about the importance of municipal government and the role it plays in helping the city run smoothly

Budget Summary

Administration	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	257,354	199,645	196,230	195,452	303,904
Supplies & Materials	10,492	5,029	4,150	8,600	4,650
Other Charges & Services	11,756	10,244	7,200	5,200	7,700
Total Administration	279,602	214,918	207,580	209,252	316,254

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Mayor	1	1	1	1
City Manager	0	0	0	1
Executive Assistant	1	1	1	1
Council Members	5	5	5	5
Temp. (Intern)	1	1	1	0
Total	8	8	8	8

In the May 2019 election, citizens voted to switch to City Manager-Council form of government

CITY SECRETARY

Our Mission

To ensure the City's elections and legislative processes are open and public by providing a link between citizens and government through the dissemination of information; and to ensure the preservation and integrity of official records that are stored and maintained for legal and business purposes. The City Secretary Department is to support, facilitate and strengthen the City of Bay City government process by:

- ❖ Assisting the City Council in fulfilling its duties and responsibilities
- ❖ Enhancing public participation in municipal government processes
- ❖ Improving public access to municipal records and other information
- ❖ Providing continuity for the Bay City government by recording its legislative actions and serving as historian for the city
- ❖ Providing daily assistance to all administrative departments of the City of Bay City
- ❖ Safeguarding and enriching the municipal election and records management processes

Description of Our Services

The City Secretary Department is responsible for open records and information requests, issues vendor permits and prepares and distributes City Council agendas and support materials, along with maintaining accurate official meeting minutes. Other services include, administering the oath of office and overseeing the retention of city records.

Vision 2040

2020 Strategic Focus*

Governance*

- **Organizational/Operational Effectiveness**
- **Improving Image of Bay City**
- **Communication**

Bay City residents are well informed and involved with the affairs of local city government

- ❖ Foster strategic relationships with all City Departments
- ❖ Enhance the quality of service of the City Secretary Department
- ❖ Implement technological improvements in the Department.

FY 2020 Business Plans (Objectives)

- Develop and promote a process to streamline historic lien data to enhance collection success
- Develop and present to Council, a Fee schedule for Street Closures and Parade requests by the public
- Develop and promote a City Council meeting agenda process for Council members and directors placing items on the agenda
- Develop and promote a City Council Public Comment Guide for citizens wishing to address the Council
- Enhance the City Secretary's Office website information
- Continue organization and update of the City Code of Ordinances both hardcopy and online
- Review permanent records and records eligible for destruction to maintain an orderly, current and efficient records department
- Continue to pursue opportunities which will enhance the Department's ability to provide accurate and timely information to the City Council, Mayor, all City departments and the general public
- Maintain Records and appointment processes of Board membership and terms of all City Board participation

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Installed video/sound recording equipment for all Council workshops and agendas
- ✓ Implemented full screen technology for agenda Power Points for meeting audience
- ✓ Implemented new voting electronic polling (ePoll) Pads for City Elections
- ✓ Developed a City Council meeting agenda process for Council members and directors placing items on the agenda
- ✓ Developed a City Council Public Comment Guide for citizens wishing to address the Council
- ✓ Created a City Fee Ordinance to be presented to the City Council for action
- ✓ Organized and updated the City Code of Ordinances both hardcopy and online
- ✓ Reviewed permanent records and records eligible for destruction
- ✓ Maintained Records and appointments of Board membership and terms of all City Board participation
- ✓ Organized records in the vault and updated old labels
- ✓ Developed a data base of legal opinions (Provided by our attorneys over the years)

Budget Summary

City Secretary	Actual FY 2017	Actual FY 2018	Budgeted FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	240,574	127,368	124,899	124,862	126,939
Supplies & Materials	13,283	12,950	27,000	26,868	13,000
Other Charges & Services	55,985	9,986	10,050	9,450	10,100
Repairs & Maintenance	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total City Secretary	309,841	150,305	161,949	161,180	150,039

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
City Secretary	1	1	1	1
Deputy City Secretary	1	1	1	0
Personnel Generalist	1	0	0	0
Total	3	2	2	1

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of Agendas/Meetings/Mins.	30	92	102	111
Number of requests for Public Info.	40	62	115	130
Number of new Ordinances approved	10	7	12	15
Number of closed sessions	8	14	21	21
Number of public hearings	8	8	8	6
Number of Proclamations	10	4	5	5
Number of resolutions approved	20	41	48	50
Number of elections prepared for	1	1	2	1
<i>Measuring our Effectiveness</i>				
% of Agendas posted 7 days prior to meeting	100%	100%	100%	100%

CITY GENERAL

Description of Our Services

Expenditures considered to be of a non-departmental nature include: audit and legal fees, general liability insurance, Fixed Asset Replacement Fund allocations, approved contingency allocations and transfers to other funds for shared operating costs. This department also provides for the operation of the City Hall building including all utilities, janitorial and building maintenance costs.

Contingency

In accordance with Section 10.07 of the City Charter, provisions shall be made in the annual budget for a contingent appropriation in an amount not more than seven (7) percent of the total budget to be used in case of unforeseen items of expenditure. Such contingent appropriation shall be under the control of the Chief Administrative Officer and distributed by him/her after approval by the City Council. Council, with recommendation from the Chief Administrative Officer, may adjust the percentage of the contingency appropriation for cause.

Fixed Asset Replacement Fund Allocations (FARF)

This fund is specifically used to replace vehicles, machinery, and equipment in the General Fund. Annually the City's goal will be to transfer dollars to the FARF based on one year's annual depreciation for all assets of this type. A minimum threshold will be reviewed annually for the appropriateness based on the depreciation schedule along with funding ability.

Budget Summary

City General	Actual FY 2017	Actual FY 2018	Budgeted FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	264	1,486	3,000	3,157	4,000
Supplies & Materials	15,887	28,371	25,000	24,000	28,000
Other Charges & Services	1,056,006	913,100	1,299,323	1,052,377	1,528,000
Repairs & Maintenance	22,919	9,075	25,000	40,000	35,000
Capital Expenditures	-	-	-	-	-
Transfers	1,838,795	1,481,008	1,805,625	1,805,625	1,490,000
Debt Service	53,226	-	-	-	-
Total City General	2,987,097	2,433,038	3,157,948	2,925,159	3,085,000

MAIN STREET



Our Mission

The mission of Bay City Main Street is to promote historic pride and economic vitality within the Four Points Approach. Success in these four areas will result in our vision for hospitality and economic vitality through County strength and pride.

Four Points Approach:

1. Design (historic preservation)
2. Organization (added partners)
3. Promotion (inventive ideas)
4. Economic Restructuring (shared financial information and aid)

Description of Our Services

The Bay City Main Street program is a City of Bay City program administered by The Bay City Community Development Corporation. The Main Street program, under the direction of Main Street Co-Managers, organizes community volunteers to provide advice on historic design and rehabilitation; promotions and business incentives available for downtown businesses. Main Street administers the City of Bay City's historic façade grant program. Bay City is an accredited Main Street America and Main Street Texas Program which affords the community resources to help address the needs and concerns of downtown businesses.

Vision 2040

2020 Strategic Focus*

Community & Economic Development*

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs and actively promoting tourism.

- ❖ **Downtown Revitalization** – Since becoming a Main Street Program in 1992, downtown Bay City has received over \$16,500,000 in investment through rehabilitation projects, new construction and public improvement projects. These improvements have resulted in a vibrant downtown featuring a mix of retail, restaurants, professional services, government and housing.
- ❖ **Historic Preservation** – Bay City maintains a high preservation ethic, while encouraging entrepreneurs to invest in rehabilitation and reuse of historic properties to meet the needs of the 21st Century.

Vision 2040 Goals:

- Provide sidewalks throughout downtown
- Utilize historic assets in Bay City
- Encourage businesses to stay open later
- Conduct regular events downtown
- Improve the appearance of downtown
- Develop public restrooms
- Identify parking opportunities
- Update wayfinding and signage plan

FY 2020 Business Plans (Objectives)

- Increase foot traffic downtown with events
- Promote downtown events through various forms of media including print and social
- Expand Camofest by increasing sponsorships, participation, and attendance
- Improve appearance of downtown through façade grants and beautification projects
- Increase knowledge of downtown preservation and Main Street resources
- Support Bay City Historic Commission
- Promote occupancy of empty buildings
- Identify opportunities for grants and funding sources for downtown improvements
- Support the Texas Theatre Project
- Support the Historic Downtown Business Association
- Develop an inventory of all downtown buildings

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Partnered with Tourism, Parks and Recreation and Historic Downtown Business Association on Flock Fest, Wolf Moon Concert and Light It Up
- ✓ Had a successful Camofest with a higher attendance and more vendors than in previous years
- ✓ Partnered with Tourism and Historic Downtown Business Association on a new downtown shopping and dining guide
- ✓ Held monthly Rock the Block events, Christmas Around the Square, Small Business Saturday, Breakfast with the Grinch and Brunch with Santa and Camofest to increase downtown traffic
- ✓ Increased social media presence on Facebook and added an Instagram and Twitter account
- ✓ Published columns on downtown events and attractions in a local newspaper
- ✓ Awarded Façade grants to Three Chick's Soaps and Terrace Salon
- ✓ Worked with Historic Commission to approve five Certificates of Appropriateness for facades, canopies and signs
- ✓ Gave information to two business owners on ways to clean historic buildings using proper preservation practices

Budget Summary

Main Street	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Supplies & Materials	22	-	-	-	-
Other Charges & Services	44,595	55,311	50,800	50,800	53,000
Other Expenses	11,674	13,310	5,000	6,490	5,000
Total Main Street	56,291	68,621	55,800	57,290	58,000

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
10-point criteria met/Accredited	Yes	Yes	Yes	Yes
Façade Grants Awarded	1			
Main Street Board Meetings	12	12	12	12
Historic Commission Meetings	12	12	12	12

HUMAN RESOURCES

Our Mission

To provide information regarding policies, procedures, employment and employee benefits to the City staff and to support the City's efforts to attract, develop and retain a diverse, well-qualified and productive workforce that is capable of providing quality services to the citizens of Bay City.

Description of Our Services

The Human Resource Department provides services to City employees; processes all hiring and termination of employees; maintains personnel and medical files on all employees; processes worker compensation claims; unemployment claims; resolves retirement fund issues and health/dental insurance coverage issues. This department works closely with department heads, payroll and the safety committee in all matters involving employees of the City.

Vision 2040

2020 Strategic Focus*

Governance*

- **Organizational/Operational Effectiveness**
- **Improving Image of Bay City**
- **Communication**

Bay City residents are well informed and involved with the affairs of local city government.

FY 2020 Business Plans (Objectives)

- Phase in proposed pay scale
- Establish mandatory training classes and programs for supervisors
- Provide quarterly training and policy review for supervisors
- Review and amend new employee orientation program (create on-boarding process/new hire orientation video)
- Conduct quarterly benefit meetings for employees
- Begin archiving all personnel records for retention and storage purposes
- Fully utilize the HR module in Incode
- Revise personnel policy

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Attended Time Clock Manager training
- ✓ Created monthly HR Newsletter
- ✓ Completed compensation study
- ✓ Developed a pay scale
- ✓ Developed a certification pay scale
- ✓ Reviewed and modified job descriptions
- ✓ Continued monthly policy update and review for employees
- ✓ Performed monthly insurance audits

Budget Summary

Human Resources	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	-	171,341	177,923	176,413	177,282
Supplies & Materials	-	5,161	5,800	7,800	5,400
Other Charges & Services	-	71,142	62,900	62,627	65,050
Capital Expenditures	-	-	-	-	-
Total Human Resources	-	247,645	246,623	246,840	247,732

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Director of Human Resources	0	1	1	1
Personnel Generalist	0	1	1	1
Total	0	2	2	2

**Prior to FY 2018 Human Resources was budgeted under City Secretary Dept. **

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of new employees processed (F/T)	20	15	12	13
Number of employee separations (F/T)	21	8	19	5
Number of work related injuries	26	10	10	0
Number of open enrollment changes processed	45	35	35	30
Number of applications received	195	200	254	200
Number of grievances	0	0	1	0
Number of sick hours used per FTE	53.46	54.49	38.17	50
Total number of job postings (Annual)	16	27	22	5
Percentage of positions filled internally	25%	33%	9.1%	75%
Turnover rate	12.1%	8.2%	16.67%	5%
Average tenure of employees (years)	-	9	9	10

MUNICIPAL COURT

Our Mission

The mission of the City of Bay City Municipal Court is to serve the citizens of Bay City, Texas in a courteous, professional and efficient manner by providing friendly and impartial case resolution through the judicial process as it relates to Class “C” offenses filed within the city limits of the City of Bay City.

Description of Our Services

Bay City Municipal Court provides a fair and impartial court of law to its citizens. Municipal Court is responsible for accurately and efficiently processing Class C misdemeanor charges, collecting fines & fees, court scheduling, issuing, tracking and clearing warrants, maintaining court records and reporting to state agencies.



Vision 2040

2020 Strategic Focus*

Governance*

Bay City residents are well informed and involved with the affairs of local city government.

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

FY 2020 Business Plans (Objectives)

- Develop an electronic storage/filing system for hard copies of cases that are 2 or more years old
- Continue to provide impartial and courteous case resolution to the public
- Continue to create more opportunities for outreach via Health Fair, MC week and quarterly school visits to bring awareness to traffic safety throughout our community
- Hold successful Amnesty, Warrant Round up and Municipal Courts week campaigns
- Research options for in house collections for warrant resolution
- Utilize city web site to reach the public by offering more information, resources and forms online
- Implement Court Security Committee as part of S.B. 42 with an increased focus on the safety of the Municipal Court building, its employees and citizens
- Installing badging access system throughout Municipal Court
- Purchasing 33 zone metal detector as well as handheld metal detector to be used by Municipal Court as well as Police Department and City Hall for increased safety of City departments, its' employees and its citizens

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ TMCEC Traffic Safety Award-Honorable Mention
- ✓ Successful Municipal Courts Week with focus on Impaired Driving and Child Safety Seat requirements
- ✓ Installment of Bullet proof doors to Court room
- ✓ Held productive Amnesty and Warrant Round up campaigns
- ✓ Utilized dialer software to create reminders for customer deadlines and court dates

Budget Summary

Municipal Court	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	172,263	177,765	196,472	196,157	199,965
Supplies & Materials	6,497	7,535	7,200	7,050	7,075
Other Charges & Services	100,202	90,738	111,850	109,650	113,250
Repairs & Maintenance	1,799	1,085	3,000	4,175	3,000
Capital Expenditures	-	-	-	-	-
Total Municipal Court	280,761	277,123	318,522	317,032	323,290

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Municipal Court Judge-Contract	1	1	1	1
Municipal Court Assoc. Judge-Contract	1	1	1	1
Municipal Court Administrator-Exempt	1	1	1	1
Municipal Juvenile Case Manager	1	1	1	1
Municipal Court Clerk	2	2	2	2
Total	6	6	6	6

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of violations filed	3,755	3,400	3,500	3,445
Number of warrants issued	1,089	1,009	1,050	1,060
Number of juvenile citations	69	51	46	42
Number of warrants cleared	1,129	1,082	975	950
Number of completed cases	1,071	942	850	830
Cases satisfied by Community Service	134	176	170	150
Cases satisfied by Jail Time	673	371	400	390
Other Completed Cases	2,582	2,473	2,500	2,500
<i>Measuring our Effectiveness</i>				
#of case files created with 24 hrs. of citation receipt	100%	100%	100%	100%



FINANCE

Our Mission

To provide an efficient accounting system for City government while ensuring financial accountability to our citizens.

Description of Our Services

The Finance Department is responsible for the administration and supervision of all financial affairs of the City, the timely recording of revenue and the disbursement of City funds in accordance with State Law, City policies and Generally Accepted Accounting Principles. The Finance Department assists in enforcing budgetary control and performs internal audit functions as needed.



Vision 2040

2020 Strategic Focus*

Governance*

Bay City residents are well informed and involved with the affairs of local city government.

- **Organizational/Operational Effectiveness**
- **Improving City Image of Bay City**
- **Communication**

Infrastructure and City Facilities

Bay City residents enjoy new streets, sidewalks and other improvements year after year.

FY 2020 Business Plans (Objectives)

- Earn the new Transparency Stars: Traditional Finance Award from the State Comptroller *
- Create the Purchasing Policy and Procedures Manual*
- Expand the City's five-year plan into a long-term financial plan *
- Assist in efficiency improvements of the City (annual contract procurement, cost benefit analysis)
- Improve the budget document to create an easy, understandable format for our citizens *
- Continue to increase the number of outstanding ratings on the City's CAFR document that is submitted to the Government Finance Officers Association for review
- Continue to provide for timely financial reporting to departments, managers and City Council.
- Expand digitally archiving finance documents other than Accounts Payable
- Continue to reduce number of adjusting audit entries performed by auditors
- Revise quarterly financial report to include various city statistics and performance measures.
- Review/update Franchise Agreements
- Apply for budget award with the Government Finance Officers Association (GFOA)
- Apply for Popular Annual Financial Report (PAFR) with GFOA

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Received the Popular Annual Financial Report to provide external reader with condensed budget format that tends to be more user friendly for the first time
- ✓ Received the Distinguished Budget Presentation Award through Government Finance Officers Association (GFOA) for Fiscal Year 2019
- ✓ Received the Comprehensive Annual Financial Report (CAFR) Award through Government Finance Officers Association (GFOA) for Fiscal Year 2018
- ✓ Diversified investment options to optimize interest earnings
- ✓ Reviewed internal control procedures for cash sensitive areas and updated procedures
- ✓ Assisted City Departments with various grant submittals
- ✓ Assisted with the creation of the Economic Development program/policy for the City
- ✓ Assisted with land development agreement
- ✓ Participated in the Economic Development strategic planning session
- ✓ Provided an enhanced façade grant program template to support Economic Development's Strategic Plan
- ✓ Partnered with Parks to review the USO's Facility Use Agreement allowing the City to charge certain groups using the facility
- ✓ Provided contract templates to support various types of contracted services

Budget Summary

Finance	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	284,639	289,650	305,682	304,053	311,100
Supplies & Materials	5,632	7,876	7,500	7,250	7,500
Other Charges & Services	15,495	10,685	9,400	9,400	10,500
Repairs & Maintenance	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Finance	305,766	308,211	322,582	320,703	329,100

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Finance Director	1	1	1	1
Assistant Finance Director	1	0	0	0
Payroll Administrator	1	1	1	1
Senior Accountant	0	0	1	1
Finance Clerk	1	1	0	0
Accounts Payable Clerk	1	1	1	1
Total	5	4	4	4

Finance Clerk was promoted to Senior Accountant at the end of FY 2018

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of invoices processed	8,650	8,775	9,001	9,125
Number of vendor checks issued	5,110	5,335	4,897	5,005
Number of payroll checks/ACH issued	1,419			
Number of manual journal entries	1,839	1,912	1,905	1,890
<i>Measuring our Effectiveness</i>				
GFOA's Distinguished Budget Presentation Award received	N/A	Yes	Yes	Yes
GFOA's Excellence in Financial Reporting Award received	Yes	Yes	Yes	Yes
Audit receives a clean opinion	Yes	Yes	Yes	Yes
Continuing Disclosure report by March 31 st	Yes	Yes	Yes	Yes
Compliance with Investment Policy	100%	100%	100%	100%
Average number of working days to close month	10	11	10	10
Average number of working days to issue monthly financial report	15	16	15	15



Mayor of Bay City, Bay City Councilmembers along with Finance staff honored, at a City Council meeting, with the GFOA's Distinguished Budget Presentation Award for the second year in a row

POLICE DEPARTMENT

Our Mission

Police

It is the mission of the Bay City Police Department and its employees, in cooperation with the citizens of Bay City, to maintain public order and continually strive to improve the quality of life through fair and impartial public service and law enforcement.

Code Enforcement

It is the mission of the Code Enforcement department to protect and enhance the character and stability of the community through both long and short-range planning activities including management and enforcement assigned laws, codes and ordinances.

Description of Our Services

The Bay City Police Department is responsible for the protection of lives and property of the citizens of Bay City; the preservation of public peace and the enforcement of all laws- City, State and Federal. Other areas of responsibility include, but are not limited to, Code Enforcement, Animal Control, traffic control and enforcement, criminal, juvenile and narcotics investigations. Officers prepare and investigate reports of incidents, requiring constant contact with the public; make arrests, investigate motor vehicle accidents and perform other duties. The communications sector is the first point of contact for telephone and walk-in requests for service; acting as a liaison with other law enforcement agencies, dispatching calls and relaying information as requested.

The Code Enforcement department provides enforcement and inspection services in accordance with the City's Code of Ordinances.



Vision 2040

2020 Strategic Focus*

Governance*

Bay City residents are well informed and involved with the affairs of local city government.

- **Organizational/Operational Effectiveness**
- **Improving City Image of Bay City**
- **Communication**

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

FY 2020 Business Plans (Objectives)

- Lower overall NIBRS statistics from previous year
- Increase patrol activities to deter and prevent criminal activity within the City
- Increase special operations within the police department to enforce criminal activity and traffic violations
- Create Citizens on Patrol Division who will patrol neighborhoods and enforce parking violations
- Abatements of properties relating to tall weeds and grass, junk vehicles and substandard structures

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Lowered overall UCR statistics from previous year
- ✓ Increased patrol activities to deter and prevent criminal activity within the city
- ✓ Lowered the number of abatements on abandoned properties
- ✓ Increased higher education among Police Officers
- ✓ Updated the Policies and Procedure Manual

Budget Summary

Police	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	4,097,615	3,991,586	3,990,867	3,962,825	4,030,503
Supplies & Materials	105,009	101,064	110,900	100,775	111,000
Other Charges & Services	311,377	250,199	273,210	269,500	280,610
Repairs & Maintenance	42,538	61,481	46,000	45,995	46,000
Capital Expenditures	169,586	36,755	85,000	85,000	43,000
Total Police	4,726,125	4,441,085	4,505,977	4,465,095	4,511,113

2020 Major Addition: Patrol Unit

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Police Chief	1	1	1	1
Police Captain	2	1	1	1
Police Lieutenant	2	2	2	2
Sergeants	7	7	7	7
Corporals	5	5	5	5
Patrol Officers	17	15	15	15
Traffic Officer	1	1	1	1
Detectives	5	4	4	4
Narcotics Officer	0	1	1	1
Warrant Officer	1	1	1	1
Administrative Assistant	1	1	1	1
Dispatchers	10	10	10	10
Records Clerk/Dispatcher	1	1	1	1
Crime Victim Liaison (Grant)	1	1	1	1
ID Technician	1	2	2	2
Subtotal Police	55	53	53	53
Code Enforcement Officer	2	2	2	2
Subtotal Code Enforcement	2	2	2	2
Animal Control Officer	2	2	2	2
Subtotal Animal Control	2	2	2	2
Grand Total Police	59	57	57	57

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of community programs & events attended by personnel	190	210	215	215
Number of training hours received by personnel	8,991	8,240	8,700	9,000
Total number of calls for service	30,841	28,376	25,100	28,000
Number of traffic contacts	4,316	3,894	5,300	5,500
Number of vehicle accidents patrol worked	490	464	650	650
Number of cases assigned to CID	2,641	2,352	2,500	2,500
Number of cases cleared by arrest	1,276	906	950	1,100
Number of liens filed- Code Enforcement	174	214	160	180
Number of illegal dumping cases- Code Enforce.	91	62	50	125
Number of substandard building inspections	135	22	90	125
Number of Code Enforcement investigations	1,065	801	1,000	1,150

ANIMAL IMPOUND

Our Mission

The mission of the Bay City Animal Control Department is to provide quality animal control services to the citizens of Bay City and Matagorda County. It is the duty of the City to ensure that the Animal Control Department employees are trained to safely and professionally serve our community.

Description of Our Services

The Bay City Animal Control Department provides for the apprehension of stray and nuisance animals, primarily dogs and cats, for the City of Bay City and Matagorda County. The department enforces the Bay City Animal Control Ordinance and State Health Department regulations concerning dogs and cats; houses stray and nuisance animals; investigates incidents involving dangerous and vicious animals; and in emergencies, apprehends domestic livestock and wild animals. The Animal Control Department activities are conducted to ensure the health, safety and welfare of the community.

Vision 2040

2020 Strategic Focus*

Governance

- Organizational/Operational Effectiveness
- Improving City Image of Bay City
- Communication

Bay City residents are well informed and involved with the affairs of local city government.

Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

FY 2020 Business Plans (Objectives)

- Continue to increase the number of adoptions and rescues of animals at the Impound
- Continued to work closely with the Police and Inspection Departments to ensure proper enforcement of animal control ordinances and state health regulations

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Continued to provide professional animal control service to the citizens of Bay City and Matagorda County
- ✓ Promote citizen compliance with pet registration requirements
- ✓ Improve public's perception of the Impound by increasing the number of animals that have been adopted or gone to rescue

Budget Summary

Animal Impound	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	142,635	144,956	145,232	143,986	144,512
Supplies & Materials	2,923	3,797	3,750	3,700	3,750
Other Charges & Services	11,245	7,451	11,000	10,750	10,900
Repairs & Maintenance	4,064	1,210	5,500	4,975	5,500
Capital Expenditures	-	-	-	-	-
Total Animal Control	160,868	157,413	165,482	163,411	164,662

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Animal Impound Manager	1	1	1	1
Assistant Manager	1	1	1	1
Maintenance Tech	1	1	1	1
Total	3	3	3	3

Performance Measures

	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
<i>Our Workload</i>				
Euthanized Animals	505	599	450	500
Number of animals picked up (City)	644	644	585	590
Number of animals picked up (County)	596	251	267	275
<i>Measuring Our Effectiveness</i>				
Average response time to pick up animals	6 minutes	6 minutes	5 minutes	5 minutes

FIRE

Our Mission

Our mission at the Bay City Fire Department is to prevent and protect the loss of life and property for the citizens, businesses and visitors of Bay City and surrounding areas. This mission is accomplished with pride through training, public education and incident response.

Description of Our Services

The Bay City Volunteer Fire Department is responsible for fire prevention through community education programs and hands on training during Fire Prevention Week. Requests are answered promptly for the protection of life and property within the city limits and for the surrounding vicinity. Fire suppression and vehicle accidents are some of the emergency services provided by the Fire Department for the well-being of our community and its guests. The Fire Department also serves as a point of coordination for emergency services during disaster and other emergency situations. The Bay City Volunteer Fire Department also provides mutual aid throughout Matagorda County and has letters of agreement with South Texas Nuclear Operation Project to provide assistance in case of an incident. Due to cooperation between the City of Bay City and the Bay City Volunteer Fire Department, we achieved a Class 4 ISO rating, which helps reduce insurance ratings for homeowners.

Vision 2040

2020 Strategic Focus*

Governance*

Bay City residents are well informed and involved with the affairs of local city government.

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.



FY 2020 Business Plans (Objectives)

- Respond quickly to extinguish fires as to minimize the loss of life, damage to property, and economic impact upon the community
- Ensure fiscal responsibility while delivering the highest level of customer service as possible

Since Bay City's Fire Department is composed of Volunteers, these business plans will be continuous

Budget Summary

Fire	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	54,915	57,887	61,641	61,490	65,492
Supplies & Materials	10,024	14,910	13,150	13,000	13,150
Other Charges & Services	70,990	70,792	74,600	74,425	74,600
Repairs & Maintenance	54,277	42,351	45,000	44,275	45,000
Capital Expenditures	-	-	-	-	-
Total Fire	190,205	185,941	194,391	193,190	198,242

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Maintenance Tech I	1	1	1	1
Total	1	1	1	1



Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of Man-hours for training	822	720	764	767
Number of Man Hours	1,890	2203	2046	2047
Number of Calls Per Year	178	240	209	209
Motor Vehicle Fires	21	17	19	19
Dwelling Fires	13	18	16	15
Rescue Calls	12	11	12	11
Grass Fires	29	51	40	39
Refuse Fires	8	11	10	9
Structure Fires	4	7	5	6
Business Structure Fires	7	0	4	4
Institutional Fires	0	0	0	0
Mobile Home Fires	3	4	1	2
Mutual Aid Calls	12	26	19	19
Other Calls	81	121	101	100
Calls Outside City Limits	72	71	72	72
<i>Measuring Our Effectiveness</i>				
ISO Rating	4	4	4	4



STREET & BRIDGE

Our Mission

The mission of the City of Bay City Public Works Street & Bridge Division is to enhance the quality of life for our residents and promote economic development for our community by providing and maintaining public infrastructure (streets and drainage system) in a sustainable manner to the highest possible standards.

Description of Our Services

The Street & Bridge Division is under the general direction of the Director of Public Works. The Street & Bridge Division performs construction, reconstruction, repairs and maintenance on approximately 109 miles of City owned asphalt and concrete streets, including 27.5 miles of streets with curbs and gutters within the City. The Street & Bridge Division performs many activities including street repair of both concrete and asphalt roadways, overlays, maintenance on drainage systems, cleaning ditches, installing & repairing street signs, street sweeping, weed and pest control, cleaning lots for Code Enforcement, setting driveway pipes, mowing rights-of-way, repairing sidewalks and curbs and pavement markings. They also have the duty to set-up barricades for high water, parades and festivals; manage city brush site; clean up roadway spills; and assist other departments with traffic control, operating heavy equipment and hauling of materials.

Vision 2040

2020 Strategic Focus*

Governance*

Bay City residents are well informed and involved with the affairs of local city government

Infrastructure and City Facilities

Bay City residents enjoy new streets, parks, sidewalks and have access to public facilities that meet the standards of our community.

- ❖ The Street and Bridge crews work diligently to repair the roadways and maintain reconstructed roadways with the resources that are available and within budget.

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living. Major roadways have been identified to move traffic.

- ❖ Other City streets should be designed as attractive public spaces with consideration of all users—vehicles, cyclists and pedestrians.

FY 2020 Business Plans (Objectives)

- Increase advertising efforts and continue to grow the Fall 2019 and Spring 2020 Citywide Cleanup Events
- Improve infrastructure and livability by establishing a street overlay, repair and maintenance program to include pavement and specialty markings
- Complete 1.2 miles section of new sidewalk on Ave F from Nile Valley to Hamman Road. This project is funded and will be constructed by TxDOT
- Clean and regrade Moore Ditch north of MLK to 5th Street to improve drainage
- Establish a curb and gutter repair and replacement program with an estimated 1000 linear feet replaced in the 1st year
- Continue drainage improvements—cleaning ditches, repairing and upgrading storm drains and inlets
- Continue an aggressive sign installation and maintenance program to improve safety and appearance
- Continue tree trimming maintenance to ensure safe passage of emergency and maintenance vehicles
- Continue to provide adequate access to the brush site for citizens and contractors working within the city limits
- Continue to improve efficiency by utilizing Cityworks to track all street repairs, drainage repairs, streets swept (mileage), mowing (mileage), and striping (feet)
- Continue to improve effectiveness by continuing to empower employees through training.
- Adopt 2019 Flood Insurance Rating Maps and Flood Insurance Report to ensure protection of new and existing development near Cottonwood Creek
- Continue to manage and direct third-party inspectors (Bureau Veritas) in a manner that assists staff in the implementation of model codes while maintaining the division's expenditure goals
- Review the permit fee structure and request fee increases to help offset cost incurred by the division

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Organized and provided labor and equipment for Fall 2018 and Spring 2019 Citywide Cleanup Event
- ✓ Completed installation of 190 LF of bulkhead/retaining wall on Cottonwood Creek adjacent to Ave I between 6th and 7th Street. This was a FEMA project associated with Harvey coordinated and constructed by Matagorda County Drainage District No. 1
- ✓ Cleaned 300 LF of culvert under Nichols between 6th and 7th Street to resolve drainage problems in the area. The culvert was completely blocked and filled with years of debris including bottles, cans, plastic bags, trash, etc
- ✓ Hauled and placed sand to level the football field at Hardeman Park
- ✓ Purchased a new street sweeper, asphalt zipper, asphalt distributor trailer and chip spreader
- ✓ Completed major roadway repairs after utility upgrades/repairs on Ave I between Rugeley and Austin Street, 7th Street from Cottonwood to Sycamore, 8th Street between Ave F and Ave G and in the intersection of 5th and Ave G
- ✓ Completed tree trimming in McDonald Meadows, Del Norte, Birkner, Valhalla and Moore Addition
- ✓ Removed/demolition (1) home for code enforcement and disposed of debris

Budget Summary

Streets	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	915,368	831,290	930,327	929,827	899,258
Supplies & Materials	64,252	71,205	74,000	71,420	74,500
Other Charges & Services	1,964,804	2,122,785	1,987,000	1,945,750	2,055,819
Repairs & Maintenance	162,161	220,002	239,000	275,550	409,000
Capital Expenditures	-6,941	-	-	-	-
Total Public Works	3,099,644	3,245,282	3,230,327	3,222,547	3,438,577

2020 Major Additions: Gradall, Tractor/Shredder

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Street & Bridge Supervisor	1	1	1	1
Equipment Operator	5	5	5	5
Truck Driver	1	1	1	1
Street Sweeper Operator	1	1	1	1
Concrete Finisher	1	1	1	1
Concrete Finisher Helper	1	1	1	1
Maintenance Technician II	2	2	2	2
Building Inspector	1	1	1	1
Building Permit Technician	1	1	1	1
Office Manager	1	1	1	1
Secretary	2	2	1	1
Total	17	17	16	16

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Miles of street sweeping	26.4	26.4	26.4	26.4
Backfill Pavement Edge Work Orders	7	285	285	250
Storm Drain Cleaning Work Orders	0	31	24	30
Ditch Cleaning Work Orders	190	126	85	100
Concrete Pavement Repair Work Orders	60	35	30	50
Culvert Work Orders	155	53	54	60
Sidewalk Work Orders	18	5	6	10
City ROW Mowing Work Orders	70	50	52	50
Sign Work Orders	94	78	79	80
Street Sweeping Work Orders	16	24	16	20
Traffic Control Work Orders	55	48	40	50
Tree Trimming Work Orders	46	92	66	60
Utility Asphalt Repair Work Orders	22	64	80	160
Utility Concrete Repair Work Orders	17	61	64	128
Driveway Culvert Installation	20	9	30	30
Building Inspections Performed	727	803	475	800
Electrical Inspections Performed	495	545	500	550
Mechanical Inspections Performed	290	256	195	275
Plumbing Inspections Performed	578	655	600	675
Other Inspections Performed	287	272	195	275



RECYCLING CENTER

Our Mission

The mission of the City of Bay City Recycling Center is to provide a clean recycling facility and to educate, encourage and assist the citizens of Bay City with their recycling efforts.

Description of Our Services

The Recycling Center is under the general direction of the Director of Public Works. The Recycling Center has been the primary recycling option for the Bay City community since 1991 and provides an excellent drop-off area for citizens. The center provides jobs and vocational training for special needs citizens of Bay City and Matagorda County. The Recycling Center is a member of the CTRA and markets the recycled materials through the association. The materials accepted at the recycling center include paper, cardboard, plastics (#1 and #2), metal, oil (motor oil and cooking oil) and antifreeze.

Vision 2040

Infrastructure and City Facilities

Bay City residents enjoy new streets, sidewalks and have access to public facilities that meet the standards of our community.

- The Recycling Center is in the North Downtown development area. The current facility was funded in part by Solid Waste Grants through H-GAC. The Recycling Center was relocated as per the amended development agreement between the City and SAL Holding, LTD. The City was awarded an H-GAC grant to build the new facility outside of the north downtown area.

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- Recycling is an act that can bring a community together. Collective efforts in proper waste disposal, which includes recycling, can make a town cleaner and happier.

FY 2020 Business Plans (Objectives)

- Establish procedures at the new recycling center for safety and operations
- Implement sorting practices to reduce contamination in recycled materials and receive better pricing on high quality baled materials
- Seek grant opportunities to replace aging equipment (balers.)
- Complete all H-GAC grant requirements and documentation for the new facility

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Applied for and received an H-GAC Solid Waste Grant for \$290,000 to assist in construction of a new recycling center
- ✓ Coordinated design and construction of a new facility to relocate the recycling center and allow for economic development in the North Downtown
- ✓ Improved efficiency by maintaining a regular schedule for pickup of recyclables at local businesses
- ✓ Recycled and diverted 326 tons of waste from the landfill

Budget Summary

Recycling Center	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	123,843	130,258	129,425	128,875	132,566
Supplies & Materials	3,917	2,025	4,000	3,690	4,400
Other Charges and Services	12,728	8,095	9,800	10,500	12,300
Repairs & Maintenance	1,180	2,503	5,500	7,000	9,000
Capital Expenditures	-	40,942	519,780	599,900	-
Total Recycling Center	141,667	183,822	668,505	749,965	158,266

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Recycling Center Manager	1	1	1	1
Recycling Center Technician	1	1	1	1
Recycling Center Part-Time Staff (3)	1.5	1.5	1.5	1.5
Total	3.5	3.5	3.5	3.5

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Recycled Plastic - Tons	17	35	40	40
Recycled Cardboard - Tons	237	228	339	339
Recycled Mixed Paper - Tons	40	47	40	40
Recycled Oil - Gallons	2,000	3,205	7,800	7,800

PARKS

Our Mission

In partnership with our citizens, the Parks Department provides programs, facilities, and services which respond to changing needs within our communities. We strive to protect and preserve a park system that promotes quality recreational, cultural and outdoor experiences for the community and enrich the quality of life for present and future generations in a safe and secure environment.

Description of Our Services

The Parks Department provides operation and maintenance services to include mowing, landscaping, park maintenance, facility repairs, playground equipment inspections, custodial duties, maintenance of the swimming pool and construction of new projects. Park staff have additional duties extending to special events and maintenance of multiple city properties. Our primary focus remains on providing quality venues and programs to the public for recreational enjoyment. This is achieved through clean, well-kept facilities with thoughtfully planned programming which is centered on the needs and desires of residents of Bay City.

[*See Appendix, page 261, for a detailed Parks/Buildings Amenities listing*](#)

Vision 2040

2020 Strategic Focus*

Infrastructure and City Facilities

Bay City residents enjoy new streets, parks, sidewalks and have access to public facilities that meet the standards of our community.

- ❖ Bay City residents enjoy their parks and open spaces year-round. Our department currently manages 25 park properties along with other vacant parcels and city properties.

Community Development & Economic Development*

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

- ❖ Bay City parks are vital towards community development and provide a venue where we can all come together on common grounds. Open space is also a key component in connectivity within the city and is critical for its development.

Livability & Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ Parks and open spaces enhance the lives of everyone in Bay City. It is critical that they are viewed as essential to the well-being of all residents with continued resolve to keep them well maintained and functioning.

FY 2020 Business Plans (Objectives)

- Build Bay City's first splash pad at Amistad Park per Park Master Plan action 1.1.8
- Add an amphitheater with an event lawn for events per Park Master Plan action 1.1.1
- Continue with Southern Pacific Trailway connecting Junior High to High School per Master Plan Action 3.1.3
- Convert tennis courts at Community Park to basketball courts
- Add signage naming individual ball fields
- Add shade canopies to Hardeman Park
- Create a community garden (Bay Ridge)
- Convert baseball field to soccer field (City Field)
- Finish sidewalk at Liberty Park
- Provide an electronic message sign at the USO/Service Center

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Installed Dreamscape Playground at LeTulle Park
- ✓ Refurbished pavilions and picnic tables with new tables, trash receptacles, painting and trail for passive recreation opportunities at LeTulle, Amistad, Barkway, Duncan, Henderson, Mary Withers and Train Depot parks
- ✓ Installed new park signage (all parks)
- ✓ Added 3 soccer fields to Hardeman Park at no cost to the City
- ✓ Reconfigured fencing at Amistad to comply with Master Plan
- ✓ Added fencing to Liberty Park
- ✓ Provided pet waste containers at multiple parks with H-GAC grant
- ✓ Updated guest furniture at USO and Train Depot
- ✓ Building repairs (paint, cleaning, ceiling fans, windows) at USO
- ✓ Painted and refurbished restrooms at Amistad, City Field and Community Park

Budget Summary

Parks	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	502,852	514,397	540,761	538,965	537,808
Supplies & Materials	30,602	35,778	34,200	33,150	36,700
Other Charges & Services	163,663	110,268	94,500	94,115	111,000
Repairs & Maintenance	80,428	138,571	122,500	122,000	91,000
Capital Expenditures	115,389	94,750	299,000	224,000	49,000
Other Expenses	-	-	-	-	-
Total Parks	892,934	893,764	1,090,961	1,012,230	825,508

2020 Major Additions: Vehicle, Mower

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Parks Director	1	1	1	1
Recreation Specialist	1	1	1	1
Admin. Assistant	1	1	1	1
Lead Park Specialist	1	1	1	1
Recreation Specialist	6	6	6	6
Temporary Worker	0	2	2	2
Total	10	12	12	12

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Acres of park grounds maintained	474	474	474	474
Grant applications submitted	4	6	6	6



RIVERSIDE PARK

Our Mission

In partnership with our citizens, the Parks and Recreation Department provides programs, facilities, and services which respond to changing needs within our communities. We strive to protect and preserve a park system that promotes quality recreational, cultural and outdoor experiences for the community and enrich the quality of life for present and future generations in a safe and secure environment.



Description of Our Services

Riverside Park provides operation and maintenance services to include RV sites, camping, picnicking, fishing, boat launch, walking trail, laundromat, restrooms/showers, mowing, landscaping, park maintenance, playground equipment, custodial duties and construction of new projects.

Vision 2040

2020 Strategic Focus*

Infrastructure and City Facilities

Bay City residents enjoy new streets, parks, sidewalks and have access to public facilities that meet the standards of our community.

Community and Economic Development*

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

- ❖ Riverside Park is demographically diverse and actively promotes tourism with a great potential for economic development opportunities. A significant amount of unused acreage could be developed to enhance outdoor recreational resources or provide additional campsites and RV spaces.

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ Riverside Park greatly enhances the quality of life for Bay City residents and has historically been operated as a 'best-kept secret'. The park can continue to function in this manner to ensure ample access to locals who know about it, or it can be promoted to generate more revenues and tourism to Bay City.

FY 2020 Business Plans (Objectives)

- Remodel existing shower facilities
- Rebuild boat launch
- Add small shade pavilion in front of the office

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Redesigned and constructed new septic leach field
- ✓ Remodeled all buildings (roofs and paint)
- ✓ Reclaimed all camping spaces
- ✓ Converted damaged residence to park maintenance shop
- ✓ Relocated Ranger residence out of flood zone
- ✓ Replaced picnic tables, fire pits and grills
- ✓ Remodeled park office
- ✓ Rebuilt park roadways

Budget Summary

Riverside Park	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	101,422	93,779	108,817	107,480	113,727
Supplies & Materials	11,999	10,989	15,000	13,390	15,200
Other Charges & Services	30,458	15,540	33,500	32,400	36,500
Repairs & Maintenance	12,861	6,702	66,200	50,000	16,200
Capital Expenditures	-	17,550	50,000	40,300	-
Total Riverside Park	156,740	144,560	273,517	243,570	181,627

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Park Ranger	1	1	1	1
Park Secretary	1	1	1	1
Temporary Worker	0	1	1	1
Total	2	3	3	3

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Acres of park grounds maintained	100	100	100	100
Annual number of guests	0	2,500	5,000	10,000
Annual revenue	\$75,785	0	0	75,000



RECREATION

Our Mission

In partnership with our citizens, the Parks and Recreation Department provides programs, facilities, and services which respond to changing needs within our communities. We strive to protect and preserve a park system that promotes quality recreational, cultural and outdoor experiences for the community and enrich the quality of life for present and future generations in a safe and secure environment.

Description of Our Services

The Parks Department provides programs directly and indirectly. Direct programs include Easter Egg Scramble, Sparks in the Park, Christmas in the Park, Dive-In Movies, dances, senior exercise, softball, volleyball, basketball, swim lessons and other events. Indirect programs where our department provides a venue partnership for programs include Aqua Cats, BCISD/VVISD Swim Teams, Little League, Girls Softball, Youth Soccer, Youth Football, Teen Life, 4-H, Girl Scouts, Cub/Boy Scouts, Narcotics Anonymous, Republican Club, Service Sorority, Helping Hands, Love of Animals, Ebony Club, IMPACT Outreach and United Way along with use for public elections.

Vision 2040

2020 Strategic Focus*

Infrastructure and City Facilities

Bay City residents enjoy new streets, parks, sidewalks and have access to public facilities that meet the standards of our community.

- ❖ Bay City events and programs require significant infrastructure. Meeting halls, restroom facilities, utility systems and maintained grounds and open space are all necessary for special events. Recent improvements at both the USO and Train Depot have greatly assisted with program facilitation.

Community and Economic Development*

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

- ❖ Community programming is vital to community development. Events bring people together to enjoy each other and our programs.

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ Recreation programs improve our quality of life and provide memories that will last a lifetime. Programs are a way where the city can give back to the community meaningfully.

FY 2020 Business Plans (Objectives)

- Create a new canine event (dog park)
- Expand kids camp program

FY 2019 Accomplishments of Prior Year Business Plans

- Created new summer kids camp
- Held at least one event per month
- Conducted a softball league

Budget Summary

Recreation	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	18,387	7,787	14,186	11,590	14,823
Other Charges & Services	669	760	-	-	-
Capital Expenditures	-	-	-	-	-
Other Expenses	78,890	77,446	80,000	80,000	85,000
Total Recreation	97,946	85,993	94,186	91,590	99,823

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Temporary Workers	3	0	3	3
Total	3	0	3	3

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of direct programs	11	13	15	15
Number of indirect programs	24	24	26	26
Program attendance	7,050	8,512	11,500	11,500

POOLS

Our Mission

In partnership with our citizens, the Parks and Recreation Department provides programs, facilities, and services which respond to changing needs within our communities. We strive to protect and preserve a park system that promotes quality recreational, cultural and outdoor experiences for the community and enrich the quality of life for present and future generations in a safe and secure environment.

Description of Our Services

The Parks Department provides swimming opportunities by providing two pool operations through services to include lifeguards, programs, chemical service, mowing, landscaping, maintenance, inspections, custodial duties and construction of new projects.

Vision 2040

2020 Strategic Focus*

Infrastructure and City Facilities

Bay City residents enjoy new streets, parks, sidewalks and have access to public facilities that meet the standards of our community.

Community Development & Economic Development*

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

- The community of Bay City has expressed great interest in alternative aquatic recreation from results of the Parks Master Plan.

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

FY 2020 Business Plans (Objectives)

- Add shade/party rental area to Hilliard Pool
- Replace pool covers at Valiant Pool

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Added picnic tables to Hilliard Pool
- ✓ Added deck lighting to Valiant Pool
- ✓ Replaced three pool pumps and vacuum

Budget Summary

Pool Operations	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	97,141	147,593	160,081	159,800	159,449
Supplies & Materials	28,770	49,568	44,100	43,095	44,600
Other Charges & Services	33,927	44,020	33,500	33,070	33,500
Repairs & Maintenance	31,449	33,675	29,000	28,000	37,000
Capital Expenditures	-	-	-	-	-
Total Pool Operations	191,286	274,856	266,681	263,965	274,549

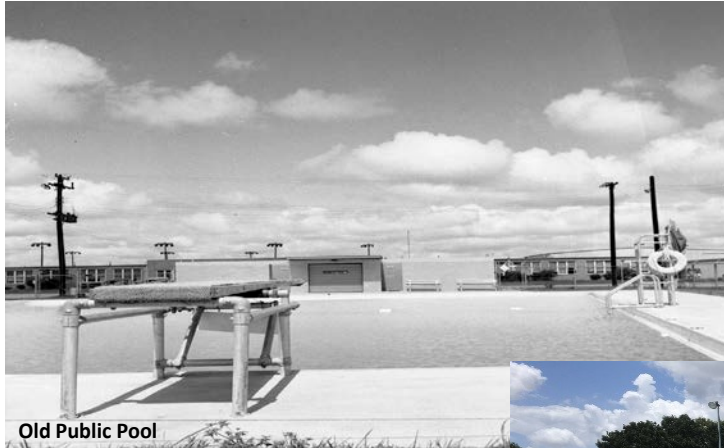
Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Aquatic Supervisor	1	1	1	1
Temps. (Lifeguards)	20	20	20	20
Total	21	21	21	21



Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of Pools maintained	2	2	2	2
Operating Hours Available to Public	624	705	750	750
Total Number of Customers	938	995	1,000	1,000



Old Public Pool



16th Street (City) Pool Today

LIBRARY

Our Mission

The Bay City Public Library (BCP) connects residents of Matagorda County with information, technology, ideas and experiences to provide enjoyment, enrich lives and strengthen our community.

Description of Our Services

BCPL meets the diverse needs of the community for lifelong learning with materials, branch facilities and services, virtual services, programming, and staff. Library services to the public are provided at two library branches and through outreach services. BCPL has a service population of 26,800.



Vision 2040

2020 Strategic Focus*

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ Bay City residents are provided resources to improve personal lives, professional success, and local economy through free services and programming.

Infrastructure and City Facilities

Bay City residents enjoy new streets, parks, sidewalks and have access to public facilities that meet the standards of our community.

- ❖ Bay City residents enjoy library environments that are engaging and conducive to the safe and healthy use of facilities.



*Public Library- Today

FY 2020 Business Plans (Objectives)

- Install Drive Up book return
- Review/adjust service hours at both branches
- Relocate Sargent Library to an upgraded facility
- Develop a facility maintenance plan, replace unsafe outdoor carpets, upgrade security camera system, and ensure facility related codes and laws are reviewed and met
- Develop a Technology Plan to provide and maintain adequate access to essential technology for personal, educational and career success
- Update Library website page and add online payments
- Create a Marketing Plan to execute consistent, multifaceted marketing and promotion and to foster and maintain a positive image in the community
- Develop, maintain, and grow partnerships with local businesses and organizations
- Create and enhance library collections based upon customer needs and information-seeking behaviors
- Develop, maintain, and grow programs and services to meet the diverse needs of the community
- Expand library services by taking the library to the residents through outreach opportunities, such as Pop Up Libraries
- Increase and enhance availability and use of digital resources by adding Linked In Learning to highlight the library as a resource for community and economic development
- Provide consistent and quality services to the community through professional development, attaining Enhanced Level of Service in multiple standards, and earn “Achievement in Excellence in Libraries” Award from TMLDA

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Earned Achievement of Excellence in Libraries award from the Texas Municipal Library Director’s Association
- ✓ Revamped Library Volunteer Program and created a Volunteer Handbook
- ✓ Added new programs and events, including ESL classes, Health & Wellness sessions (Walking & Biking safety), Reading Dog program and reading challenges
- ✓ Completed renovation and expansion of library including flooring, space design, Youth Room makeover, and addition of a Teen Room and more community collaboration spaces
- ✓ Began the relocation process for the Sargent Branch Library into the Sargent Community Center provided by Matagorda County
- ✓ Increased programs offered and program attendance
- ✓ Created a Long-Range Plan for 2020-2025
- ✓ Received/completed grants to become a Family Place Library, develop Early Literacy Rotating Collection Kits, add a Reading Dog program and create a Cultural Arts Series
- ✓ Improved library services to meet one of the standards for the Texas Public Library Standards
- ✓ Evaluated payment processing/available options and created a plan to implement online payments in FY 2020
- ✓ Developed new partnerships with Texas A&M AgriLife Extension Office, Early Childhood Intervention, local early learning centers, other City departments (PD, Parks, Municipal Court), Bay City ISD, Nana’s House of Treats and Matagorda County Museum
- ✓ Improved the customer accessibility of library services by circulating bike locks, and adding mobile power towers and two Library Catalog Kiosks

Budget Summary

Library	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted Budget FY 2020
Personnel Services	244,433	245,138	267,618	266,875	287,268
Supplies & Materials	59,596	58,817	65,400	64,150	78,200
Other Charges & Services	133,414	84,567	79,950	79,900	81,250
Repairs & Maintenance	9,281	7,574	10,500	10,000	10,500
Capital Expenditures	-	34,506	-	-	-
Transfers	4,351	-	-	-	-
Total Library	451,075	430,603	423,468	420,925	457,218

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Librarian	1	1	1	1
Specialists	4.5	3.5	3.5	3.5
Assistants	1	2	2	2
Temporary Workers	0	0	2	2
Total	6.5	6.5	8.5	8.5

Performance Measures

	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
<i>Our Workload</i>				
Total Library Circulation	65,912	53,672	50,000	50,000
Total Library Visits	49,850	47,811	48,240	50,227
Population per ALA-MLS	26,755	26,452	26,452	26,452
Population per total paid staff	4,955	4,898	4,962	4,393
Number of programs	89	153	215	200
Attendance of programs	2,356	3,262	5,000	5,000
<i>Measuring Our Effectiveness</i>				
Achievement of Excellence in Libraries Award	Yes	Yes	Yes	Yes
TSLAC Accredited Library	Yes	Yes	Yes	Yes

ENTERPRISE FUNDS



Public Utility Fund

Revenue and Expenditures

Departmental Summaries

Utility General

Utility Maintenance

WWTP

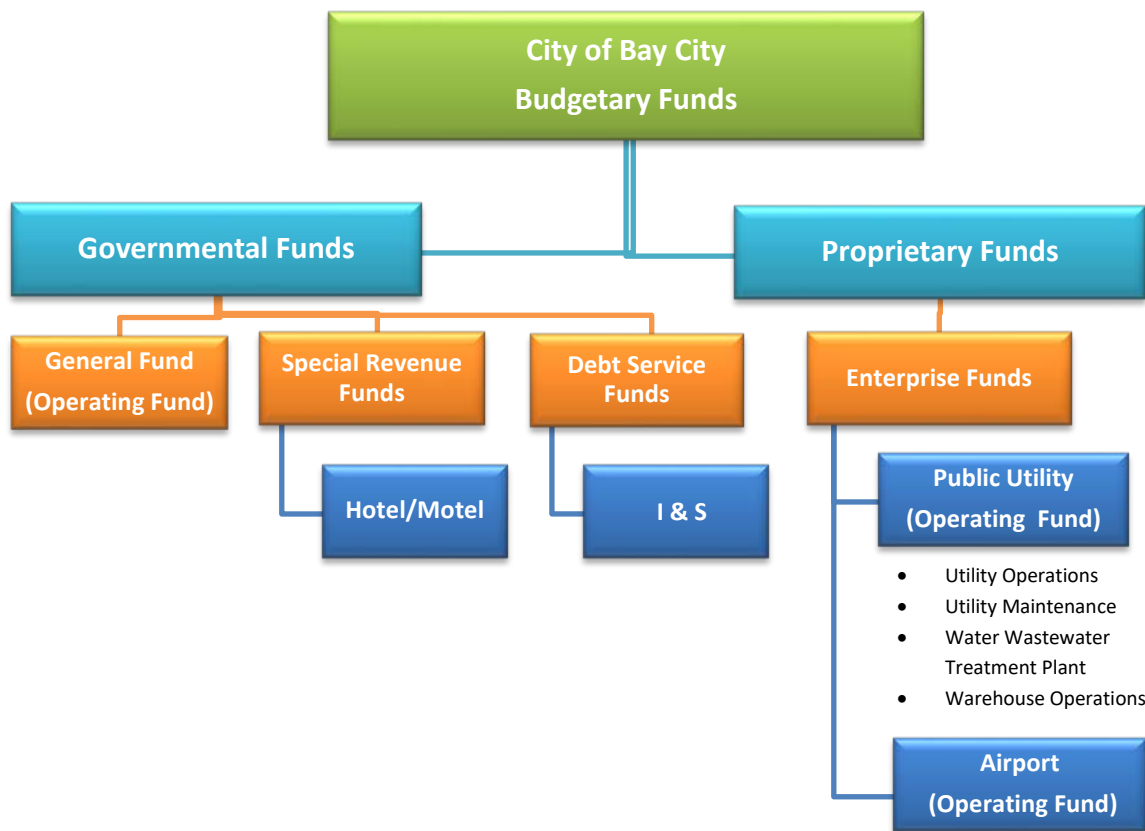
Warehouse Operations

Airport Fund

Revenue and Expenditures

Departmental Summary

Airport Operations



Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private enterprises. The intent of the government's action is that the costs of providing goods and services to the general public on an ongoing basis be financed or recovered primarily through user and service charges.

This section provides a four-year comparative summary and detailed information for revenue and expenditures. You will also find each department's mission, upcoming goals, budget history, performance measures and major additions related to the Public Utility and Airport Funds.



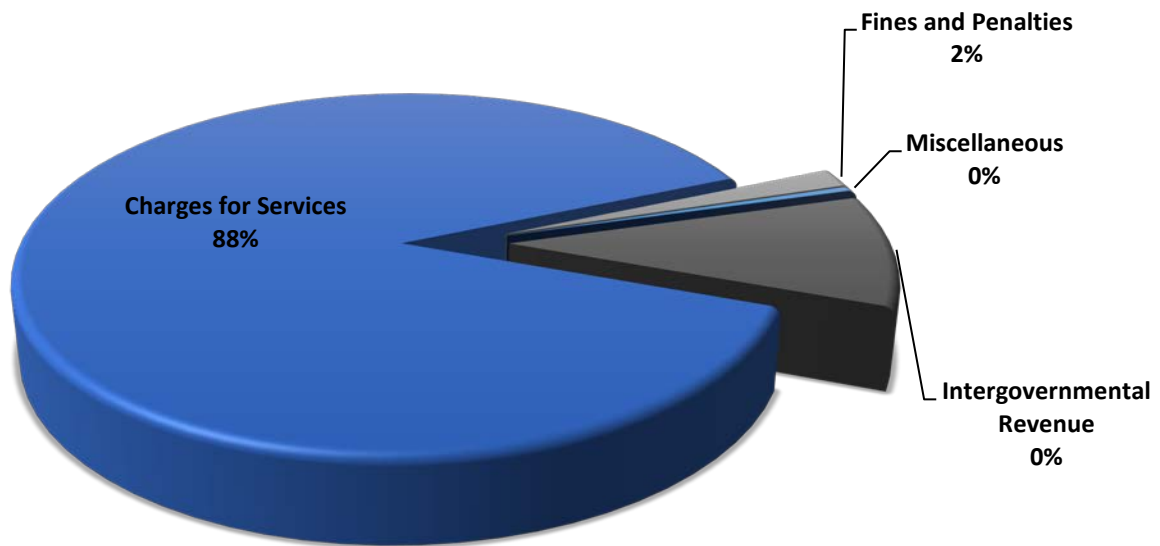
PUBLIC UTILITY FUND

The Public Utility Fund accounts for the operations of the Utility General, Utility Maintenance, Water and Wastewater Treatment Plants and Warehouse Operations Departments.

Public Utility Fund Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	Variance
Charges for Services	7,281,436	7,530,440	7,594,000	7,567,429	7,698,000	104,000
Fines and Penalties	173,830	185,341	175,000	172,420	145,000	-30,000
Miscellaneous	119,989	99,259	10,000	84,099	35,000	25,000
Intergovernmental	482,126	17,260	-	-	-	-
Prior Fund Balance	-	-	1,076,000	-	872,000	-204,000
Total Revenues	8,057,381	7,832,300	8,855,000	7,823,948	8,750,000	-105,000

Public Utility Fund Revenue



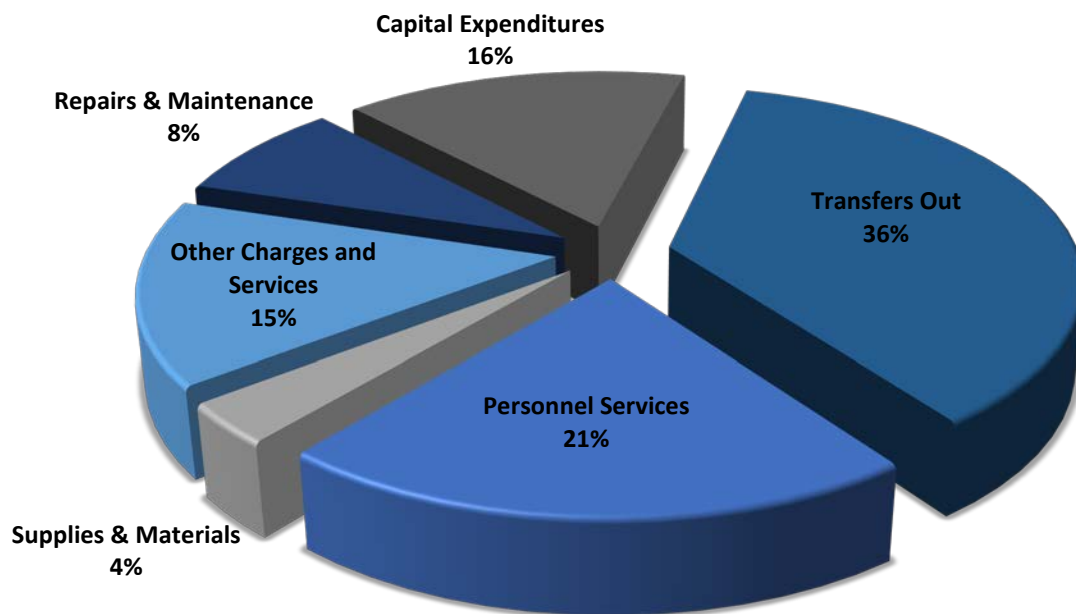
Public Utility Revenue Detail

Public Utility Fund Revenue	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Charges for Services					
Water Receipts	3,362,798	3,457,935	3,550,000	3,495,095	3,500,000
Commercial Water Sales	2,962	16,683	5,000	10,595	10,000
Water Taps	27,647	32,370	25,000	24,789	30,000
Service Charges	105,423	125,707	100,000	137,700	125,000
Sewer Receipts	3,740,013	3,832,536	3,880,000	3,875,000	4,000,000
Sewer Surcharges	27,274	31,793	22,000	6,250	21,000
Sewer Taps	12,357	22,721	12,000	12,000	12,000
Contract Revenue	2,961	10,696	-	6,000	-
Total Charges for Services	7,281,436	7,530,440	7,594,000	7,567,429	7,698,000
Fines & Forfeitures					
Late Payment Penalties	173,830	185,341	175,000	172,420	145,000
Total Fine & Forfeitures	173,830	185,341	175,000	172,420	145,000
Miscellaneous					
Interest Income	4,670	16,010	5,000	32,850	25,000
CDBG Grant Revenue	-	-	-	-	-
EDA Grant Revenue-Tenaris	10,038	-	-	-	-
Gain on Disposal of Assets	8,200	-	-	3,175	-
Insurance Claims	-	-	-	14,125	-
Other Income	97,081	83,248	5,000	33,949	10,000
Total Miscellaneous	119,989	99,259	10,000	84,099	35,000
Intergovernmental					
Capital Transfer In- FD 62	-	-	-	-	-
Transfer In- Other Funds	68,607	-	-	-	-
Contributed Capital	413,519	17,260	-	-	-
Total Intergovernmental	482,126	17,260	-	-	-
Prior Fund Balance					
Prior Fund Balance	-	-	1,076,000	-	872,000
Total Prior Fund Balance	-	-	1,076,000	-	872,000
Total Public Utility Revenue	8,057,381	7,832,300	8,855,000	7,823,948	8,750,000

Public Utility Expenditures by Function

Expenditures by Function	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	Variance
Personnel Services	1,570,312	1,744,112	1,826,622	1,569,140	1,844,311	17,689
Supplies & Materials	293,465	299,832	297,000	289,574	297,000	0
Other Charges and Services	3,109,376	2,774,565	1,294,200	1,283,250	1,314,200	20,000
Repairs & Maint.	454,519	748,685	652,500	839,319	727,500	75,000
Capital Expenditures	-	10,038	1,546,000	475,781	1,426,000	-120,000
Transfers Out	2,624,479	3,264,152	3,238,678	3,238,678	3,140,989	-97,689
Total Expenditures	8,052,151	8,841,384	8,855,000	7,695,742	8,750,000	-105,000

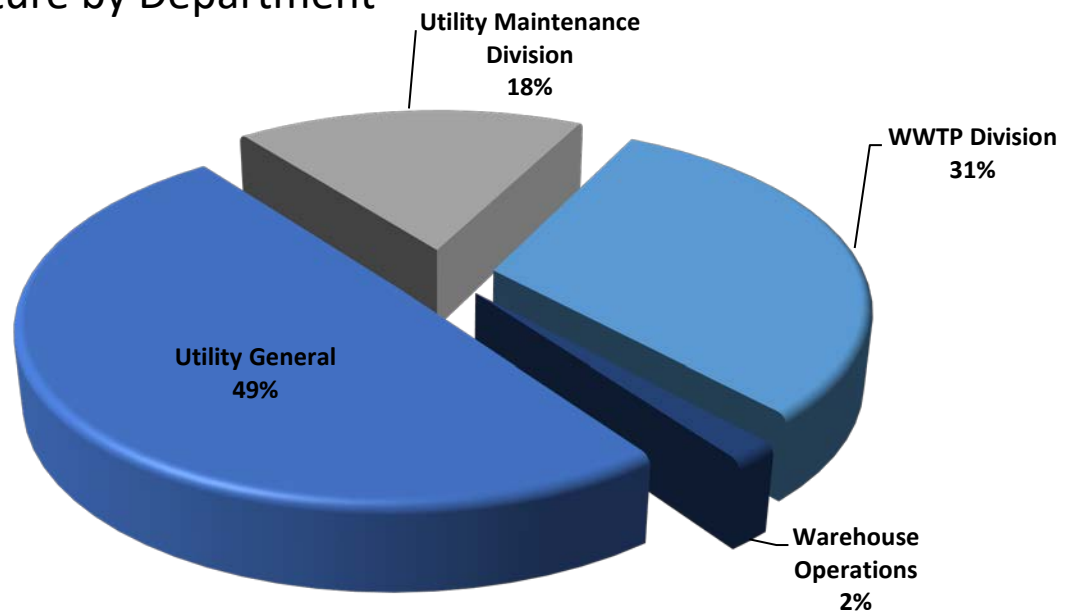
Expenditure by Function



Public Utility Expenditures by Department

Expenditures by Department	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	Variance
Utility Operations	5,449,440	5,472,693	4,448,218	4,431,968	4,351,157	-97,061
Utility Maintenance	1,171,938	1,957,375	1,920,076	1,536,480	1,561,044	-359,032
WWTP	1,311,070	1,325,944	2,400,206	1,643,105	2,683,299	283,093
Warehouse Operations	119,703	85,373	86,500	84,189	154,500	68,000
Total Expenses	8,052,151	8,841,384	8,855,000	7,695,742	8,750,000	-105,000

Expenditure by Department



Departmental Summaries

UTILITY OPERATIONS

Our Mission

The mission of the City of Bay City Utility Operations Division is to support and enhance a high quality of life for Bay City's residents, businesses and visitors by providing responsive, professional and courteous customer service. The division strives for excellence in accurate metering and fulfilling requests in an efficient, timely manner, while providing accurate and accountable billing and revenue collection services.

Description of Our Services

Utility Operations is comprised of the Utility Billing Department and the Utility Customer Service Division.

The Utility Billing Department is under the general direction of the Finance Director. Utility Billing ensures that Bay City residents and businesses are properly billed at rates established and approved by City Council for water, sewer and sanitation. The employees set up new utility accounts, receive payments, assist citizens with billing and other utility issues and monitor accounts for non-payment. The Utility Billing department utilizes the AMI system for collecting meter reads in preparation of the bills and coordinates with customer service for manual meter reads. The employees also receive, sort and distribute mail for all city departments.

The Utility Customer Service Division is under the general direction of the Director of Public Works. These customer service employees work diligently to ensure customer issues, such as water leaks, low water pressure, sewer blockages and odors, and water meter issues, are not only addressed in a timely and efficient manner but are fully resolved in a reasonable time period. The customer service employees also maintain the City's AMI system which allows remote collection of meter readings and results in cost savings to the community. The customer service employees are the only field employees that interact with customers on a daily basis.

Vision 2040

2020 Strategic Focus*

Governance

- Organizational/Operational Effectiveness
- Improving Image of Bay City
- Communication

Bay City residents are well informed and involved with the affairs of local city government

Infrastructure and City Facilities

Bay City residents enjoy new streets, sidewalks and have access to public facilities that meet the standards of our community.

- ❖ Improving the efficiency of the AMI system will improve the accuracy of meter reads which will lead to more accurate billing for the customer. The system will reduce the time Customer Service Division employees dedicate to manual meter reading and reduce the time Utility Billing personnel dedicate to data entry of manual meter reads. This will allow quicker response to reported water and sewer line issues.

Livability & Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ Efficient meter reading and timely, efficient response to requests will provide Bay City residents with accurate water and sewer billing and will minimize interruptions in service.

FY 2020 Business Plans (Objectives)

- Improve quality of life by responding quickly and efficiently, within twenty-four (24) hours, to complaints regarding water leaks to reduce water loss.
- Improve efficiency by reducing the need for manual meter reading by improving the efficiency of maintenance of the City's Advanced Metering Infrastructure (AMI) water meter system
- Educate Bay City residents on the harmful effects of fats, oils and grease on the City's wastewater collection system to obtain their assistance in reducing the amount of fats, oils and grease introduced into the system
- Reduce manual filing and digitally archiving application forms and other documents
- Continue to encourage customers to sign up for auto-draft and/or register for an account on the City's online payment website
- Improve efficiency and reduce water loss by working with Bay City residents to address potential water leaks at their home/business to reduce water loss
- Educate residents on Water Conservation
- Increase code compliance efforts and improve effectiveness by partnering with Code Enforcement and the Building Department to review and revise the grease ordinance and ensure proper enforcement
- Improve livability and quality of life by working with plumbers servicing Bay City residents to help identify and eliminate water leaks and properly address reported sewer issues to ensure they are handled in a timely manner to minimize the customer's disruption in service
- Improve effectiveness by revising the Utility Ordinance and make it available online
- Continue developing streamline maintenance plan with water meter supplier for the life of the AMI system to address failing Metering Interface Units (MIUs)

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Secured approval to add a Code Compliance Officer to the staff
- ✓ Provided hands-on training to new Customer Service employees to increase experience repairing water leaks
- ✓ Trained new employees on Neptune software which covered the operation and maintenance of Neptune and ARB-N-SIGHT software
- ✓ Coordinated efforts between city employees and city contractors to complete utility projects in an efficient and timely manner, thereby, aiding the city in continuing to provide excellent customer service to our citizens

Budget Summary

Utility General	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	609,313	698,354	656,840	619,010	644,468
Supplies & Materials	62,852	68,382	72,700	70,750	72,700
Other Charges & Services	2,150,016	2,079,471	366,500	365,400	389,500
Repairs & Maintenance	2,779	12,334	15,500	12,349	25,500
Capital Expenditures	-	-	98,000	125,781	78,000
Transfers Out	2,624,479	2,614,152	3,238,678	3,238,678	3,140,989
Total Utility General	5,449,440	5,472,693	4,448,218	4,431,968	4,351,157

2020 Major Additions: 2 Vehicles

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Assistant Finance Director	0	0	0	0
Utility Billing Supervisor	0	0	0	0
Utility Billing Clerk	3	3	3	3
Director of Public Works	1	1	1	1
Assistant Director of Public Works	1	1	1	1
Secretary	1	1	0	0
Construction Inspector	1	1	1	0
Customer Service Supervisor	1	1	1	1
Customer Service Technician	1	1	3	3
Code Compliance Officer	0	0	0	1
Total	9	9	10	10

Code Compliance Officer added for FY 2020

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of meter leaks	209	221	225	225
Number of service orders completed	6,509	5,608	5,900	6,200
Number of connects with service change	891	354	500	675
Number of disconnects	979	804	900	940
Number of re-connects (from non-payments) and miscellaneous requests	1,923	1,633	1,850	2,000
Number of meter swap orders	1,634	899	800	800
Number of sewer stops	346	896	1,085	1,085
Annual average of active accounts	6,930	6,223	6,500	6,965
Number of utility account bills generated	85,172	62,229	85,200	85,300
Number of utility payments received	80,082	50,252	80,100	80,375
Number of adjustments processed	5,426	7,147	7,300	7,565
Number of Service Orders generated	7,236	5,630	5,900	6,400
Number of delinquent notices sent	15,989	0	0	0
<i>Measuring Our Effectiveness</i>				
Percentage of monthly bills posted to customer accounts on time	100%	100%	100%	100%
Percentage of billing adjustments due to meter reading or billing errors	6.3%	6.1%	6.0%	6.1%
Annual average –Percentage of overall AMI effectiveness (good reads/total AMI reads)	94%	93%	95%	94%
% of new accounts connected within 24 hrs.	100%	100%	100%	100%
% of customers delinquent/total customers	18.7%	18.5%	18.6%	18.6%

UTILITY MAINTENANCE

Our Mission

The mission of the City of Bay City Utility Maintenance Division is to support and enhance a high quality of life for Bay City's residents, businesses and visitors by providing well planned, cost effective water distribution, sewer collection services and infrastructure maintenance through responsible use of resources, innovations, and technology to promote public health and economic growth while remaining stewards of the environment.

Description of Our Services

The Utility Maintenance Division is under the general direction of the Director of Public Works. Employees of the division have 75+ years combined experience with water distribution and sewer collection systems. The primary responsibility of the department is the construction, operation, and maintenance of the City's water distribution and sewer collection systems. The crews repair and install new water and sewer lines, install water and sewer taps for new residential development, perform locates to identify the water and sewer lines when others are excavating in the city right-of-way, repair and flush fire hydrants, camera/video sewer lines and storm drains and jet sewer lines.

Vision 2040

2020 Strategic Focus*

Governance

- **Organizational/Operational Effectiveness**
- **Improving Image of Bay City**
- **Communication**

Bay City residents are well informed and involved with the affairs of local city government

Infrastructure and City Facilities

Bay City residents enjoy new streets, sidewalks and have access to public facilities that meet the standards of our community.

- ❖ One of the key components of The Vision Bay City 2040 Plan outlined that Bay City's water system and sewer collection infrastructure must be able to support expected growth. The water distribution and sewer collection system is the heart of the City. All residents, businesses and visitors must have access to the basic need of safe and reliable drinking water and environmentally sensitive wastewater collection to ensure that our community continues to thrive, grow and prosper. Funding Capital Improvement Projects identified in the Water System Analysis and Master Plan as well as the Sanitary Sewer System Analysis and Master Plan is essential for the City to move forward in accomplishing The Vision Bay City 2040 Plan.

Livability & Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ Turning on a faucet for fresh, clean drinking water and flushing a toilet are actions we all take for granted. What happens when water doesn't flow from the faucet or when you can't flush your toilet? Quality of life quickly declines. Repairing and/or replacing our aging infrastructure and effective planning for future growth will ensure the City can support a high quality of life for not only current Bay City residents, businesses and visitors but also future generations.

FY 2020 Business Plans (Objectives)

- Improve infrastructure by continuing line replacement/extension program of aging water and sewer lines and associated components
- Initiate Capital Improvement Projects identified in the Water System Analysis and Master Plan
- Identify all water mains less than two inch and develop scopes of work to upsize lines to meet water supply demand
- Sustain quality of life by continuing to maintain adequate pressure of 50 to 55 psi throughout the water system at a volume to meet the demands of the citizens
- Improve quality of life by responding quickly and efficiently, within twenty-four (24) hours, to complaints regarding water leaks to reduce water loss
- Increase effectiveness by expanding on the grease trap inspection program using Cityworks to document and schedule inspections
- Review and update City Ordinance related to grease traps. Partner with Code Enforcement to ensure proper enforcement
- Utilize Cityworks to record and document all repairs and projects as well as related costs
- Develop and implement a backflow prevention program
- Review City Ordinance related to backflow prevention, make necessary changes and partner with Code Enforcement to ensure proper enforcement
- Increase efficiency by developing and implementing an inventory control program by using City Works
- Implement Customer Service Inspector for all new water turn-ons. Phase in duties to become compliant with the state laws (TCEQ). Currently non-compliant
- Establish a two-man crew

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Repaired several water lines, water meters and installed water taps
- ✓ Installed several curb stops
- ✓ Repaired numerous sewer lines and installed sewer taps
- ✓ Replaced and/or installed several manholes throughout the City

Budget Summary

Utility Maintenance Division	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	607,941	618,497	664,276	486,885	661,244
Supplies & Materials	117,782	57,140	48,800	48,695	48,800
Other Charges & Services	206,692	105,472	189,000	187,900	183,000
Repairs & Maintenance	241,073	526,266	268,000	463,000	268,000
Capital Expenditures	-1,550	-	750,000	350,000	400,000
Transfers	-	650,000	-	-	-
Total Utility Maintenance	1,171,938	1,957,375	1,920,076	1,536,480	1,561,044

2020 Major Additions: WWTP Rehab Phase I, North Quadrant Waterline, 5th St. Waterline

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Utility Foreman	1	1	1	1
Customer Service Coordinator	0	0	0	0
Crew Leader	3	3	3	3
MSB Secretary	0	0	1	1
Equipment Operator	1	1	0	0
Maintenance Technician II	5	5	4	3
Maintenance Technician I	4	4	4	4
Vector Truck Operator	0	0	0	1
Total	14	14	13	13

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Total length of water mains (miles)	113	113	113	113
Total length of sewer mains (miles)	108	108	108	108
Total number of fire hydrants	360	363	363	363
Number of water leaks	531	483	500	500
Number of new water taps	56	75	30	35
Number of new sewer taps	58	17	15	20
Number of water lines located	76	78	85	85
Number of sewer lines located	88	23	55	80
Linear feet (LF) water line replaced or installed	1,100	1,800	3,495	3,000
Linear feet (LF) sewer line replaced or installed	8,500	4,500	1,100	1,000
Estimated gallons of water loss associated with reported water leaks	124,600,000	48,555,696	50,000,000	50,000,000
Number of sewer overflows per year	0	0	1	0
Measuring Our Effectiveness				
Annual Water Loss	23.92%	7.8%	8%	8%

WATER AND WASTEWATER TREATMENT PLANT

Our Mission

The mission of the City of Bay City Water and Wastewater Treatment Plant Division is to support and enhance a high quality of life for Bay City's residents, businesses and visitors by providing reliable, sustainable, superior quality water through protecting and managing current sources; and, by protecting public health and the environment through responsible environmental stewardship and treatment of the City's wastewater.

Description of Our Services

The WWTP Division is under the general direction of the Director of Public Works. The employees maintain the City's potable water supply by checking and monitoring operations of the City's six water wells, four Ground Storage Tanks and three Elevated Storage Tanks. They ensure quality of the water supply through disinfection, sampling and testing and security of the facilities through visual monitoring and facility maintenance. The employees also maintain the city's wastewater collection system which includes the WWTP and 26 sewer lift stations. They ensure proper operation of the lift stations to prevent illicit sewer discharges of sewage flowing to the WWTP. The employees also operate and manage the sewer treatment process at the WWTP to assure a clean effluent to Cottonwood Creek. Operators are licensed by TCEQ and are required to strictly adhere to rules and regulations set by City Ordinance, the State of Texas and the EPA.

Vision 2040

2020 Strategic Focus*

Governance

- **Organizational/Operational Effectiveness**
- **Improving Image of Bay City**
- **Communication**

Bay City residents are well informed and involved with the affairs of local city government

Infrastructure and City Facilities

Bay City residents enjoy new streets, sidewalks and have access to public facilities that meet the standards of our community.

- ❖ Bay City's aging water and wastewater infrastructure must be regarded as a priority even though there was limited public concern in the Vision Bay City 2040 Plan. Being proactive with preventative maintenance, replacing outdated equipment and anticipating necessary capital repairs will allow Bay City to continue to provide superior quality drinking water and environmentally sound wastewater treatment services to residents, businesses and visitors.

Livability & Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ Dependable water and wastewater services are essential the citizens of Bay City. The Utility Maintenance and Customer Service crews work together with the plant operators to deliver superior quality drinking water and Bay City's growth and long-term sustainability are dependent on them. Repairing and/or replacing our aging infrastructure and effective planning for future growth will ensure the City can support a high quality of life for not only current Bay City residents, businesses and visitors but also future generations.

FY 2020 Business Plans (Objectives)

- Implement Capital Improvement Projects identified in the Sanitary Sewer Analysis and Master Plan as well as the WWTP Evaluation
- Maintain facilities by continuing the consistent Preventative Maintenance plan on water well equipment, lift station equipment and Wastewater Treatment Plant equipment; continue documenting the activities using Cityworks
- Ensure that all 26 lift stations are inspected regularly and are adequately maintained to ensure consistent, uninterrupted service to citizens
- Update the Operating & Maintenance (O&M) Manual for the WWTP
- Reduce inflow and infiltration of storm water into the collection system by:
 - Continuing sewer line rehab program
 - Identifying manholes in need of rehabilitation
 - Use of inflow protectors in manholes
- Ensure that operations are in accordance with the Texas Commission on Environmental Quality (TCEQ) and other regulatory agencies

FY 2019 Accomplishments of Prior Year Business Plans

WATER PLANTS AND WELLS:

- ✓ Ungraded controls, booster pumps, and chlorine system at Grace St. Water Plant. Added air compressor and hydro-pneumatic tank
- ✓ Replaced 100 horsepower motor at Mockingbird Water Well
- ✓ Passed TCEQ Water Well inspection

LIFT STATIONS:

- ✓ Replaced both lift pumps at Hamman Road Lift Station
- ✓ Replaced pump at Blackcat Lift Station
- ✓ Replaced suction piping and check valve at Bayridge Lift Station

WWTP

- ✓ RAS and WAS Airlift pumps were rebuilt
- ✓ Baffle wall in chlorine contact chamber was rebuilt
- ✓ Rebuilt blower motor #4

Budget Summary

Water and Wastewater Treatment Plant Division	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	353,058	427,261	505,506	463,245	538,599
Supplies & Materials	100,705	161,511	160,500	155,680	160,500
Other Charges & Services	688,891	521,177	675,200	667,200	675,200
Repairs & Maintenance	166,867	205,956	361,000	356,980	361,000
Capital Expenditures	1,550	10,038	698,000	-	948,000
Total WWTP	1,311,070	1,325,944	2,400,206	1,643,105	2,683,299

2020 Major Additions: Katy Water Plant Rehab

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Utility Superintendent	1	1	1	1
Lead Plant Operator	1	1	0	0
Plant Operator III	2	2	3	3
Plant Operator II	1	1	1	1
Plant Operator I	1	1	1	1
MSB Secretary	0	0	1	1
Total	6	6	7	7

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of water samples collected for bacteriological testing	390	384	384	384
Number of fire hydrants flushed	576	612	612	612
Estimated gallons of water loss associated with routine fire hydrant flushing	4,597,510	264,765	265,000	265,000
Cubic Yards of sludge removed/number of loads hauled	3,634 cu yd 252 loads	3,360 305	3,000 290	3,000 290
<i>Measuring our Effectiveness</i>				
Number of TCEQ violations – groundwater	0	1	0	0
Gallons of water produced per year	845,000,000	743,714,000	745,000,000	745,000,000
Number of TCEQ violations – wastewater	0	0	0	0
Total gallons of wastewater treated per year	698,900,000	657,579,000	658,000,000	658,000,000

WAREHOUSE OPERATIONS

Our Mission

The mission of the Municipal Services Building (MSB) Office is to provide outstanding customer service to our residents and businesses through communication, integrity and accountability. This division also strives to provide outstanding support to our administration, other departments and employees.

Description of Our Services

The Warehouse Operations Division is under the general direction of the Director of Public Works. The MSB staff provides support for all divisions of Public Works, Parks and Recreation and Airport Departments by assisting the supervisors with budgeting, procurement, processing invoices, entering information for work orders, processing timesheets and payroll data, training and maintenance of all department documents and records. The staff assists citizens and developers, in person, on the phone and via email, with the rental of City facilities, permitting, work order requests for City infrastructure (signs, streets, water leaks, etc.) and general information requests.

Strategic Focus

Community & Economic Development (2020 Strategic Focus)

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

- ❖ The MSB staff has direct contact with citizens, developers, contractors, vendors and suppliers. They represent the City and strive to provide outstanding customer service and support.

Livability & Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ The behind-the-scenes support Warehouse Operations provides is essential for other divisions and departments to effectively do their jobs in maintaining a safe city and ensuring the delivery of services that contribute to Bay City citizen's quality of life.

FY 2020 Business Plans (Objectives)

- Arrange additional training for new MSB Secretaries in Cityworks geared toward: 1) improving GIS asset management; 2) reporting; 3) capturing equipment hours, labor hours, and materials for all work orders
- Arrange additional training for new MSB Secretaries in Building Inspections Incode program and city ordinances geared toward permitting process
- Resume “Friendly Certified Customer Service Training” through Victoria Chamber of Commerce. Our goal is to continue changing the culture and make the City of Bay City known for good customer service
- Scheduled CPR/First Aid Classes for Public Works, Parks and Recreation, and Airport employees. Will offer class to other departments that are interested
- Assist in the planning of 2020 “Customer Service Week” events
- Continue to assist with planning for monthly safety meetings

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Scheduled Defensive Driving classes CPR/First Aid training for Public Works, Parks and Recreation, and Airport employees. Offered class to other departments that were interested. Training will hopefully assist in reducing the number of vehicle accidents for city employees
- ✓ Trained MSB Secretary in Cityworks this year that was geared toward: 1) improving GIS asset management; 2) additional enhanced reporting features for configuration and data analysis. These features will help us capture data and utilize it for job estimates and timelines, crew efficiency, budgeting projections, etc
- ✓ Scheduled “Friendly Certified Customer Service Training” through Victoria Chamber of Commerce for City employees
- ✓ Awarded “Best Customer Service Spirit” award during “Customer Service Week”
- ✓ Assisted with planning of monthly safety meetings
- ✓ Trained two MSB secretaries in Records Management procedures

Budget Summary

Warehouse Operations	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	-	-	-	-	-
Supplies & Materials	12,126	12,799	15,000	14,449	15,000
Other Charges & Services	63,777	68,445	63,500	62,750	66,500
Repairs & Maintenance	43,800	4,129	8,000	6,990	73,000
Capital Expenditures	-	-	-	-	-
Total Warehouse Ops.	119,703	85,373	86,500	84,189	154,500

2020 Major Additions: Fuel Management System



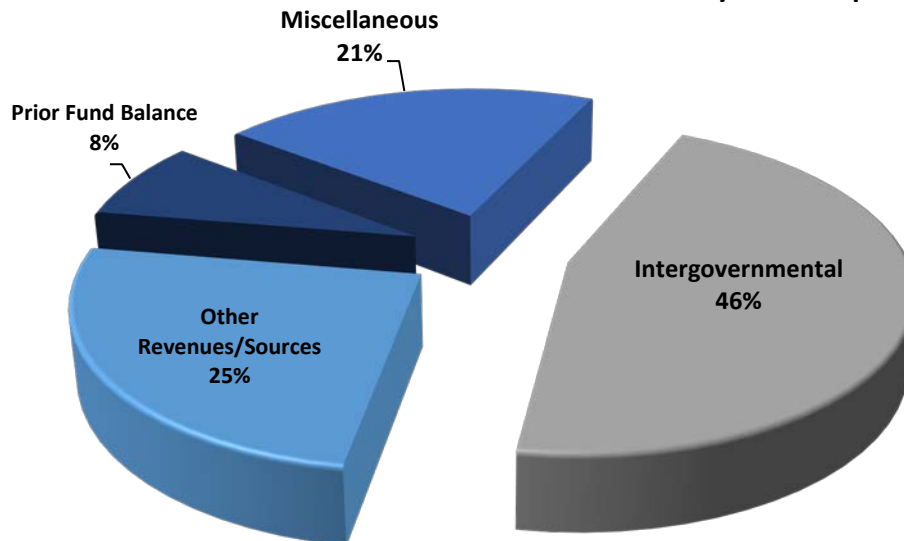
AIRPORT FUND

The Airport Fund is used to account for the operations of the Bay City Regional Airport.

Airport Fund Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	Variance
Charges for Services	375	400	-	450	-	-
Miscellaneous	167,353	130,164	156,000	248,195	153,300	-2,700
Transfers In	200,000	150,000	250,000	250,000	330,000	80,000
Other Revenues/Sources	185,725	590,277	178,500	177,980	180,500	2,000
Prior Fund Balance	-	-	57,500	-	57,200	-300
Total Revenues	553,452	870,841	642,000	676,625	721,000	79,000

Revenue by Receipt Type



Airport Revenue Detail

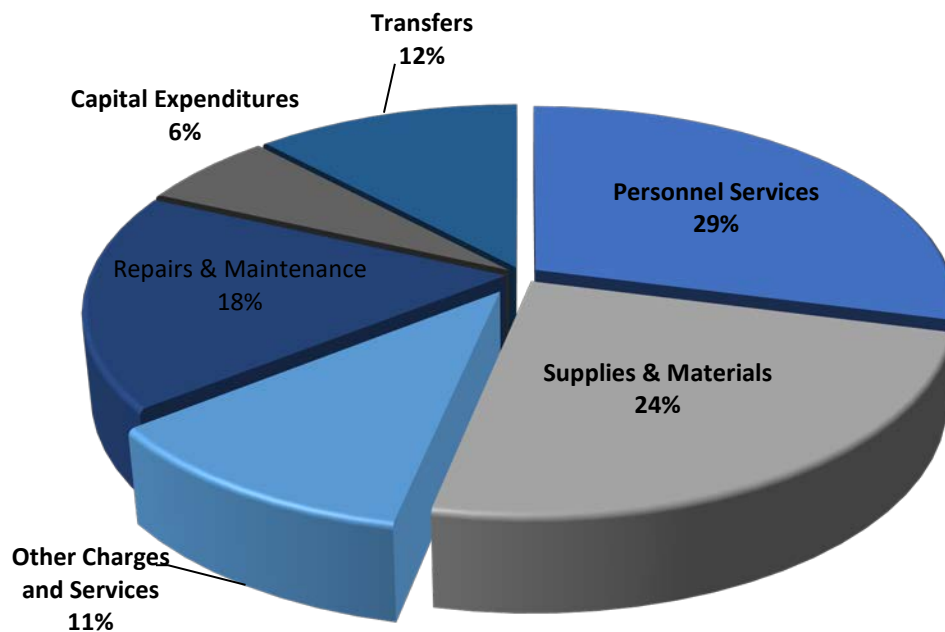
Airport Fund Revenue	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Charges for Services					
Late Fees	375	400	-	450	-
Total Charges for Services	375	400	-	450	-
Miscellaneous					
Interest Income	28	241	-	150	-
T-Hanger Rental Fees	102,792	102,034	95,000	90,555	95,000
Tie Down Fees	4,205	2,890	3,000	5,360	4,000
Tx Dept. of Transportation	48,351	15,870	50,000	84,130	50,000
Grant- Williams Energy	-	-	-	-	-
Gain on Disposal of Assets	-	-	-	2,625	-
Other Income	11,977	9,128	8,000	7,875	4,300
Total Miscellaneous	167,353	130,164	156,000	190,695	153,300
Intergovernmental					
Transfer from General FD	200,000	150,000	250,000	250,000	330,000
Total Intergovernmental	200,000	150,000	250,000	250,000	330,000
Other Revenues/Sources					
Contributed Capital	-	400,539	-	-	-
Jet Fuel	103,305	110,484	98,000	97,990	100,000
Aviation Fuel	81,998	78,781	80,000	79,850	80,000
Aviation Oil	422	473	500	140	500
Total Other Revenue	185,725	590,277	178,500	177,980	180,500
Prior Fund Balance					
Prior Fund Balance	-	-	57,500	-	57,200
Total Prior Fund Balance	-	-	57,500	-	57,200
Total Airport Revenue	553,452	870,841	642,000	676,625	721,000

Airport Expenditures by Function

Expenditures by Function	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020	Variance
Personnel Services	115,130	125,864	136,850	136,649	209,449	72,599
Supplies & Materials	150,024	148,181	154,000	153,990	174,600	20,600
Other Charges and Services	281,455	264,516	73,700	73,560	79,550	5,850
Repairs & Maint.	161,259	49,265	124,900	136,300	126,900	-4,436
Capital Expenditures	-	-3,350	152,550	141,114	44,200	-101,914
Transfers Out	-	632	-	-	86,301	86,301
Total Expenditures	707,869	585,108	642,000	641,613	721,000	79,000

2020 Major Additions: Generator, New T-Hanger, Taxiway Relocation

Expenditures by Function



AIRPORT OPERATIONS

Our Mission

Bay City Regional Airport is a general and business aviation airport, which is operated, maintained and preserved for the benefit of the community and airport users.

Our Vision

The Vision of the Bay City Regional Airport is to be the best and most well-regarded regional airport in the State of Texas. We are committed to supporting the economic needs of the community through safe and secure operations.

Airport Goals & Objectives

The objective of the Bay City Regional Airport is to support its mission and vision through the operation, maintenance, and development of airport services and infrastructure that is accountable to its constituents, provides appropriate airport facilities, and supports compatible business uses and development. The following goals further define and clarify airport accountability, facilities and business.

ACCOUNTABILITY

- Accountable to provide services to
 - Users
 - Tenants
 - Customers
- Financially accountable to
 - Airport sponsor (enterprise fund)
 - Grantors
- Meeting Regulatory obligations to
 - FAA
 - TXDOT
 - EPA
 - TCEQ
 - City of Bay City
 - Self-sustaining
 - Sensitive to the needs of the community
 - Sensitive to the environment

FACILITIES

- Addressing the needs of the general aviation users
- Addressing the general aviation needs of businesses
- Enabling and supporting the acquisition of new assets
- Ensuring efficient and effective service quality
- Maintaining and retaining current Airport assets, including real property, existing runways, taxiways, ramps, runway lengths and operational utility
- Maintaining modern and up to date facilities
- Providing a safe environment for all concerned
- Providing services and/or economic value to the community
- Providing a welcoming gateway to Bay City and local communities
- Secure (controlled access)
- Serving as a regional resource for emergencies

BUSINESS

- Compatible with the mission and vision of the Airport
- Encouraging economic growth
- Encouraging revenue-generating activities that are competitively priced
- Fostering partnerships
- Promoting tourism
- Responding to the demands of dynamically changing economic and aviation
- Technologies
- Welcoming to aviation-compatible businesses

ACTION PLAN SUPPORTING THE AIRPORT MISSION, VISION, GOALS & OBJECTIVES

- Prepare a long-term Airport Master Plan update. The Airport Master Plan will provide guidance for the development and operation of the airport.
- Review and Update the Airport Rules and Regulations and Minimum Standard

Description of Our Services

Airport Operating Fund is an Enterprise fund. It provides operations, maintenance and security services for those that use the Bay City Regional Airport and its facilities. The Airport revenues are generated by the following activities:

- Aircraft tie down fees
- Rental of hangar space
- Ramp fees
- Courtesy vehicle user fees
- Fuel sales

Vision 2040

- ❖ Expansion / Growth
 - *Expand throughout aviation community*
- ❖ Revenue / Cost / Margin
 - *Increase sales*
- ❖ Customer Satisfaction
 - *Repeat business from customers*
- ❖ Engagement with citizens
 - *Engage with our community*
- ❖ Employee Happiness
 - *Proud & Happy staff*

2020 Strategic Focus*

Governance

- **Organizational/Operational Effectiveness**
- **Improving Image of Bay City**
- **Communication**

Bay City residents are well informed and involved with the affairs of local city government

Infrastructure and City Facilities

- ❖ Bay City residents enjoy new streets, sidewalks and have access to public facilities that meet the standards of our community.

Investments in renovations and expansion of Bay City Regional Airport facilities and airfield will actively support long-term fiscal strength of the airport.

Community & Economic Development (2020 Strategic Focus)

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

- ❖ Bay City Regional Airport serves as a gateway to Bay City and surrounding communities. Developers, local business executives and new visitors utilize the airport frequently. This in turn lends to the vision of Bay City's economy development by shopping, visiting attractions, eating at local restaurants and staying at Bay City accommodations.
- ❖ Bay City Regional Airport's business development is focused on attracting new commercial, general aviation tenants and transient business executive aircraft while maintaining current general aviation occupancy.

Livability & Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

- ❖ Bay City Regional Airport provides vital transportation services to all citizens in Bay City, whether they use the system directly or benefit indirectly. Aviation plays a crucial role in business, tourism, emergency services, agriculture, and even public safety. Communities depend upon airports to provide needed services and accessibility with connections within the state, nation and world. Bay City Regional Airport serves an essential role in the overall economy and quality of life of the city and surrounding areas. Bay City Regional Airport is the staging point for all relief supplies in the event of a natural and/or manmade disaster.

FY 2020 Business Plans (Objectives)

- Promote Airport as a destination for business and general aviation
- Complete engineering to relocate and repair drainage on Airport
- Complete engineering for taxiway ditch relocation
- Repair or replace T-Hangar A row
- Complete pavement management program
- Complete crack fills on runway 13 / 31
- Complete runway paint repairs

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Upgraded terminal building & leased office (new flooring, paint, air vents, coffee bar & ceiling tiles)
- ✓ Relocated electrical on t-hangars C & D
- ✓ Removed aircraft obstructions (power poles) around taxi lane by C & D t-hangars
- ✓ Removed 5 sodium lights and power poles by Jackson Electric
- ✓ Replaced all airfield lighting, new beacon, power vault, & relocated PAPI's
- ✓ Completed engineering for renovations or replacement of A row t-hangars
- ✓ Painted & repaired outside of terminal building and main hangar
- ✓ Installed emergency generators
- ✓ Relocated & upgraded avgas fuel system
- ✓ Updating ordinance for airport zoning board
- ✓ Updated airport website and Facebook page

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Airport Manager	1	1	1	1
Airport Secretary	0	0	0	1
Lineman	1	1	1	1
Temporary Worker	0	1	1	1
Total	2	3	3	4

1995.02.170C.2

Air Show

**Landing - South of Bay City Municipal Airport
Matagorda County**



Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Number of daily airfield inspections	247	247	247	247
Number of airfield lighting repairs	100	110	112	12
Number of airfield fence repairs	10	2	4	6
Number of aircraft fueled	1,116	1,634	1,974	1,975
Acres of airport grounds mowed/ maintained	180	181	181	181
Number of courtesy car rentals/usage	110	33	25	50
Estimated number of take offs & landings	14,500	16,340	19,740	19,750
Number of visits to Airport web site	10	20	25	50
Usage/inquires to paid websites for Airport information	2,000	2,100	2,186	2,200
<i>Measuring Our Effectiveness</i>				
T-hangar tenant occupancy	96%	95%	86%	100%
% of time airfield operational	99%	99%	91%	100 %
Value of TxDOT Aviation RAMP funding obtained	\$50,000	\$50,000	\$50,000	\$50,000
Funding obtained from other sources	\$200,000	\$150,000	\$250,000	\$330,000



SPECIAL REVENUE FUNDS



Hotel/Motel Fund

TIRZ Fund

Forfeiture Fund

Building Security Fund

Court Technology Fund



The City adapted a local hotel occupancy tax within the City limits. The City uses these funds to directly enhance and promote tourism and the convention and hotel industry or other expenses approved by State Law.

The section includes special revenues such as the Hotel / Motel, TIRZ, Forfeiture, Building Security and Court Technology Funds. These funds are legally restricted for certain purposes.

1997.07.42.5
Texas Theater
2227 Ave. F
Bay City, TX
Opened Nov. 23, 1939
Closed 1981



Texas Theater
1939- Left, Future- Right



BayTex Hotel
Old-Left, Today-Right



HOTEL/MOTEL FUND

The City adopted a local hotel occupancy tax (7%) within the City limits. The City uses these funds to directly enhance and promote tourism and the convention and hotel industry or other expenses approved by State Law.

Hotel/Motel Tax Fund

The primary funding source for the Hotel/Motel Tax Fund is the Hotel Occupancy tax, a consumption type of tax authorized under Texas state statute. This tax allows the City of Bay City to collect up to its current tax rate of 7% on rental income of hotels and motels within the City limits.

In Chapter 351 of the Tax Code, funds derived from the Hotel/Motel Tax Fund can only be spent if the following two-part test is met:

- Every expenditure must directly enhance and promote tourism and the convention and hotel industry.
- Every expenditure must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy taxes:
 1. Funding the establishment, improvement or maintenance of a convention or visitor information center
 2. Paying for the administrative costs for facilitating convention registration
 3. Paying for tourism related advertising and promotion of the city or its vicinity
 4. Funding programs that enhance the arts
 5. Funding historical restoration or preservation projects
 6. Sporting events where the majority of participants are tourists in cities located in a county with a population of 290,000 or less
 7. Enhancing and upgrading existing sport facilities or fields for certain municipalities
 8. Funding transportation systems for tourists
 9. Signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality

Within the city limits of Bay City there are currently 20 hotels and motels all in which report and pay hotel occupancy taxes to the City. The following hotels and motels can be found in Bay City, Texas:

Hotels and Motels within Bay City

Bay City Inn	Knights Inn
Best Western Plus	La Quinta Inn
Candlewood Suites	Paradise Inn
Comfort Suites	Regency Inn
Days Inn/Travel Inn	Scottish Inn
Economy Inn	South Texas Inn
Executive Inn	Starland Motel
Fairfield Inn	Studio 6
Hampton Inn	Super 8
Holiday Inn Express	Town House Motel

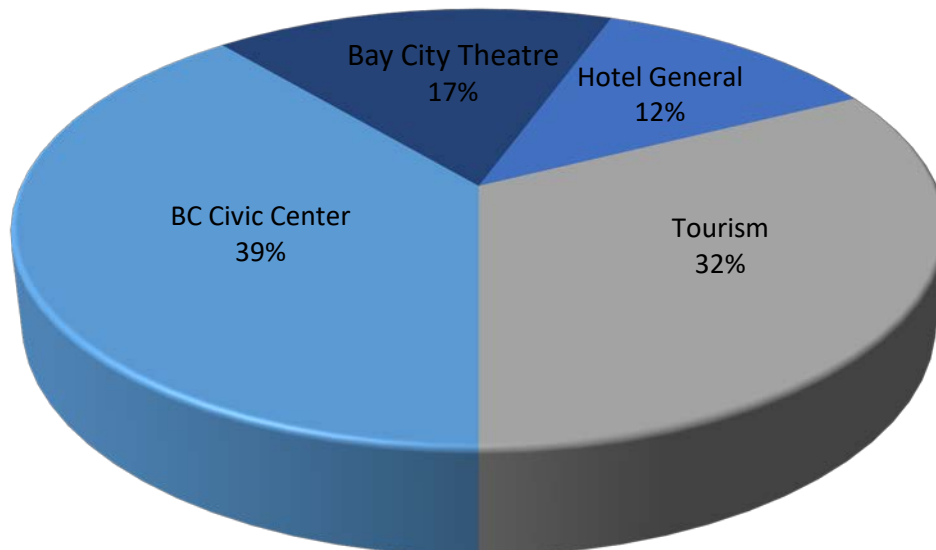
Hotel / Motel Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Hotel Occupancy Tax	806,471	761,585	800,000	742,000	750,000
Miscellaneous	68,681	92,401	79,000	94,500	101,000
Prior Fund Balance	-	-	-	-	49,000
Total Revenue	875,152	853,986	879,000	836,500	900,000

Hotel / Motel Expenditures

Hotel/Motel Expenditures	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Hotel General	141,673	165,500	133,000	151,000	108,000
Tourism	203,046	225,380	263,000	260,000	292,000
Civic Center	270,845	450,103	311,000	292,000	350,000
Bay City Theatre	140,683	161,946	172,000	150,000	150,000
Total Hotel/Motel	756,247	1,002,930	879,000	853,000	900,000

Expenditures by Function



HOTEL GENERAL

Description of Our Services

Expenditures considered to be of a non-departmental nature include: funding the Matagorda County Museum, funding a portion of Main Street Budget (in General Fund) that qualifies for the HOT funds and other special projects which are approved by City Council.

Budget Summary

Hotel General	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	-	-	-	-	-
Other Charges and Services	77,359	61,955	85,000	85,000	60,000
Repairs & Maintenance	6,000	-	-	18,000	-
Capital Expenditures	-	-	-	-	-
Transfers	58,314	103,545	48,000	48,000	48,000
Total Hotel General	141,673	165,500	133,000	151,000	108,000



Matagorda County Museum @ 2100 Avenue F



Joe Deloach pictured with his statue

TOURISM

Our Purpose

The Tourism Department's activity, under the direction of the CVB Board of Directors, Mayor and Council is primarily responsible to position Bay City and Matagorda County as a nationally and regionally recognized tourist destination by developing quality marketing programs and events to attract visitors and stimulate economic development and growth.

Mission Statement

Bay City Tourism Council promotes and develops tourism and awareness of our beaches, birds and thriving arts along with our downtown culture.

Vision 2040 Plan Elements

(2020 Strategic Focus)

Community & Economic Development

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

- By using all forms of tourism, eco, birding, beach related, and history related visits we want to showcase Bay City, so it is known for its diverse opportunities while creating a business development program that is responsive to existing business needs.

Livability and Quality of Life

Bay City residents and visitors enjoy a safe community with great amenities and affordable living.



* International Travel Show in Dallas, Texas with new trade show display*

FY 2020 Business Plans (Objectives)

- Improve and enhance the quality of key signature events that promote and highlight our community and bring overnight stays to hotels
- Create permanent brand and logo for tourism department with adaptable uses for other cities and events
- Advocate for birding sites and parks, migratory bird spots and temporary attractions
- Establish additional bird blinds accessible to the public
- Promote art, culture and history through interactive exhibits and events
- Work with local partners to bring a permanent electrical source and ambient lighting to event venues
- Collaborate with local tourism organizations and businesses to promote the importance of wayfinding signs throughout the community
- Create destination materials; historic driving tour, Key Map with bait camps, boat ramps, and camping locations
- Design Press Packages and build journalism contact list to attract more travel writers
- Aid the Bay City Community Development Corporation in encouraging business development for visitor attractions and overall tourism support
- Recruit and build volunteer list to support Bay City Tourism Council committees and special events (ongoing)

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Enhanced the quality of concerts managed by Visit Bay City including Wolf, Strawberry and Harvest Moon
- ✓ Managed the Harvest Moon Concert, Day of the Dead Festival to drive overnight stays to hotels and increase attendance to a local city park
- ✓ Commissioned local art group to paint the third and fourth murals in Bay City
- ✓ Increased social media presence with consistent tourism promotion to online users
- ✓ Recruited and planned itineraries for Travel Writers showcasing Bay City, Matagorda County as a tourist destination
- ✓ Expanded destination awareness in large Texas cities by attending the International Trade Show in Dallas and the Travel Expo in Houston
- ✓ Developed a new marketing plan that includes advertisements in the Houston Visitors Guide and a billboard on Highway 71 in Columbus, TX
- ✓ Created a new shopping and dining guide rack card promoting our historic downtown district to be distributed at Tx Dot Entry Points
- ✓ Updated our photo library with new professional pictures to enhance print advertisements and future event promotions
- ✓ Designed new booth displays for travel and trade show exhibits
- ✓ Recognized ourselves as the Birding Capital of North America with promotional materials, social media and advertisements
- ✓ Represented hotels, attractions and restaurants through our Matagorda County Visitors Guide
- ✓ Formed the Special Events Committee to oversee, plan and recruit volunteers to assist with upcoming concerts and events

Budget Summary

Convention and Visitors Bureau	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	9,280	43,806	64,770	63,770	75,400
Supplies & Materials	2,434	7,567	8,230	7,230	8,500
Other Charges and Services	191,332	173,796	185,000	185,000	203,100
Repairs & Maintenance	-	211	5,000	4,000	5,000
Capital Expenditures	-	-	-	-	-
Total Convention & Visitors	203,046	225,380	263,000	260,000	292,000

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Tourism Director	0	1	1	1
Total	0	1	1	1

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Exhibit Shows Attended	1	2	2	2
Advertising(Magazines,Publications,etc)	14	16	16	15
Facebook Followers	1,200	500	1,500	2,100
Number of Events Held	3	4	2	2
Total Attendance of Events	1,000	2,200	1,700	3,000
<i>Measuring Our Effectiveness</i>				
Annual Update of Business Plan	0	1	1	1
Number of Meetings Held	22	24	29	30
Council Updated Quarterly	1	4	4	4



Adapted Love Where You Live logos promoted by Visit Bay City

CIVIC CENTER



Our Mission

The mission of the Bay City Civic Center is to provide a safe, beneficial, and enjoyable facility for special events for all citizens, tourists, and visitors to the City of Bay City, Texas.

Description of Our Services

The Bay City Chamber of Commerce and Agriculture with the City of Bay City provides management and operations for the facilities of the Bay City Civic Center. Revenues are generated from facility rentals. The maintenance costs are provided by Fund 25 of the City of Bay City.

Vision 2040

2020 Strategic Focus*

Community and Economic Development*

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

Livability and Quality of Life

Bay City residents enjoy a safe community with great amenities and affordable living.

FY 2020 Business Plans (Objectives)

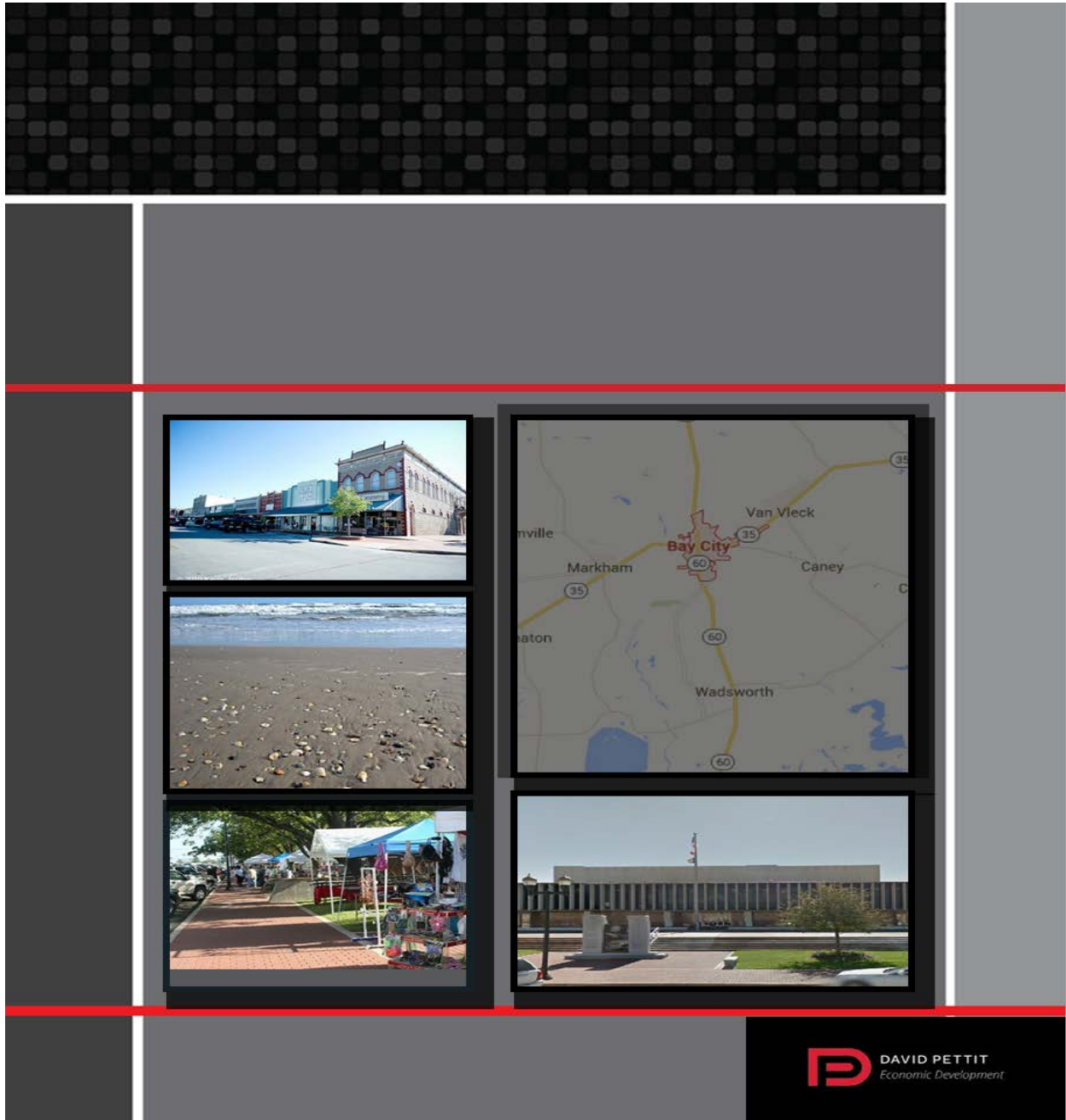
- Ensure the customers and community maximizes the use of the Bay City Civic Center.
- Provide staff to set-up, supervise, and maintain a presence at the center, and ensure every service is afforded the Customer
- Conduct routine repair and preventative maintenance to the facility and parking lot and to ensure it is maintained at the same or higher level as was designed to provide a quality customer experience
- Continue to research community services being offered by cities with comparable population and evaluate opportunities to include appropriate services which would benefit our community
- Encourage professionalism in customer service through continuing education and staff development opportunities
- Seek community input of services through pre- and post-event communications

FY 2019 Business Plans (Objectives)

- ✓ Ensured the customers and community maximized the use of the Bay City Civic Center, Occupancy is high especially on weekends
- ✓ Provided excellence customer service to the customers
- ✓ Conducted routine repair and preventative maintenance to the facility throughout the year including repairs on exterior doors and door locks. Oversaw the re-striping of the parking lot
- ✓ Researched community services being offered by cities with comparable population and evaluate opportunities and provide Mayor and Council a proposed fee increase.
- ✓ Held two customer service training opportunities
- ✓ Listened to customer feedback to ensure pre and post event communications
- ✓ Maintained the Civic Center with fees paid by the consumer and utilization of the Hotel-Motel Tax with no reliance on the General Fund Budget

Budget Summary

Bay City Civic Center	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	-	-	-	-	-
Supplies and Materials	7,974	9,950	8,500	7,700	8,500
Other Charges and Services	219,977	253,781	267,500	249,300	261,500
Repairs and Maintenance	42,893	3,908	35,000	35,000	80,000
Capital Expenditures	-	182,465	-	-	-
Total Civic Center	270,844	450,104	311,000	292,000	350,000



TAX INCREMENT REINVESTMENT ZONE FUND

This fund is used to account for the three separate reinvestment zones receiving all the incremental tax revenue growth flows within its designated zone to help pay for public improvements within that zone.

TIRZ Fund Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
TIRZ #1	8,065	32,682	-	65,460	64,000
TIRZ #2	-	11,919	-	157,343	159,000
TIRZ #3	-	-	-	-	-
Total Revenue	8,065	44,601	-	222,803	223,000

TIRZ Fund Expenditures

TIRZ Expenditures	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
TIRZ #1	-	36,975	-	1,636	1,600
TIRZ #2	-	5,298	-	3,934	4,000
TIRZ #3	-	-	-	-	-
Total TIRZ	-	42,373	-	5,570	5,600



Annual Report Requirements

Texas state law requires the governing body of the municipality that created the TIRZ to submit an annual report to the chief executive officer of each taxing unit that levies taxes on property within the zone. The report must be provided within 150 days of the end of the city's fiscal year. The report must include the following items:

1. The amount and source of revenue in the tax increment fund established for the zone;
2. The amount and purpose of expenditures from the fund;
3. The amount of principal and interest due on outstanding bonded indebtedness;
4. The tax increment base and current captured appraised value retained by the zone;
5. The captured appraised value shared by the city and other taxing units;
6. The total amount of tax increments received; and
7. Any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the city.

A copy of the above report must be sent to the Texas State Comptroller's Office.

What is Tax Increment Financing (TIF)?

Tax Increment Financing (TIF) is a tool to help finance public improvements and development projects within a defined area. A municipality makes an area eligible for TIF by designating it a Tax Increment Reinvestment Zone (TIRZ). Within the designated zone all of the incremental tax revenue growth flows to an established tax increment fund to help pay for public improvements within the zone.

Following incremental growth in property values, and the collection of tax revenue in the established TIRZ fund, the TIRZ board and the City Council disburse funds to promote revitalization efforts within the zone.

While TIRZ's are generally established by cities, other taxing jurisdictions such as a county or junior college are allowed to participate in the zone at their own discretion.

TAX INCREMENT REINVESTMENT ZONE #1

The City of Bay City Tax Increment Reinvestment Zone (TIRZ) Number One (TIRZ #1) was established in 2015 and consisted of 219 acres of land located in the City's central core encompassing approximately 160 acres. Bay City TIRZ #1 is bounded by 11th Street to the north, Avenue E to the west, 5th Street to the south, and Avenue L on the eastern border.

While the site holds great potential due to its location, it lacks the infrastructure necessary to support commercial and residential development. As such, the site will not be developed to its full potential but for the creation of a TIRZ.

TIRZ Revenue Overview

The City of Bay City TIRZ #1 base value was established in 2015 with a real property taxable value base of \$23,875,760. The City of Bay City agreed to contribute 100% of its incremental tax revenue to the TIRZ fund for a period of 30 years.

	2015 Base Year	2019 Taxable	Increment
TIRZ 1	23,875,760	28,315,552	4,439,792



*TIRZ #1 Boundary

TAX INCREMENT REINVESTMENT ZONE #2

The City of Bay City Tax Increment Reinvestment Zone Number Two (TIRZ #2) consists of approximately 344 acres of land located in the eastern sector of the City along TX-35.

The majority of the property within TIRZ #2 is currently vacant. The purpose of TIRZ #2 is to help pay for infrastructure costs associated with the development of a large mixed-use development totaling more than 2,200,000 square feet of new construction. It is expected to facilitate the construction of both residential and commercial development.

TIRZ Revenue Overview

The City of Bay City TIRZ #2 base value was established in 2015 with a real property taxable value base of \$2,099,193. The City of Bay City agreed to contribute 100% of its incremental tax revenue to the TIRZ fund for a period of 30 years.

	2015 Base Year	2019 Taxable	Increment
TIRZ 2	2,099,193	13,141,048	11,041,855



*TIRZ #2 Boundary

TAX INCREMENT REINVESTMENT ZONE #3

The City of Bay City Tax Increment Reinvestment Zone (TIRZ) Number Three (TIRZ #3) was established in 2016 and consists of 20 acres of land, located on the eastern portion of Marguerite Street. Bay City TIRZ #3 fronts Marguerite Street and is then bounded to the West by Carrington Oaks Subdivision, to the North by Pearl Street and to the East by Cottonwood Creek and to the South by Valhalla Subdivision.

All real property within the boundaries is underdeveloped and the sidewalks and street layout are inadequate. As such, the site will not be developed to its full potential but for the creation of a TIRZ.

	2015 Base Year	2019 Taxable	Increment
TIRZ 3	349,100	178,120	(170,980)



*TIRZ 3 Boundary



FORFEITURE FUND

This fund accounts for the forfeiture of contraband gained from the commission of criminal activity. Proceeds from this fund are used for specific expenses for law enforcement needs.

Forfeiture Fund Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Miscellaneous	884	6,015	-	-	5,000
Transfers In	27,856	-	-	-	-
Prior Year Fund Balance	-	-	10,000	10,000	5,000
Total Revenue	28,740	6,015	10,000	10,000	10,000

Forfeiture Fund Expenditures

Police Forfeiture Expenditures	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	759	1,338	-	-	-
Supplies & Materials	196	-	10,000	10,000	5,000
Other Charges & Services	7,712	13,737	-	-	5,000
Repairs & Maintenance	108	5,193	-	-	-
Capital Expenditures	-	-	-	-	-
Total Forfeiture	8,775	20,268	10,000	10,000	10,000

Pending Forfeiture Expenditures	Actual FY 2017	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	-	-	-	-	-
Supplies & Materials	-	-	-	-	-
Other Charges & Services	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Pending	-	-	-	-	-



BUILDING SECURITY FUND

This fund accounts for fees collected on conviction of certain Municipal Court offenses and are intended to create a security plan for the courtroom.

Building Security Fund Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Fines & Penalties	4,158	3,394	4,000	4,000	3,500
Miscellaneous	10	111	1,000	1,000	-
Transfers In	-	-	-	-	21,500
Total Revenue	4,168	3,506	5,000	5,000	25,000

Building Security Expenditures

Building Security Expenditures	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	3,583	1,315	4,900	4,900	4,900
Supplies & Materials	135	150	100	100	100
Other Charges & Services	9,375	-	-	-	19,000
Repairs & Maintenance	-	7,168	-	-	1,000
Capital Expenditures	-	-	-	-	-
Total Expense	13,093	8,633	5,000	5,000	25,000



COURT TECHNOLOGY FUND

This fund accounts for fees collected on conviction of certain Municipal Court offenses and are intended to provide technology to process court cases.

Court Technology Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Fines & Penalties	5,435	4,509	5,000	5,000	4,500
Miscellaneous	8	91	-	-	-
Prior Year Fund Balance	-	-	5,000	5,000	22,500
Total Revenue	5,443	4,600	10,000	10,000	27,000

Court Technology Expenditures

Court Technology Expenditures	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	-	1,000	-	-	1,000
Supplies & Materials	150	124	100	100	100
Other Charges & Services	8,063	4,678	9,900	9,900	25,900
Repairs & Maintenance	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Court Tech.	8,213	5,802	10,000	10,000	27,000



INTERNAL SERVICE FUNDS



Information Technology Fund

Revenue and Expenditures

Departmental Summary

Information Technology

Maintenance Fund

Revenue and Expenditures

Departmental Summaries

Equipment Maintenance

Facility Maintenance



Internal Service funds are used to report an activity that provides services or goods to other funds of the City. The City's General Fund and Utility Fund equally reimburse these funds for services.



INFORMATION TECHNOLOGY FUND

The Information Technology fund was created to provide technological maintenance and purchases for all the departments of the City.

Information Technology Fund Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Miscellaneous	13	67	-	5,630	-
Transfers In	624,530	573,624	590,000	590,000	620,000
Total Revenue	624,543	573,690	590,000	595,630	620,000

Information Technology Fund Expenditures

Information Technology Expenditures	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	245,851	188,532	196,907	167,511	125,125
Supplies & Materials	7,131	5,683	8,600	8,300	5,875
Other Charges & Services	409,400	378,912	364,000	362,870	473,500
Repairs & Maintenance	21,160	5,356	20,493	29,815	15,500
Capital Expenditures	-	-	-	-	-
Debt Service	3,049	888	-	-	-
Total IT	686,590	579,372	590,000	568,496	620,000

INFORMATION TECHNOLOGY

Our Mission

Proactively provide quality technology-based services supporting the integrity, reliability, and confidentiality of the City's technology environment engaging the missions and goals of its employees and citizens.

- ❖ Provide prompt and professional customer service skills to our staff to ensure limited down time and help contribute to an efficient work environment.
- ❖ Facilitate all network infrastructures, storage, security, hardware, and software to ensure the integrity of the City's electronic data and provide reliable access.
- ❖ Introduce new ideas to simplify challenging and time-consuming tasks utilizing technology.
- ❖ Visualize a proactive direction for the city and provide strategic planning to adjust the use of technology to help aid in upcoming events.
- ❖ Maintain a level of commitment to keep our staff knowledgeable and up-to-date with the latest trend in technology providing the tools necessary to accommodate and serve the public promptly.



Description of Our Services

The major systems for which the IT Department provides support and maintenance are: computer systems (servers, workstations, peripherals, networking equipment and software); the phone system (Analog and Digital/VoIP desk sets and cell phones); the security system (secured entryway access and surveillance cameras/recorders); the radio system (2-way handheld and vehicle mounted radios and repeaters); and miscellaneous electronic systems (faxes, badge printers, etc.). It also handles day-to-day maintenance and replacement/upgrade of assets under its control and provides training to City employees. The department researches, advises, and leads the City in technical projects and trends in an efficient and cost-effective manner.

Manages

The Information Technology Department currently manages technology assets at 12 locations. These assets include approximately:

- 200 Computers
- 47 Printers
- 30 Servers
- 15 Patrol Cars

FY 2020 Business Plans (Objectives)

- Revamp City Website
- Continue to provide fast & reliable access to all information systems
- Replace 25 computers in order to prepare for Windows 10
- Update technology inventory
- Repair infrastructure (Tower)
- Promote transparency for all departments through social media
- Continue to facilitate the collection, storage, and security of electronic data
- Provide the employees tools that improve their work quality and productivity

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Contracted a portion of IT out to an outside company
- ✓ Reevaluated technology-based contracts for cost saving
- ✓ Improved work order documentation
- ✓ Upgraded City cell phones to AT&T FirstNet improving communications in emergency situations
- ✓ Assisted County with ongoing expansion of our radio system for First Responders
- ✓ Upgraded security measures at Police Department
- ✓ Provided network to other City locations
- ✓ Assisted Police Department with obtaining Digital Evidence

Budget Summary

Information Technology	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	245,851	188,532	196,907	167,511	125,125
Supplies & Materials	7,131	5,683	8,600	8,300	5,875
Other Charges & Services	409,400	378,912	364,000	362,870	473,500
Repairs & Maintenance	21,160	5,356	20,493	29,815	15,500
Capital Expenditures	-	-	-	-	-
Debt Service	3,049	888	-	-	-
Total IT	686,590	579,372	590,000	568,496	620,000

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Information Technology Manager	1	1	1	1
Network Administrator	1	1	1	0
Information Technology Technician	1	1	0	1
Total	3	3	2	2

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
# of documented work orders completed	678	692	747	725





MAINTENANCE FUND

The Maintenance Fund was created to provide maintenance on all City owned equipment, vehicles and facilities.

Maintenance Fund Revenue

Revenue Summary	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Miscellaneous	21	100	-	1,145	-
Transfers In	543,841	530,782	600,000	600,000	600,000
Total Revenue	543,862	530,882	600,000	601,145	600,000

Maintenance Fund Expenditures by Department

Total Expenditures	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Equipment Maintenance	310,818	312,728	263,592	261,235	263,443
Facility Maintenance	315,705	269,746	336,408	329,245	336,557
Total Expenditures	626,523	582,474	600,000	590,480	600,000



EQUIPMENT MAINTENANCE

Our Mission

The mission of the City of Bay City Equipment Maintenance Division is to provide City departments with an efficient maintenance and repair process as it pertains to the City's fleet. With only three mechanics, our goal is to address any fleet repair and maintenance issue, establish an efficient service maintenance program to extend the life and productivity of the City's entire fleet and reduce equipment down time and unnecessary repair cost.

Description of Our Services

The Equipment Maintenance Division is under the general direction of the Director of Public Works. The Equipment Maintenance Division is primarily responsible for providing internal support to all departments and divisions through vehicle and equipment maintenance activities. The department maintains detailed records of repair and maintenance costs of the fleet by utilizing the CityWorks program. With the assistance of the program, the department has initiated a program of preventative maintenance procedures to keep the fleet in proper operating order and to extend the life of the fleet by performing routine preventative maintenance services.

Our lead mechanic handles the daily operations of this division by distributing work orders among himself and the other two mechanics. They are responsible for the repair, servicing, preventative maintenance, and inspection of gasoline, alternate fuels, and diesel-powered automobiles; light medium and heavy duty trucks and construction equipment. The mechanics take turns being on-call to service vehicles outside of normal operating hours to keep other departments functioning.

Vision 2040

Infrastructure

Equipment Maintenance services and repair over three hundred city vehicles and pieces of equipment. Equipment Maintenance is the backbone to keeping the equipment for each department in the city running and for each employee to be able to carry out their job productively and safely.

Quality of Life

The behind-the-scenes support equipment maintenance provides is essential for other divisions and departments to effectively do their jobs in maintaining a safe city and ensuring the delivery of services that contribute to Bay City citizen's quality of life.

FY 2020 Business Plans (Objectives)

- Continue use of new vehicle lift which is used to make vehicle services and repairs quicker and safer
- Continue to use CityWorks to evaluate ways to improve preventative maintenance procedures for City's fleet and present recommendations as warranted
- Ensure that the fleet fueling station meets all state and federal guidelines and that all departments have a problem-free access to all fleet fueling facilities
- Continue to empower employees through training to ensure the highest quality work possible by the department
- Pursue and maintain all Master Automotive Service Excellence Certifications for all mechanics
- Continue to research and stay informed on new tools, techniques, and software that will assist the department in maintaining a high standard of performance
- Continue to accurately determine mechanical repair needs and estimate the cost and time of repairs
- Continue to service, troubleshoot, and perform complex automotive repairs on engines and related components of electrical, mechanical and computerized vehicle systems

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Utilized CityWorks program to complete approximately 634 service and repair jobs
- ✓ Continued training employees on preventative maintenance procedures for the city's fleet
- ✓ Performed emergency repairs on high priority equipment and still stay on schedule for routine repairs
- ✓ Worked well as a three-man team to work on service, repairs, and annual maintenance jobs while still maintaining a heavy work load
- ✓ Maintained the Vactor truck to keep it operational and available to address sewer and drainage issues within the City

Budget Summary

Equipment Maintenance	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	214,578	219,654	240,992	238,760	240,843
Supplies & Materials	6,178	8,130	10,200	10,185	9,700
Other Charges & Services	88,881	82,419	7,400	7,400	7,900
Repairs & Maintenance	1,180	2,524	5,000	4,890	5,000
Capital Expenditures	-	-	-	-	-
Total Maintenance	310,818	312,728	263,592	261,235	263,443

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Lead Mechanic	1	1	1	1
Mechanic	2	2	2	2
Total	3	3	3	3

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
A/C repairs	44	19	10	10
Air System repairs	4	9	12	12
Axle repairs	6	2	2	2
Battery/Charging System repairs	18	27	28	28
Bearing repairs	8	2	4	4
Belt/Hoses repairs	10	15	8	8
Blades repairs	12	21	28	28
Brakes/ABS repairs	36	34	24	24
Check Engine Light repairs	2	9	12	12
Cooling System repairs	4	12	4	4
Drive Line repairs	4	4	6	6
Electrical repairs	10	11	6	6
Engine repairs	52	23	16	16
Exhaust repairs	0	4	8	8
Fuel System	6	31	42	42
Hydraulic System repairs	18	23	28	28
Interior/Exterior repairs	56	99	144	144
Lights repairs	48	35	36	36
Service repairs	66	91	106	106
Small Engine repairs	4	16	10	10
Suspension/Steering repairs	12	6	6	6
Tire repair/replacement	40	69	54	54
Transmission repairs	2	15	6	6
Welding repairs	36	34	24	24
Total Work Orders Completed	490	611	634	634

FACILITY MAINTENANCE

Our Mission

The mission of the City of Bay City Facility Maintenance Division is to address building repair or maintenance issues in a cost effective and timely manner. By establishing an aggressive building maintenance program, we cut down on energy expenses and costly repairs. Our goal is to provide City employees with a comfortable and productive work environment, while maintaining the integrity and functionality of our multi-use rental facilities for the use and enjoyment of our citizens.

Description of Our Services

The Facility Maintenance Division is a division in the Public Works Department and is under the general direction of the Director of Public Works. The Facility Maintenance Division is responsible for maintenance and repairs of all City facilities. The staff is comprised of skilled trade persons, including but not limited to electricians, heating ventilation and air conditioning technicians, and maintenance personnel. When the work load exceeds the man power and equipment we have on hand, our facility maintenance crew is also responsible for soliciting bids from contractors. Without facility maintenance, our City employees in all departments would be responsible for their own repairs.

Vision 2040

Infrastructure

As Bay City grows, there will be a need for City facilities to be updated as well. The facility maintenance crew's main goal is to maintain clean, safe, and functional facilities for all to enjoy until facility upgrades or replacements are funded.

Quality of Life

Public buildings, such as city halls, libraries and other service buildings, define a community's identity and instill a sense of pride. These facilities are also critical elements in a community that are needed to sustain neighborhoods, business, and governmental functions.

FY 2020 Business Plans (Objectives)

- Perform annual on-site inspections of all City facilities, diagnose problems, and execute repairs and upgrades, as approved by the Director and document in City Works
- Continue oversight of all City generators through on-site inspections, preventative maintenance program and repairs
- Continue to empower employees by training
- Continue using Cityworks, to track routine work orders associated with our City facilities
- Continue to investigate and implement energy conservation
- Continue to initiate and prioritize work orders as needed for facilities
- Continue to work with engineers and contractors on installation of new generators
- Secure funding for roofs on City buildings (i.e. City Hall, MSB shop area, etc.)

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Completed roof rehabilitation projects at various City facilities
- ✓ Coordinated with contractor to install all electrical and HVAC at the new Recycling Center
- ✓ Replaced gas piping on roof and one of the AC units at the Police Department
- ✓ Replaced gas line to pool heater and exterior lighting at the 16th Street Pool
- ✓ Conducted weekly inspections on SCADA board at WWTP, lift stations and generators.
- ✓ Removed all electrical switch gear, lighting and exhaust fan from chemical room and installed new stainless-steel switch gear and LED lighting at the Hilliard Pool
- ✓ Coordinated with Garver representatives to implement design and construction of generators for various city facilities

Budget Summary

Facility Maintenance	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Personnel Services	280,938	225,820	247,029	244,025	248,178
Supplies & Materials	9,788	11,405	12,150	12,130	12,150
Other Charges and Services	11,168	5,207	23,000	21,870	22,000
Repairs & Maintenance	13,811	27,314	54,229	51,220	54,229
Capital Expenditures	-	-	-	-	-
Total Facility Maintenance	315,705	269,746	336,408	329,245	336,557

Budgeted Personnel

Position	Actual FY 2017	Actual FY 2018	Actual FY 2019	Budgeted FY 2020
Facilities Maintenance Supervisor	1	1	0	0
Master Electrician	1	1	1	1
Journeyman Electrician	0	0	1	1
Electrician Helper	1	1	0	0
Carpenter	0	0	0	0
Carpenter Helper	0	0	0	0
Facilities Maintenance Tech II	1	1	2	2
Facilities Maintenance Tech I	1	0	0	0
Total	5	4	4	4

Performance Measures

<i>Our Workload</i>	Actual FY 2017	Actual FY 2018	Projected FY 2019	Estimated FY 2020
Electrical work orders	736	370	538	538
Plumbing work orders	0	31	22	22
Air Conditioner repair work orders	34	157	96	96
Carpenter work orders	0	11	22	22
Street Light work orders	10	11	10	10
Trim Tree Limb work orders	52	27	30	30
Generator Repairs	85	24	24	24
Miscellaneous Repairs	166	185	204	204
Total work orders completed	1,083	816	946	946





CAPITAL



Five Year Capital Improvement Program

Operating Capital Outlay

2020 Project Details

Five Year Capital Improvement Program
Plan (2020-2024)



This section provides current year capital expenditures and projects for all major funds and the City's Five-Year Capital Improvement Plan.

Capital Expenditures

Capital expenditures are payments used to acquire assets or improve the life of existing assets. Factors that are considered in determining capital items are as follows:

- Expected normal useful life of more than 3 years
- The item has a unit cost of \$10,000 or more (including freight and installation)
- Buildings and improvements shall also have a cost of \$10,000 or more

More information regarding the City's Fixed Asset Capitalization Policy can be found in the appendix section of this document.

Capital Improvement Plan

Presented herewith is the adopted FY 2020 Capital Improvement Plan (CIP) as approved on September 12, 2019. This document reflects input from City Staff, City Council and City Advisory Boards. This document serves as both a budget for FY 2020 and as a major planning tool for subsequent years. The five-year CIP is dynamic in nature, and as such, is reviewed and revised annually to ensure projects with the greatest need receive the highest priority. Project priorities and available funding are constantly monitored throughout the fiscal year to ensure there is adequate funding for critical projects. The plan reflects the City's strategic investment in municipal infrastructure and facilities over the next five years and the continuation of capital projects approved in prior years.

The CIP incorporates the project descriptions, estimated costs and funding sources by Fund over the next five years. Projects that are appropriated in FY 2020 have individual project pages containing more detailed information such as project scope, estimated beginning and ending date, funding source(s), contact information, project graphic and operational impact. Costs already incurred and future cost estimates are listed for each project. The architect/engineer and contractor are listed where applicable. Each project is linked to the City's Comprehensive Plan (Vision 2040) and the 2020 Strategic Plan.

The CIP for General Fund projects follow a three-year pattern between Park Focus and Street Focus. For two years, the City designates funds on improving the park infrastructure, sidewalks, or sealcoating. The remaining funds are reserved for a future street project. In the third year, the City funds a major street project. The capital projects funding for parks during the third year (large street project) is lower in priority. The capital plan is rolled forward each year using this same philosophy. In this plan, 2020 is a street year so there will be less focus on parks unless grants are involved.

The CIP for Utility Fund projects take into consideration upcoming street projects. Water and sewer infrastructure are replaced prior to any major street project. Other priorities are given to subdivisions where utility systems have been partially completed.

The CIP for Airport Fund projects center around infrastructure improvements in hopes to spur economic development activity while satisfying existing customers.

Overview of the City's CIP:

The first year of the CIP is the capital budget. Any operating costs associated with the capital budget are incorporated in the annual budget to appropriate funds for the specific improvements. The projects that are scheduled for subsequent years in the CIP are approved only on a planning basis and do not receive expenditure authority until they are incorporated within a capital budget. However, potential funding sources are identified for planning purposes. The CIP is a rolling process where the subsequent year items in the program are moved up in each future year and reconsidered in subsequent years.

Look back at FY 2019 CIP:

The Recycling Center, funded in majority by an H-GAC grant, was successfully constructed and relocated existing operations to its new location. Opened for business in July 2019.

New sidewalks were constructed along Sixth Street and Avenue H. The project was funded by the Texas Capital Fund with contributing local matches from the City and Bay City Community Development Corporation.

Texas Department of Transportation (TXDOT) constructed a new sidewalk along Highway 60 from Nile Valley Drive to Hamman Drive. TXDOT was responsible for the funding, design and construction of this project, while the City contributed a local match portion.

Phase III of the Street Reconstruction Project, funded by bond proceeds, was completed. The project consisted of reconstructing approximately 2.1 miles of roadway and intersections throughout the City.

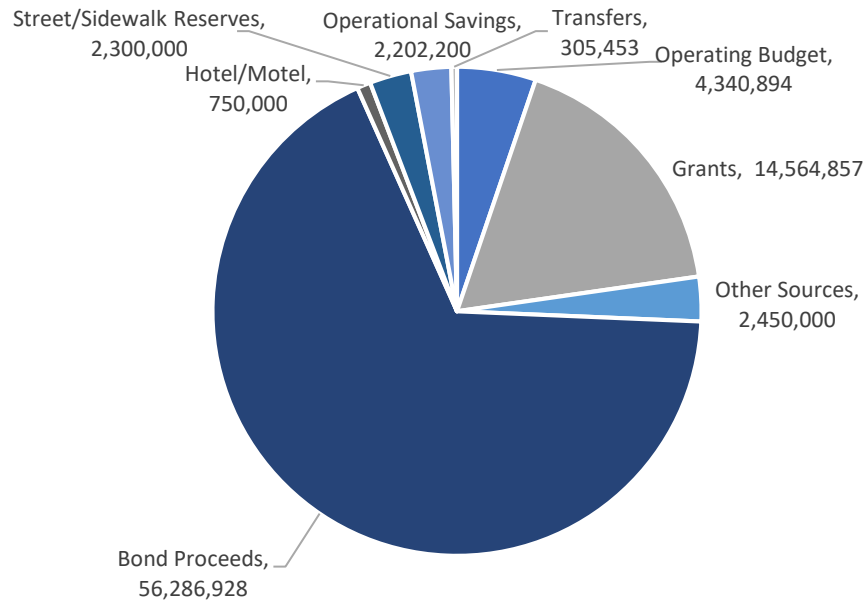
Two big pieces of equipment were purchased: street sweeper and asphalt zipper.

4 new generators were installed at different City facilities: Fire Dept., City Hall, Civic Center and Municipal Services Building (City Warehouse).

Capital Improvement Program Project Financing

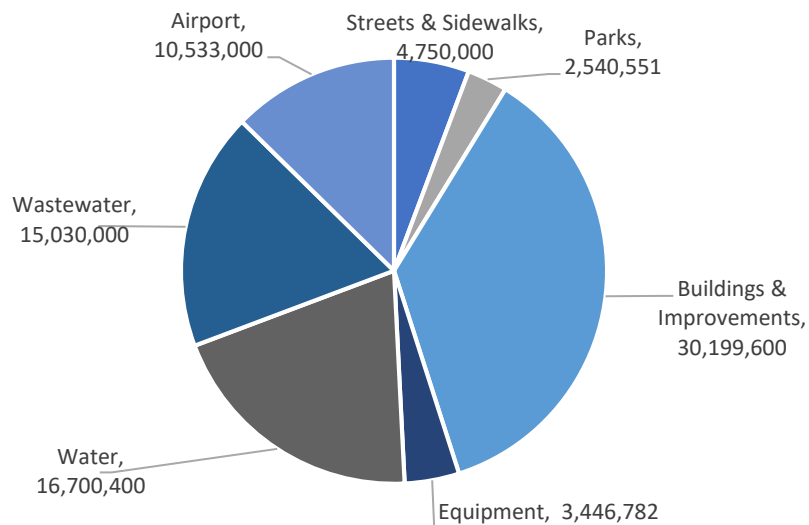
Where the City of Bay City CIP Dollars Come From

All Funds 2020-2024 Adopted CIP (\$83,200,333)



Where the City of Bay City CIP Dollars Go

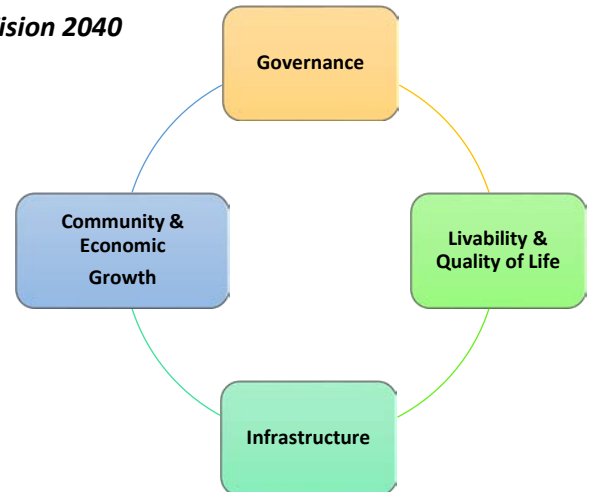
All Funds 2020-2024 Adopted CIP (\$83,200,333)



Planning for our City's Future

The City of Bay City's Five-Year Capital Improvement Program (CIP) is designed to help the City strategically plan for future capital improvements to public facilities, parks and opens spaces, drainage systems, streets and right of ways and utility systems. These projects are funded by various sources, including fund balance reserves, grants, general funds, enterprise funds and other available sources. The City's FY 2020 CIP is being funded by bonds, grants, current revenues, and reserves.

Vision 2040



The table below shows the City of Bay City's five-year capital improvement plan summary by category.

Five Year Capital Improvement Plan Summary- All Funds

	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023	Budget FY 2024	Five Year CIP Total
General Fund						
Streets	\$ 450,000	\$ 425,000	\$ 2,250,000	\$ 1,575,000	\$ 50,000	\$ 4,750,000
Parks	1,815,551	225,000	200,000	200,000	100,000	2,540,551
Buildings	150,000	350,000	1,730,000	15,150,000	10,150,000	27,530,000
Equipment	1,133,728	145,000	-	-	90,000	1,368,728
Total	\$ 3,549,279	\$ 1,145,000	\$ 4,180,000	\$ 16,925,000	\$ 10,390,000	\$ 36,189,279
General Fund						
Utility Fund						
Water	\$ 1,500,000	\$ 6,412,200	\$ 5,000,000	\$ 2,663,200	\$ 1,125,000	\$ 16,700,400
Wastewater	310,000	6,000,000	6,310,000	2,300,000	110,000	15,030,000
Buildings	-	100,000	50,000	-	377,600	527,600
Equipment	1,587,442	150,000	-	-	-	1,737,442
Total Utility	\$ 3,397,442	\$12,662,200	\$ 11,360,000	\$ 4,963,200	\$ 1,612,600	\$ 33,995,442
Utility Fund						
Airport Fund	\$ 2,622,612	\$ 4,483,000	\$ 3,693,000	\$ 1,665,000	\$ 552,000	\$ 13,015,612
Total All Funds	\$ 9,569,333	\$18,290,200	\$ 19,233,000	\$ 23,553,200	\$ 12,554,600	\$ 83,200,333

Five Year Total \$ 83,200,333

FIVE-YEAR CAPITAL IMPROVEMENT- BY FUND

General Fund

Project Description	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023	Budget FY 2024
Streets & Sidewalks					
Street Reconstruction Projects	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000	\$ -
Street Seal Coat Projects	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Sidewalk New/Replace Project	\$ -	\$ 200,000	\$ -	\$ -	\$ 50,000
Sidewalk New Replace Project	\$ -	\$ -	\$ -	\$ 325,000	\$ -
Nile Valley Road- Phase I Design	\$ 225,000	\$ 225,000	\$ -	\$ -	\$ -
Nile Valley Road- Phase I Construct.	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
Railroad Project	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Street & Sidewalks Subtotals	\$ 450,000	\$ 425,000	\$ 2,250,000	\$ 1,575,000	\$ 50,000
Parks					
Southern Pacific Trailway-TXDOT	\$ 1,315,551	\$ -	\$ -	\$ -	\$ -
Park Improvements	\$ -	\$ 225,000	\$ -	\$ -	\$ 100,000
Ball Field Lighting	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -
Aquatics Center	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Parks Subtotals	\$ 1,815,551	\$ 225,000	\$ 200,000	\$ 200,000	\$ 100,000
Building & Improvements					
Pedestrian Ramps	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Replace Roof- Armory (Parks)	\$ -	\$ -	\$ 30,000	\$ -	\$ -
Renovation- Old Texas Theatre	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Library Lighting Improvements	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Public Safety Bldg. (Police, Fire, etc)	\$ -	\$ 100,000	\$ 1,500,000	\$ 15,000,000	\$ 10,000,000
Bldgs. & Improvements Subtotals	\$ 150,000	\$ 350,000	\$ 1,730,000	\$ 15,150,000	\$ 10,150,000
Equipment Subtotals	\$ 1,133,728	\$ 145,000	\$ -	\$ -	\$ 90,000
General Fund CIP Fund Totals	\$ 3,549,279	\$ 1,145,000	\$ 4,180,000	\$ 16,925,000	\$ 10,390,000
Funding Source:					
Operating Budget	\$ 363,934	\$ 570,000	\$ 180,000	\$ 325,000	\$ 50,000
Grants(EDA,TDA,H-GAC,LCRA,ETC.)	\$ 1,151,617	\$ 100,000	\$ 500,000	\$ 250,000	\$ -
Other Sources (BCCDC,Interlocals)	\$ 525,000	\$ 100,000	\$ 100,000	\$ 150,000	\$ 100,000
Bond Proceeds	\$ 1,358,728	\$ 225,000	\$ 2,000,000	\$ 15,000,000	\$ 10,000,000
Hotel/Motel	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Street/Sidewalk Reserves-FD 28	\$ -	\$ -	\$ 1,250,000	\$ 1,050,000	\$ -
Operational Savings (Reserves)	\$ -	\$ -	\$ -	\$ -	\$ 90,000
Total Resources Planned	\$ 3,549,279	\$ 1,145,000	\$ 4,180,000	\$ 16,925,000	\$ 10,390,000

Utility Fund

Project Description	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023	Budget FY 2024
Utility Water					
Fire Hydrant & Valve Rehab Program	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -
New Waterline Extension-SH35 E	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
Waterline Replacement- 5 th Street	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Replace Waterlines- NW Quadrant	\$ 350,000	\$ -	\$ -	\$ -	\$ -
Katy Water Plant #3	\$ 700,000	\$ -	\$ -	\$ -	\$ -
Mockingbird Water Well #7	\$ -	\$ -	\$ -	\$ 353,000	\$ -
6 TH St. & Ave I Water Well #9	\$ -	\$ -	\$ -	\$ 368,000	\$ -
Recoating Whitson EST, Liberty EST, 6 th & Ave I GST	\$ -	\$ 412,200	\$ -	\$ 337,200	\$ -
Water System Improvements	\$ 400,000	\$ -	\$ -	\$ -	\$ -
New Water Plant No. 7	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
Public Water System-Airport Well	\$ -	\$ -	\$ -	\$ -	\$ 375,000
Mockingbird Water Plant No. 2	\$ -	\$ -	\$ -	\$ 774,000	\$ -
4 TH St. & Ave B Water Plant No. 1	\$ -	\$ -	\$ -	\$ 781,000	\$ -
Utility Water Subtotals	\$ 1,500,000	\$ 6,412,200	\$ 5,000,000	\$ 2,663,200	\$ 1,125,000
Wastewater System					
Manhole Rehab Program	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ 60,000
Lift Station Rehab Program	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
New Sewerline Extension-SH35 E	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
WWTP Rehab- Phase I Engineering	\$ 250,000	\$ -	\$ -	\$ -	\$ -
WWTP Rehab-Phase II Construction	\$ -	\$ 5,000,000	\$ 2,500,000	\$ -	\$ -
(2) 42 in. to 30 in. Gravity Sewer Main Truckline	\$ -	\$ -	\$ 3,700,000	\$ -	\$ -
(5) 27 in. to 24 in. Gravity Sewer Rehab	\$ -	\$ -	\$ -	\$ 2,300,000	\$ -
Wastewater Subtotals	\$ 310,000	\$ 6,000,000	\$ 6,310,000	\$ 2,300,000	\$ 110,000
Building & Improvements					
MSB- New Lobby Restrooms	\$ -	\$ 100,000	\$ -	\$ -	\$ -
MSN- Remodel Women's Restroom	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Extend Equip./Maint. Storage Bldgs.	\$ -	\$ -	\$ -	\$ -	\$ 207,600
Replace MSB Shop Roof	\$ -	\$ -	\$ -	\$ -	\$ 130,000
Coat MSB Shop Ceiling	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Bldg. & Improvements Subtotals	\$ -	\$ 100,000	\$ 50,000	\$ -	\$ 337,600
Equipment Subtotals	\$ 1,587,442	\$ 150,000	\$ -	\$ -	\$ -
Utility System CIP Fund Totals	\$ 3,397,442	\$12,662,200	\$ 11,360,000	\$ 4,963,200	\$ 1,612,600

Funding Source:

Operating Budget	\$ 1,089,360	\$ 650,000	\$ 110,000	\$ 50,000	\$ 862,600
Grants	\$ 1,453,081	\$ 1,600,000	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ 10,000,000	\$ 11,200,000	\$ 4,913,200	\$ -
Operational Savings (Reserves)	\$ 855,000	\$ 412,200	\$ 50,000	\$ -	\$ 750,000
Total Resources Planned	\$ 3,397,442	\$ 12,662,200	\$ 11,360,000	\$ 4,963,200	\$ 1,612,600

Airport Fund

Project Description	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023
Acquisition-Real Estate	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Engineering-Taxiway A Relocation I	\$ 442,000	\$ -	\$ -	\$ -	\$ -
Engineering-Taxiway A Relocation II	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Construction-Taxiway A Phase I, North, with Drainage	\$ -	\$ 4,453,000	\$ -	\$ -	\$ -
Engineering & Design-Main Apron Strengthening	\$ -	\$ -	\$ 100,000	\$ -	\$ -
Construction-Taxiway A Phase I, South, with Drainage	\$ -	\$ -	\$ 3,593,000	\$ -	\$ -
Engineering & Design-Runway Overlay	\$ -	\$ -	\$ -	\$ 310,000	\$ -
Airport Master Plan & ALP Update	\$ -	\$ -	\$ -	\$ 200,000	\$ -
Construction- Main Apron Strengthening	\$ -	\$ -	\$ -	\$ 1,155,000	\$ -
Airport Projects Subtotals	\$ 692,000	\$ 4,483,000	\$ 3,693,000	\$ 1,665,000	\$ -

Buildings & Improvements

Repair T-Hangar Row A	\$ 600,000	\$ -	\$ -	\$ -	\$ -
Repair T-Hangar Row B	\$ -	\$ -	\$ -	\$ -	\$ 552,000
Repair T-Hangar Row E	\$ 990,000	\$ -	\$ -	\$ -	\$ -
Buildings & Improvements Subtotals	\$ 1,590,000	\$ -	\$ -	\$ -	\$ 552,000

Equipment Subtotals	\$ 340,612	\$ -	\$ -	\$ -	\$ -
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Airport CIP Fund Totals	\$ 2,622,612	\$ 4,483,000	\$ 3,693,000	\$ 1,665,000	\$ 552,000
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Funding Source:

Operating Budget	\$ -	\$ -	\$ 20,000	\$ 25,000	\$ 45,000
Grants	\$ 653,259	\$ 4,034,700	\$ 3,323,700	\$ 1,498,500	\$ -
Transfers	\$ 54,353	\$ 123,300	\$ 74,300	\$ 46,500	\$ 7,000
Other Sources	\$ 325,000	\$ 325,000	\$ 250,000	\$ 75,000	\$ 500,000
Bond Proceeds	\$ 1,590,000	\$ -	\$ -	\$ -	\$ -
Operational Savings	\$ -	\$ -	\$ 25,000	\$ 20,000	\$ -
Total Resources Planned	\$ 2,622,612	\$ 4,483,000	\$ 3,693,000	\$ 1,665,000	\$ 552,000

OPERATING CAPITAL OUTLAY BY FUND

Fiscal Year 2020 Capital Expenditures

**GOVERNMENTAL FUNDS
GENERAL FUND****Vehicles and Equipment**

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
450	Police	Vehicle (Patrol Unit)	1	43,000
475	Streets	Gradall	1	375,000**
475	Streets	Tractor/Shredder	1	100,000**
480	Parks	Mower	1	22,000
480	Parks	Vehicle (F-250)	1	27,000
		Total General Fund Equipment		567,000

*Supported by Current Revenues- \$92,000; Operational Reserves- \$0****Supported by Other Financing Sources- \$475,000***Capital Projects**

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
475	Streets	Seal Coat Project	1	200,000
475	Streets	Nile Valley Project	1	225,000**
		Total General Fund Projects		425,000

*Supported by Current Revenues- \$200,000****Supported by Other Financing Sources-\$225,000***HOTEL/MOTEL FUND****Capital Projects**

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
430	Theatre	Theatre Rehab (Design)	1	150,000
		Total Hotel Fund Projects		150,000

Supported by Current Revenues- \$ 150,000

ENTERPRISE FUNDS UTILITY FUND

Vehicles and Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
405	Utility Operations	Vehicle	1	39,000
405	Utility Operations	Vehicle	1	39,000
405	Utility Operations	Generators	4	1,587,442*
440	Whse. Operations	Fuel Management System	1	35,000
		Total Utility Equipment		1,700,442

Supported by Current Revenues- \$ 509,861

*Supported by Grant- \$1,190,581

Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
410	Utility Maintenance	12" 5 th Street Waterline	1	400,000
410	Utility Maintenance	North Quadrant Waterline	1	350,000*
415	Water & WWTP	WWTP Rehab Phase I	1	250,000
415	Water & WWTP	Katy Water Plant Rehab	1	700,000
		Total Utility Projects		1,700,000

Supported by Current Revenues- \$ 565,500, Operational Reserves- \$ 872,000

*Supported by Grant- \$ 262,500

AIRPORT

Vehicles & Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
405	Airport	Generator	1	340,612
		Total Airport Equipment		340,612

Supported by Current Revenues- \$0, Airport Reserves- \$ 10,153

*Supported by Grant \$255,459 & Funded by Bay City Community Development Corporation \$75,000

Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
405	Airport	Taxiway Relocation	1	442,000*
405	Airport	Real Estate	1	250,000
405	Airport	T-Hanger A	1	600,000**
405	Airport	T-Hanger E	1	990,000**
		Total Airport Projects		2,282,000

*Supported by Grant \$ 397,800; Airport Reserves- \$ 44,200

**Supported by Other Financing Sources (2019 CO)- \$1,590,000

Bay City Community Development Corporation- \$250,000

General Fund – Street Seal Coat Project FY 2020

Infrastructure (Strategic Focus)

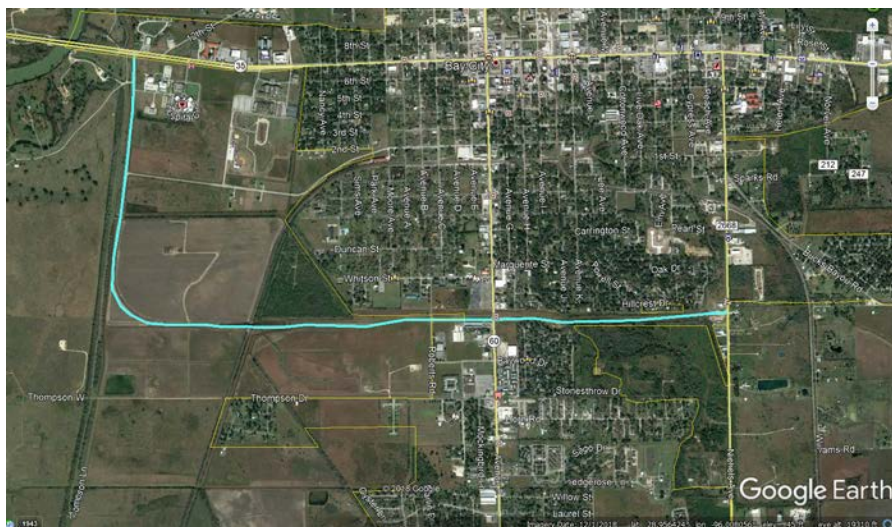
Project Scope		Approved Project Funding	
This project will consist of resurfacing approximately 1,000 LF of roadway and intersections throughout the City. Including patching the existing pavement and paving the surface of the roadway with asphalt and aggregate.		Funding Source	Fiscal Year 2020
		Grant Funds	N/A
		General Fund	\$200,000
		Project Budget & Expenditures	
Project Name:	Street Seal Coat	Project Budget:	\$200,000
Construction Start:	TBD	Expended to Date:	0
Project Completion:	September 2020	Operational Impact	
Current Phase:	NA		
Project Contact Information		Reduced maintenance demand and related personnel expenses of approx. \$2,700 per block per year on road repairs. A seal coat extend the life of a roadway by 7-10 years.	
Project Manager:	William "Bill" Tanner		
Phone Number:	(979) 943-4810	Current Activity	
Email Address:	wtanner@cityofbaycity.org	Select an engineer for plan preparation. Pre-Bid Conference: TBD Bid Opening: TBD Award Bid: TBD Pre-Construction Conference: TBD Target Construction Start: June 2020 Target Construction End: September 31, 2020	
Grant Administrator:	N/A		
Engineer:	TBD		
General Contractor:	TBD		



General Fund – Nile Valley Drive FY 2020

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
<p>This phase of the project will consist of engineering services to design rehabilitation and partial reconstruction of the roadway and bridge approaches on Nile Valley Dr from SH 35 (7th Street) to FM 2668 (Nichols Avenue).</p> <p>The consultant will prepare a topographic survey, the design drawings showing the limits and details of construction, the cost estimate and bid package.</p>		Funding Source	Fiscal Year 2020
Project Name:		Grant Funds	N/A
Construction Start:		Transfer from General Fund (Bond/ Loan Proceeds)	\$225,000
Project Completion:		Project Budget & Expenditures	
Current Phase:		Project Budget:	\$225,000
		Expended to Date:	\$0
		Operational Impact	
		<p>This roadway is necessary as a detour for truck traffic and relief to the downtown area. It has the potential to enhance the quality of life for citizens and to reduce traffic delays due to railroad operations within the city. This would have a positive impact on economic activity within the city.</p>	
		Current Activity	
		<p>Pre-Bid Conference: NA Bid Opening: NA Award Bid: NA Pre-Construction Conference: NA Target Construction Start: NA Target Construction End: NA</p>	
Project Contact Information			
Project Manager:	Marla Jasek		
Phone Number:	(979) 429-0675		
Email Address:	mjasek@cityofbaycity.org		
Grant Administrator:	N/A		
Engineer:	Jones Carter		
General Contractor:	NA		



General Fund – Railroad Project FY 2020

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
<p>This project will consist of engineering services to address railroad concerns within the city including quiet zones and train idling/switching in the commercial and residential areas.</p> <p>The consultant will explore the possibility of implementing a railroad quiet zone for the Union Pacific Railroad crossings and possibly the Burlington Northern Santa Fe Railroad crossings. They will review the crossing locations and perform safety calculations to determine the Quiet Zone Risk Index for the sites. The consultant will estimate the cost of supplemental safety measures necessary to meet the requirements for implementation of the quiet zones.</p> <p>The consultant will provide assistance in the preparation of exhibits and documentation to support the city's requests to various agencies regarding: 1) relocate the idling and switching operations outside of the city and 2) future improvements to railroad grade crossing including grade separations.</p>		Funding Source	Fiscal Year 2020
Project Name:		Grant Funds	N/A
Construction Start:		Transfer from General Fund	\$25,000
Project Completion:		Project Budget & Expenditures	
Current Phase:		Project Budget:	\$25,000
		Expended to Date:	\$0
		Operational Impact	
		<p>The alternatives being evaluated have the potential to enhance the quality of life for citizens and to reduce traffic delays due to railroad operations within the city. This would have a positive impact on economic activity within the city.</p>	
		Current Activity	
		<p>Pre-Bid Conference: NA Bid Opening: NA Award Bid: NA Pre-Construction Conference: NA Target Construction Start: NA Target Construction End: NA</p>	
Project Contact Information			
Project Manager:			
Phone Number:			
Email Address:			
Grant Administrator:			
Engineer:			
General Contractor:			

Hotel/Motel Fund – Downtown Texas Theater Renovations Project FY 2020

Infrastructure (Strategic Focus)

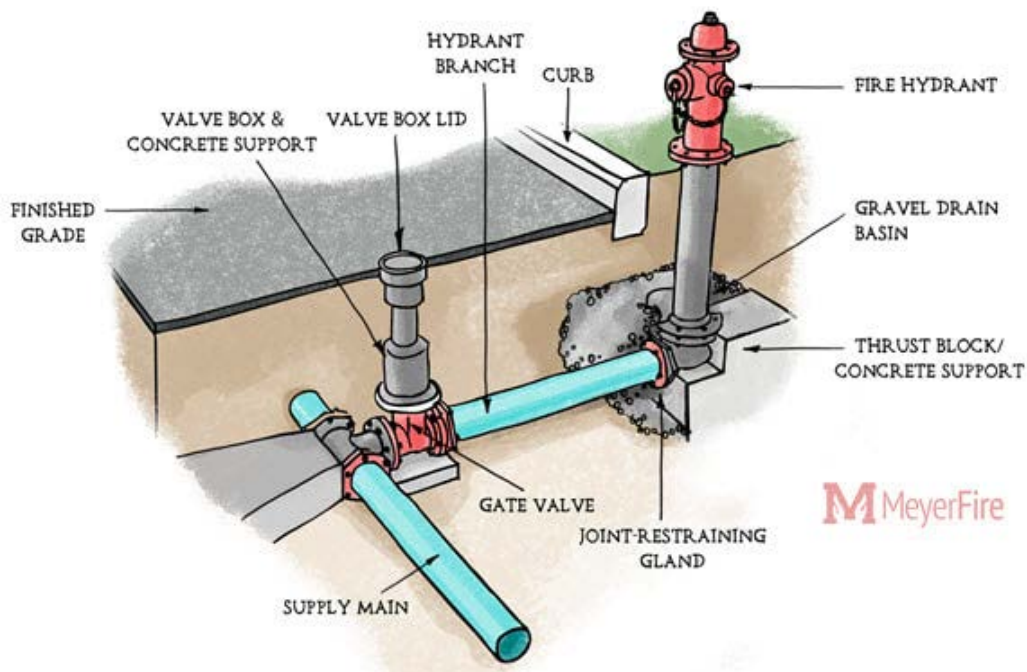
Project Scope		Approved Project Funding	
This project will consist of interior and exterior restoration of the original building. The building will house CASE performance, the Art League, and Bay City Tourism.		Funding Source	Fiscal Year 2020
Project Name: Texas Theater Renovations Project		Grant Funds	N/A
Construction Start: October 2018		Transfer from General Fund (Hotel/Motel)	N/A
Project Completion: January 2024		Project Budget & Expenditures	
Current Phase: N/A		Project Budget:	\$150,000
Project Contact Information		Expended to Date:	\$0.00
Project Manager: Barry Calhoun		Operational Impact	
Phone Number: (979) 245-7236		Reduced maintenance demand and related personnel & contractor expenses annually. Improve the integrity of the building to increase the life span of the facility. Life expectancy is 40 years minor routine maintenance.	
Email Address: bcalhoun@cityofbaycity.org		Current Activity	
Grant Administrator: N/A		This project is ongoing and will take several years to complete.	
Engineer: Chelsea Place Design, Inc.			
General Contractor: TBD			



Utility Fund – Fire Hydrant and Valve Rehab Program Project FY 2020

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
There are hundreds of fire hydrants and valves throughout the City. These hydrants and/or valves are not operated on a daily basis. However, it is imperative that they are operational when an emergency arises (fire or major water leak). A rehab program will create a preventative maintenance schedule ensuring all hydrants and valves are in good, working order. These funds will also be used for the installation of new valves where none exist.		Funding Source	Fiscal Year 2020
Project Name: Fire Hydrant & Valve Rehab		Grant Funds	N/A
Construction Start: February 2020		Transfer from General Fund	N/A
Project Completion: April 2020		Project Budget & Expenditures	
Current Phase: N/A		Project Budget:	\$50,000.00
		Expended to Date:	\$0.00
Project Contact Information		Operational Impact	
Project Manager: Louis Rodriguez		Ensure fire hydrants are operational for emergency usage and when flushing the system. Reduced labor and water loss associated with leak repairs by being able to isolate water leaks and make the necessary repairs.	
Phone Number: (979) 943-2149		Current Activity	
Email Address: lrodriguez@cityofbaycity.org		This project is scheduled to begin February 2020. This project is scheduled to end April 2020.	
Grant Administrator: N/A			
Engineer: N/A			
General Contractor: Android Construction			

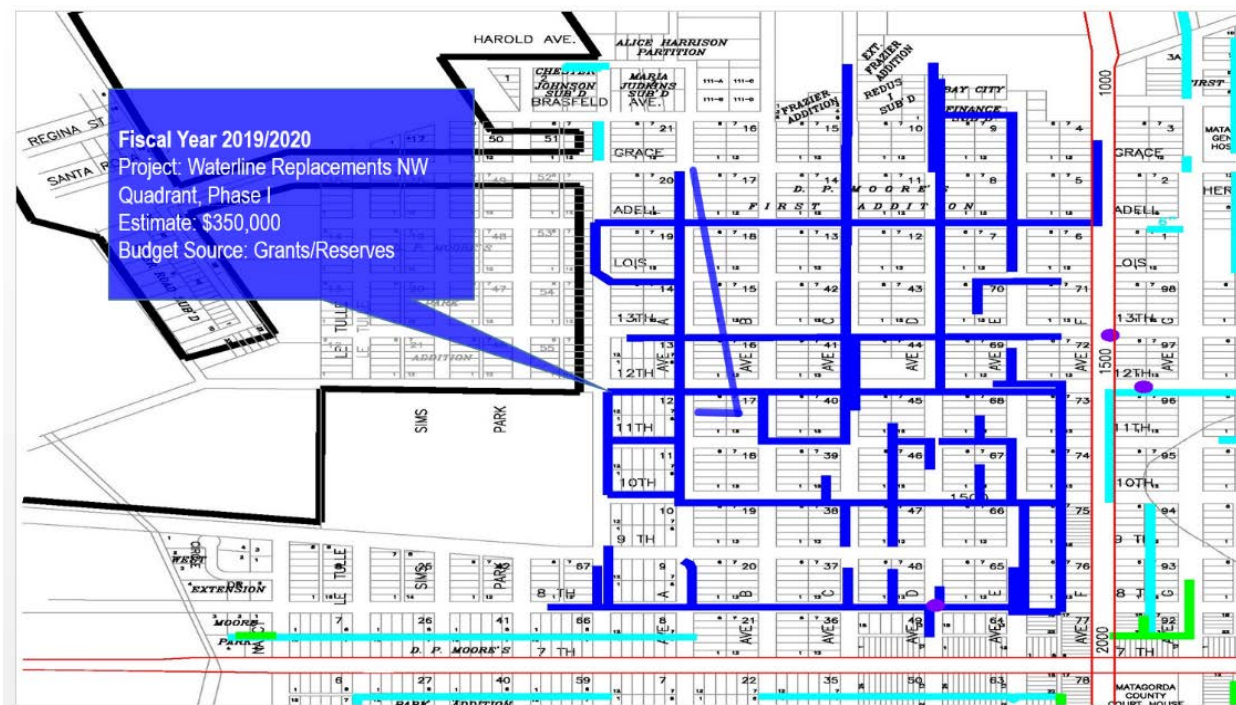


Utility Fund – Water Line Rehab Project – North West Quadrant FY 2020

Infrastructure (Strategic Focus)

Project Scope	
This project consists of the design and installation of new waterlines in the northwest quadrant of the city—more specifically north of 8 th street and west of Avenue F. The existing water lines old cast iron pipes that are prone to leaking. Also, the lines need to be upsized to accommodate installation of additional fire hydrants and additional taps for development. (Public Works Project #203)	
Project Name:	Water Line Rehab Project
Construction Start:	May 2020
Project Completion:	October 2020
Current Phase:	1
Project Contact Information	
Project Manager:	Louis Rodriguez
Phone Number:	(979) 943-2149
Email Address:	lrodriguez@cityofbaycity.org
Grant Administrator:	Grantworks
Engineer:	Urban Engineering
General Contractor:	TBD

Approved Project Funding	
Funding Source	Fiscal Year 2020
Grant Funds (CDBG)	\$350,000
Transfer from General Fund	N/A
Project Budget & Expenditures	
Project Budget:	\$350,000
Expended to Date:	\$0
Operational Impact	
Reduced labor and equipment cost from making manual adjustments to maintain pressure during high demand peaks. Improvement in water pressure for residential users to reduce number of complaints. Eliminate deficiency issues and will be able to provide stable and adequate pressure to the northwestern area of the City’s water system.	
Current Activity	
The City has been notified that they will be awarded the grant. This project is scheduled to begin May 2020 and end October 2020.	



Utility Fund – Katy Water Plant Electrical Improvements Project FY 2020

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
This project consists of improvements to the Katy Water Plant. Electrical components for this plant are currently exposed to weather elements and is not favorable to TCEQ regulations.		Funding Source	Fiscal Year 2020
Project Name: Katy Water Electrical Improvements Project		Grant Funds	N/A
Construction Start: March 2020		Transfer from General Fund	N/A
Project Completion: September 2020		Project Budget & Expenditures	
Current Phase: N/A		Project Budget:	\$700,000
Project Contact Information		Expended to Date:	\$0
Project Manager:	Louis Rodriguez	Operational Impact	
Phone Number:	(979) 943-2149	Reduced labor and equipment cost from making manual adjustments to maintain pressure during high demand peaks. Improvement to the electrical components to provide stability and efficient operations to this water plant and the City's water system.	
Email Address:	lrodriguez@cityofbaycity.org		
Grant Administrator:	N/A	Current Activity	
Engineer:	Garver	This project is scheduled to begin March 2020. This project is scheduled to end September 2020.	
General Contractor:	TBD		



Utility Fund – Water System Improvements Assessment FY 2020

Infrastructure (Strategic Focus)

Project Scope	
This project consists of the design for a new water plant and the installation of 7,500 linear feet of 12-inch water line that connects to the Tenaris Lift Station on SH35E. This new water line will serve new and existing customers along SH35E up to VanVleck. The new water plant would provide redundancy and increased pressure on the east side of town.	
Project Name:	Water System Improvements Assesment
Construction Start:	N/A
Project Completion:	N/A
Current Phase:	Design
Project Contact Information	
Project Manager:	Louis Rodriguez
Phone Number:	(979) 943-2149
Email Address:	lrodriguez@cityofbaycity.org
Grant Administrator:	GrantWorks
Engineer:	Garver
General Contractor:	N/A

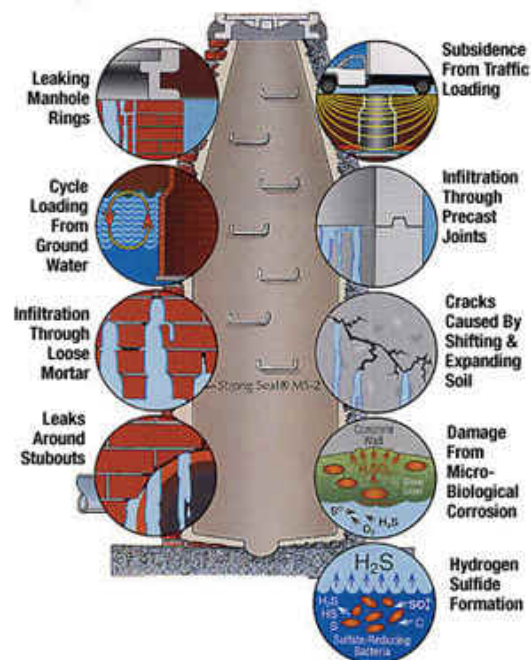
Approved Project Funding	
Funding Source	Fiscal Year 2020
Grant Funds	\$
City Reserves	\$
Project Budget & Expenditures	
Project Budget:	\$400,000
Expended to Date:	\$0.00
Operational Impact	
Reduced labor and equipment cost from making manual adjustments to maintain pressure during high demand peaks. Improvement on water pressure for industrial user to reduce impact on watershed from private wells. Eliminate deficiency issues and will be able to provide stable and adequate pressure to the eastern areas of the City's water system.	
Current Activity	
The City is currently in the process of applying for a grants to help fund this project. An engineer will be selected to begin preliminary design.	



Utility Fund – Manhole Rehab Program Project FY 2020

Infrastructure (Strategic Focus)

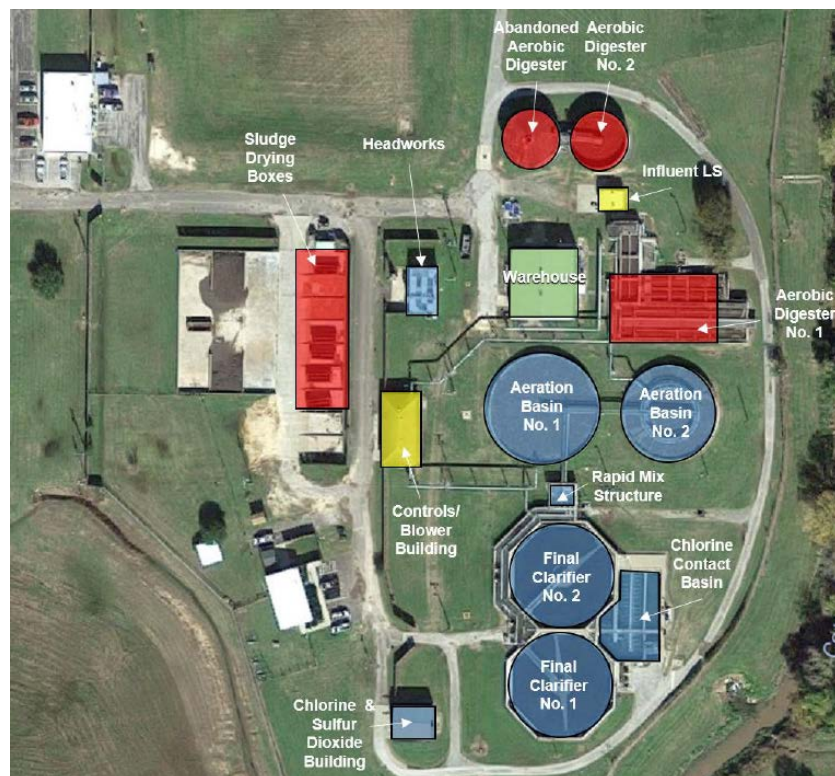
Project Scope		Approved Project Funding	
Parts and equipment inside manholes are exposed to harsh sewer gases. If not properly maintained, manholes can become unsafe not only to employees but also our citizens. A manhole rehabilitation program will ensure all of the City's manholes are functioning properly. Unsafe conditions and potential system failures will be identified so that proper repairs can be done in a timely manner.		Funding Source	Fiscal Year 2020
Project Name: Manhole Rehab		Grant Funds	N/A
Construction Start: March 2020		Transfer from General Fund	N/A
Project Completion: September 2020		Project Budget & Expenditures	
Current Phase: N/A		Project Budget:	\$60,000.00
		Expended to Date:	\$0.00
		Operational Impact	
		Reduce the amount of inflow and infiltration to the sewer system. Reduce blockages in the sewer system that would result from failures in manhole walls. Ensure the safety of citizens and employees that are near manholes.	
		Current Activity	
		This project is scheduled to begin March 2020. This project is scheduled to end September 2020.	
Project Contact Information			
Project Manager: Louis Rodriguez			
Phone Number: (979) 943-2149			
Email Address: lrodriguez@cityofbaycity.org			
Grant Administrator: N/A			
Engineer: N/A			
General Contractor: Texas Pride Utilities			



Utility Fund – Wastewater System Improvements Assessment FY 2020

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
This project consists of the professional services necessary for the evaluation and identification of improvements to the City of Bay City Wastewater Treatment Plant (WWTP.) The engineer will help identify funding assistance; provide conceptual design, phasing and construction costs; and design surveys.		Funding Source	Fiscal Year 2020
Project Name: WWTP Rehab Project		Grant Funds	N/A
Construction Start: August 2019		Transfer from General Fund	N/A
Project Completion: August 2018		Project Budget & Expenditures	
Current Phase: 1-Engineering Assessment		Project Budget:	\$250,000.00
		Expended to Date:	\$0.00
Project Contract Information		Operational Impact	
Project Manager:	Louis Rodriguez	Reduced labor and equipment cost from making constant repairs. Recommend rehabilitation and/or replacements to increase efficiency of operations. Increase the life expectancy of this critical facility.	
Phone Number:	(979) 943-2149		
Email Address:	lrodriguez@cityofbaycity.org		
Grant Administrator:	N/A	Current Activity	
Engineer:	Garver	Work Authorization executed in August 2019 and terminates December 31, 2020.	
General Contractor:	TBD		



Capital Improvement Plan
FY 2021-2024 Project Outlook

General Fund

Sidewalk New/Replace Project (\$ 250,000)
 Sidewalk New/Replace Project (TxDOT, TCF, etc) (\$325,000)
 Nile Valley Drive- Phase I Design (\$ 225,000)
 Nile Valley Drive- Phase I Construction (\$1,000,000)
 Street Reconstruction Projects (\$ 2,500,000)
 Park Improvements (\$ 325,000)
 Ball Field Lighting (\$400,000)
 Pedestrian Ramp @ City Facilities (\$ 50,000)
 Replace Roof-Armory (Parks & Recreation) (\$ 30,000)
 Renovation of Old Texas Theatre (\$600,000)
 Library Lighting Improvements (\$100,000)
 Public Safety Building (Police, Fire, etc.) (\$26,600,000)

Utility Fund

Water

Fire Hydrant & Valve Rehab Program (\$ 50,000)
 12" Waterline Replacement, 7,500 LF, SH35 East (\$ 1,000,000)
 12" Waterline Replacement, 7,000 LF, 5th St, Phase II (\$ 750,000)
 New Water Plant No. 7 (North-East Side) (\$10,000,000)
 Public Water System-Airport Well (\$375,000)
 Rework Mockingbird Water Well No. 7 (\$ 353,000)
 Mockingbird Water Plant No. 2-Electrical Improvements (\$774,000)
 Rework 6th St. & Avenue I Water Well No. 9 (\$ 368,000)
 Water Plant Recoating's (\$ 749,400)
 4th St. & Ave B Water Plant No. 1-Electrical Improvements (\$781,000)

Wastewater

Manhole Rehab Program (\$ 120,000)
 Lift Station Rehab Program (\$ 100,000)
 12" New Sewerline Extension, 7,500 LF, SH35 East (\$1,000,000)
 WWTP Rehabilitation Phase II Construction (\$7,500,000)
 (2) 42 Inch to 30 Inch Gravity Sewer Rehabilitation Main Truckline (\$3,700,000)
 (5) 27 Inch to 24 Inch Gravity Sewer Rehabilitation (\$2,300,000)

Building & Improvements

Municipal Services Building Renovations-New Lobby Restrooms (\$ 100,000)
 Municipal Services Building-Remodel Women's Restrooms (\$ 50,000)
 Extend Equipment/Material Storage Buildings (\$207,600)
 Replace MSB Shop Roof (\$130,000)
 Coat MSB Shop Ceiling (\$40,000)

Airport Fund

Engineering-Taxiway A Relocation Phase II (\$30,000)
Construction-Taxiway A Phase I, North, with Drainage (\$4,453,000)
Engineering & Design-Main Apron Strengthening (\$100,000)
Construction-Taxiway A Phase II, South, with Drainage (\$3,593,000)
Engineering & Design- Runway Overlay (\$310,000)
Planning-Airport Master Plan & ALP Update (\$200,000)
Construction- Main Apron Strengthening (\$1,155,000)
Construction- Row B T-Hangars (\$552,000)



CITY WIDE DEBT



Long-Term Debt

Property Tax Supported Debt

Utility Fund Supported Debt

Outstanding Debt Issue by Series



This section provides summary and detailed information on all debt issued and each annual debt service obligation by fund.

Long Term Debt

General Obligation Bonds (G.O.'s) are payable from the proceeds on an annual property tax, levied within the limitations of the law. The payment of General Obligation Bonds is guaranteed by the full faith and credit of the city. G.O.'s must be authorized by a vote of the citizens.

Certificates of Obligations (C.O.'s) do not require voter approval and, though used largely for the same projects as General Obligation Bonds, are ordinarily sold to finance smaller, less expensive, projects which tend to have shorter pay-out periods on the debt. General Obligation Bonds, as well as Certificates of Obligation, are backed by the full faith and credit of the City and are paid from property tax receipts.

Revenue Bonds are payable from specific sources of non-tax revenue and do not affect the property tax rate. Coverage Ratios of Revenue Bonds will always be in compliance with the minimum coverage ratio required by the revenue bond ordinances. It shall be the goal of the City to achieve a budgeted coverage ratio of 1.60.

The City's practice is to fund capital improvement projects on a "pay as you go" basis whenever possible. If a debt issue is required, then key factors such as an asset's life and future debt payments will be considered carefully. Issues will not extend longer than an asset's expected life.

The City currently holds an A+ rating from Standard and Poor's Corporation for both General Obligation and Tax Revenue Certificates of Obligations. A credit rating is an assessment of the city's ability and willingness, as well as its legal obligation, to make full and timely payments of principal and interest on the debt security over the course of its maturity schedule. Ratings are designed exclusively for the purpose of granting debt instruments according to their credit qualities and do not constitute a recommendation to buy or sale a security. When applying for a credit rating, the items required of the City include audit reports, current budget document, current capital improvement program (CIP), statement of long-and short-term debt and indication of appropriate authority for debt issuance.

There is no direct limit on debt in the City Charter. Statutes of the State of Texas do not provide any limitations on the dollar amount of debt cities can float; however, as a matter of policy, the Attorney General of Texas, will not approve the issuance of bonds where the total debt service of all tax supported debt requires a tax rate of more than \$1.50 per \$100 assessed valuation. The truth-in-taxation criterion specifies that debt (Interest & Sinking) requirements must be met first, and then the operations can be funded. The property tax rate to meet these needs cannot exceed \$2.50 per \$100 valuation.

Debt service requirements for the City of Bay City are currently \$.15324 of the current property tax rate of \$.65500. The City currently has six outstanding debt issues most of which are Tax and Revenue Certificates of Obligations. Various percentages of the debt payments are self-supporting or paid by the Public Utility Fund. Those particular issues have an operational impact equal to the annual debt service payment in the Public Utility Fund. **The City has plans to issue debt within the next 12 months to fund a fire truck, road equipment, and airport improvements.** More information on these projects can be found in the capital section of this book.

Assessed value, 2019 tax roll	\$868,960,974	Actual amount of tax-secured debt service - Year ended September 30, 2020	\$2,296,199
Limit on amount designated for debt service per \$100 assessed valuation	x \$ 1.50		
Legal Debt Service Limit	13,034,415	Legal Debt Margin	\$10,738,216

After fiscal year 2020 payments, outstanding general obligation bond and certificates of obligation bonds will be \$16,805,000 however only \$9,611,825 is currently supported by property taxes. The long-term debt policy along with the history of tax rates can be found in the appendix section of this book.

City of Bay City, Texas Combined Principal and Interest By Payment Sources										
FYE	Tax	Total Debt Service			Total Self-Supported Debt Service			Total Tax Supported Debt Service		
9/30	Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	2019	1,735,000	561,199	2,296,199	748,742	239,386	988,128	986,258	321,812	1,308,070
2021	2020	1,775,000	514,304	2,289,304	770,409	217,893	988,301	1,004,592	296,411	1,301,003
2022	2021	1,830,000	466,259	2,296,259	793,325	195,766	989,091	1,036,675	270,493	1,307,168
2023	2022	1,880,000	415,939	2,295,939	816,242	172,799	989,041	1,063,759	243,139	1,306,898
2024	2023	1,940,000	364,218	2,304,218	839,158	149,162	988,320	1,100,842	215,056	1,315,898
2025	2024	1,580,000	306,909	1,886,909	862,075	124,760	986,834	717,926	182,149	900,075
2026	2025	1,395,000	262,873	1,657,873	889,991	99,587	989,578	505,009	163,285	668,294
2027	2026	1,440,000	218,573	1,658,573	914,574	72,187	986,761	525,426	146,385	671,811
2028	2027	680,000	170,035	850,035	137,491	42,491	179,981	542,510	127,544	670,054
2029	2028	710,000	146,110	856,110	143,324	38,047	181,371	566,677	108,063	674,739
2030	2029	735,000	120,190	855,190	147,907	33,298	181,204	587,094	86,892	673,986
2031	2030	505,000	93,350	598,350	152,490	28,398	180,887	352,511	64,952	417,463
2032	2031	525,000	76,300	601,300	158,323	23,348	181,671	366,678	52,952	419,629
2033	2032	540,000	58,550	598,550	162,489	18,099	180,588	377,511	40,451	417,962
2034	2033	555,000	40,250	595,250	167,072	12,699	179,771	387,928	27,551	415,479
2035	2034	350,000	21,450	371,450	116,655	7,149	123,804	233,345	14,301	247,646
2036	2035	365,000	10,950	375,950	121,655	3,650	125,304	243,346	7,300	250,646
2037	2036	-	-	-	-	-	-	-	-	-
Total		\$ 18,540,000	\$ 3,847,457	\$ 22,387,457	\$ 7,941,918	\$ 1,478,719	\$ 9,420,636	\$ 10,598,083	\$ 2,368,738	\$ 12,966,820

\$18,540,000 City Wide Debt Outstanding Principal before FY 2020 Payment

\$16,805,000 Outstanding Principal at Fiscal Year End

\$9,611,825 Outstanding Principal of Tax Supported Debt at Fiscal Year End

\$7,193,176 Outstanding Principal of Self -Supported Debt (Paid by Water and Sewer Revenues)

Property Tax Supported Debt

2010 Tax and Revenue Certificates of Obligation (CO)

\$3,300,000 – 2010 Tax and Revenue Certificate of Obligation Bond was issued for street and drainage improvements, park improvements, civic center improvements, and airport improvements. The payments are secured by property taxes due in annual installments ranging from \$245,000 to \$255,000 through September 1, 2030; interest varying between 3.50% and 4.20%. *Callable 9-1-2020*

2013 General Obligation Refunding Bonds

\$5,125,000 – 2013 General Obligation Refunding Bond was issued to take advantage of the low interest rate environment by refunding the callable portion of the General Obligation Bonds, Series 2003 and the Combination Tax and Revenue Certificates of Obligation, Series 2004 that were originally issued to fund various street projects. The payments are secured by property taxes due in annual installments ranging from \$405,000 to \$413,000 through September 1, 2024; interest fixed at 2.00%. *Callable 9-1-2022*

***2014 Tax and Revenue Certificates of Obligation (CO)**

\$3,995,000 – 2014 Tax and Revenue Certificate of Obligation Bond was issued for construction and improvement of streets, sidewalks, water and sewer system, and to purchase public works equipment. The payments are secured by property taxes due in annual installments ranging from \$222,000 to \$247,000 through September 1, 2034 funded by both Utility revenues (25%) and property taxes (75%); interest varying between 2.00% and 4.00%. *Callable 9-1-2024*

***2016 Tax and Revenue Certificates of Obligation (CO)**

\$5,665,000 – 2016 Tax and Revenue Certificate of Obligation Bond was issued for construction and improvement of streets, sidewalks, water and sewer system, and to purchase park equipment. The payments are secured by property taxes due in annual installments ranging from \$371,000 to \$376,000 through September 1, 2036 funded by both Utility revenues (33.33%) and property taxes (66.67%); interest varying between 2.00% and 3.00%. *Callable 9-1-2026*

*Paid by both property taxes and utility system revenues

2018 Tax Note

\$1,285,000 – 2018 Tax Note was issued for the acquisition of road equipment. The payments are secured by property taxes due in annual installments ranging from \$195,000 to \$230,000 through March 1, 2025; interest fixed at 3.01%.

Interest and Sinking Fund (I & S)	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Taxes					
Property Taxes- Current	854,361	1,140,170	1,234,126	1,207,531	1,308,070
Property Taxes- Delinquent	14,740	17,898	1,000	17,000	1,000
Property Taxes- P & I Fees	13,242	14,340	1,000	13,500	1,000
Total Taxes	882,343	1,172,408	1,236,126	1,238,031	1,310,070
Other Revenue					
Interest Income	155	11,643	749	20,000	930
Total Other Revenue	155	11,643	749	20,000	930
Intergovernmental					
Transfer In- General Fund	869,704	594,550	595,125	595,125	-
Transfer In- Utility Fund	-	-	-	-	-
Total Intergovernmental	869,704	594,550	595,125	595,125	-
Total I & S Revenue	1,752,202	1,778,601	1,832,000	1,853,156	1,311,000
Debt Service					
Debt Service Principal	1,380,508	1,419,841	1,465,175	1,465,175	986,258
Debt Service Interest	400,694	361,967	364,076	364,076	321,812
Debt Service Admin. Fee	2,700	2,200	2,000	2,000	2,000
Bank Charges	2,796	2,572	749	1,950	930
Total Debt Service	1,786,697	1,786,580	1,832,000	1,833,201	1,311,000
Total I & S Expenditures	1,786,697	1,786,580	1,832,000	1,833,201	1,311,000
FY 2020 Requirements:					
Issue	Principal		Interest		Total
Series 2010 CO	160,000		88,560		248,560
Series 2013 GO	370,000		38,600		408,600
*Series 2014 CO	101,250		68,222		169,472
*Series 2016 CO	160,008		88,504		248,512
2018 Tax Note	195,000		37,926		232,926
Total	986,258		321,812		1,308,070

*Payments paid by both property taxes and utility system revenue

Public Utility Fund Supported Debt

2012 Tax and Revenue Certificates of Obligation (CO)

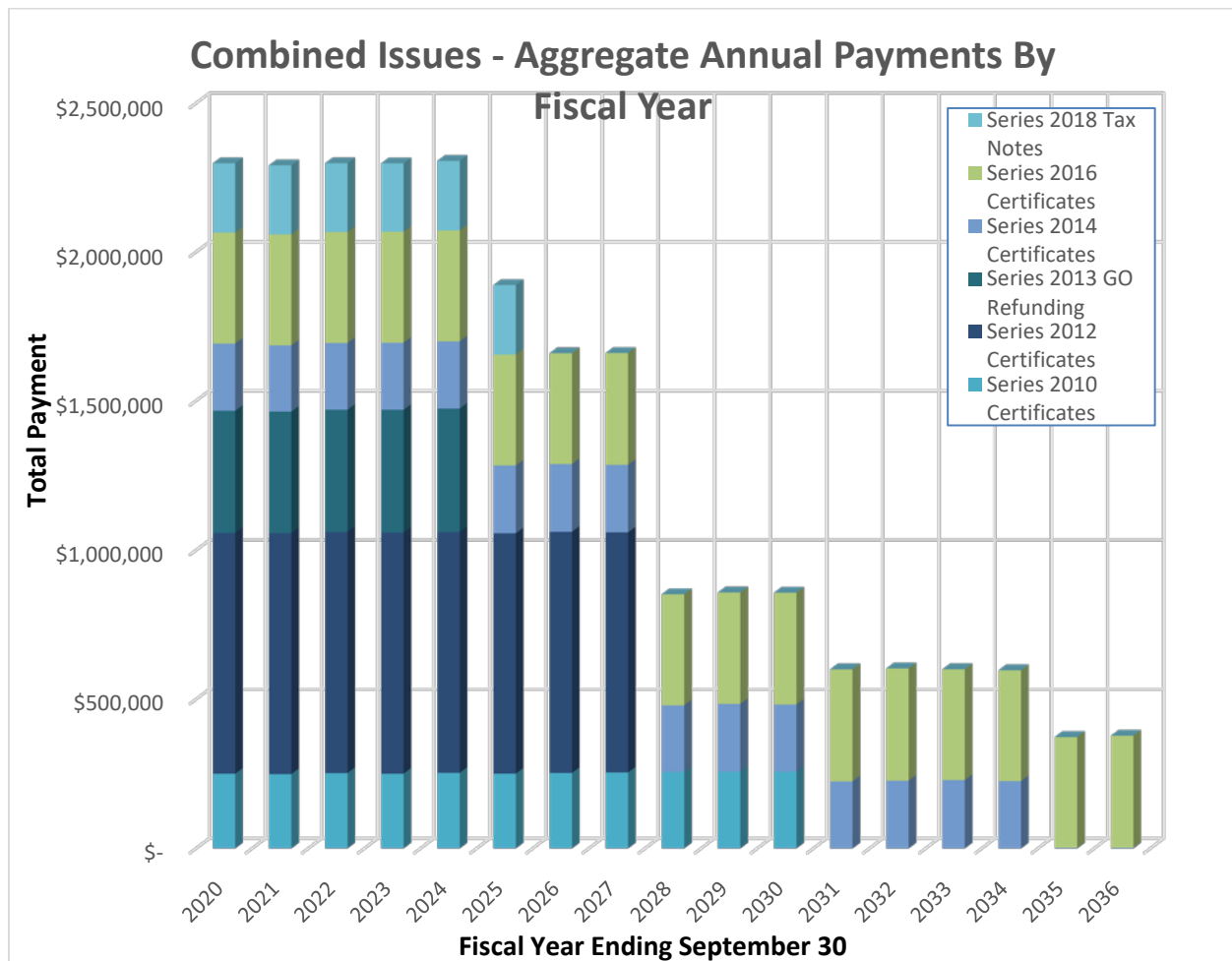
\$9,530,000 - 2012 Utility System Tax and Revenue Certificates of Obligation was issued to replace all water meters and move the City to a fixed based reading system. Other improvements included lighting systems of City facilities, street light system, and irrigation systems at City parks and recreational facilities. The payments are supported by the City's Public Utility Fund and due in annual installments for approximately \$800,000 through September 1, 2027; interest varying between 2.00% and 3.25%. *Callable 9-1-2020*

Utility Debt Service	Actual FY 2017	Actual FY 2018	Budget FY 2019	Projected FY 2019	Adopted FY 2020
Other Revenue					
Interest Income	2,953	3,320	1,122	3,800	872
Equity Balance Forward	-	-	-	-	-
Total Other Revenue	2,953	3,320	1,122	3,800	872
Intergovernmental Revenue					
Transfer In- General Fund	-	-	-	-	-
Transfer In- Utility Fund	984,492	994,000	985,878	985,878	988,128
Total Intergovernmental	984,492	994,000	985,878	985,878	989,000
Total Water Debt Service	987,445	997,320	987,000	989,678	989,000
Debt Service					
Debt Service Principal	-	-	725,825	725,825	748,742
Debt Service Interest	276,372	265,792	260,053	260,053	239,386
Debt Service- Admin Fee	-	500	500	500	500
Bank Charges	579	711	622	650	372
Cost of Issuance	-	-	-	-	-
Transfer to Project Funds	-	-	-	-	-
Total Debt Service	276,952	267,003	987,000	987,028	989,000
Total Utility Debt Service	276,952	267,003	987,000	987,028	989,000
FY 2019 Requirements:					
Issue	Principal		Interest	Total	
Series 2012 CO	635,000		172,400	807,400	
*Series 2014 CO	33,750		22,741	56,491	
*Series 2016 CO	79,992		44,245	124,237	
Total	748,742		239,386	988,128	

*Payments paid by both property taxes and utility system revenue

Outstanding Debt Issue by Series

Supporting Fund	General Fund	Public Utility Fund	General Fund	General Fd- 75% Utility- 25%	General Fd- 66.67% Utility- 33.33%	General Fd- 100% Utility- 0%	
FYE	Series 2010	Series 2012	Series 2013	Series 2014	Series 2016	Series 2018	
9/30	Certificates	Certificates	GO Refunding	Certificates	Certificates	Tax Notes	Total
2020	248,560	807,400	408,600	225,963	372,750	232,926	2,296,199
2021	247,160	808,350	406,200	222,588	372,950	232,057	2,289,304
2022	250,560	808,700	408,700	224,213	373,050	231,037	2,296,259
2023	248,560	808,450	411,000	225,013	373,050	229,866	2,295,939
2024	251,360	807,600	413,100	225,663	372,950	233,545	2,304,218
2025	248,760	806,150	-	225,788	372,750	233,462	1,886,909
2026	250,960	809,100	-	225,363	372,450	-	1,657,873
2027	252,760	805,350	-	224,763	375,700	-	1,658,573
2028	254,160	-	-	223,575	372,300	-	850,035
2029	255,160	-	-	227,200	373,750	-	856,110
2030	255,290	-	-	225,000	374,900	-	855,190
2031	-	-	-	222,600	375,750	-	598,350
2032	-	-	-	225,000	376,300	-	601,300
2033	-	-	-	227,000	371,550	-	598,550
2034	-	-	-	223,600	371,650	-	595,250
2035	-	-	-	-	371,450	-	371,450
2036	-	-	-	-	375,950	-	375,950
Total	\$2,763,290	\$6,461,100	\$ 2,047,600	\$ 3,373,325	\$ 6,349,250	\$ 1,392,892	\$ 22,387,457





STATISTICAL INFORMATION





This section provides statistical and historical information.

CITY OF BAY CITY, TEXAS

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last ten fiscal years

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2009	913,706,000	709,826,800	203,879,200	22.31%	785,700,000
2010	695,911,000	605,383,800	90,527,200	13.01%	716,328,000
2011	820,538,000	732,557,300	87,980,700	10.72%	574,870,000
2012	809,245,000	749,527,000	59,718,000	7.38%	573,170,000
2013	798,353,000	725,058,000	73,295,000	9.18%	571,850,000
2014	780,403,000	623,508,400	156,894,600	20.10%	545,020,000
2015	824,901,000	627,451,200	197,449,800	23.94%	691,614,000
2016	842,451,000	635,604,500	207,846,500	24.67%	717,629,000
2017	812,961,000	609,958,200	203,002,800	24.97%	581,611,000
2018	743,714,000	603,790,221	139,923,779	18.81%	657,579,000

CITY OF BAY CITY, TEXAS
NET POSITION BY COMPONENT (1)
Last ten fiscal years

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 11,507,535	\$ 12,166,490	\$ 7,541,744	\$ 7,904,146
Restricted	3,493,985	-	407,739	410,945
Unrestricted	<u>1,554,168</u>	<u>4,195,081</u>	<u>4,373,229</u>	<u>5,054,417</u>
Total governmental activities net position	<u>\$ 16,555,688</u>	<u>\$ 16,361,571</u>	<u>\$ 12,322,712</u>	<u>\$ 13,369,508</u>
Business-type activities				
Net investment in capital assets	\$ 9,390,238	\$ 9,836,242	\$ 10,543,619	\$ 10,948,774
Restricted	530,241	548,261	339,292	-
Unrestricted	<u>688,817</u>	<u>1,366,416</u>	<u>2,359,186</u>	<u>2,952,528</u>
Total business-type activities net position	<u>\$ 10,609,296</u>	<u>\$ 11,750,919</u>	<u>\$ 13,242,097</u>	<u>\$ 13,901,302</u>
Primary government				
Invested in capital assets, net of related debt	\$ 20,897,773	\$ 22,002,732	\$ 18,085,363	\$ 18,852,920
Restricted	4,024,226	548,261	747,031	410,945
Unrestricted	<u>2,242,985</u>	<u>5,561,497</u>	<u>6,732,415</u>	<u>8,006,945</u>
Total primary government activities net position	<u>\$ 27,164,984</u>	<u>\$ 28,112,490</u>	<u>\$ 25,564,809</u>	<u>\$ 27,270,810</u>

(1) Accrual basis of accounting

NOTES: The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

CITY OF BAY CITY, TEXAS

NET POSITION BY COMPONENT (1) CONTINUED

Last ten fiscal years

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 8,444,943	\$ 7,050,325	\$ 6,540,844	\$ 9,638,245	\$10,607,667	\$11,656,559
132,143	1,073,579	646,117	994,641	1,034,228	813,690
<u>3,865,608</u>	<u>2,807,480</u>	<u>3,391,400</u>	<u>783,252</u>	<u>(93,799)</u>	<u>160,683</u>
<u>\$ 12,442,694</u>	<u>\$ 10,931,384</u>	<u>\$ 10,578,361</u>	<u>\$ 11,416,138</u>	<u>\$11,548,096</u>	<u>\$12,630,932</u>
\$ 12,245,026	\$ 9,681,894	\$ 13,826,216	\$ 15,011,700	\$14,799,364	\$14,675,677
-	-	-	-	-	-
<u>2,668,278</u>	<u>6,217,963</u>	<u>1,518,085</u>	<u>2,926,172</u>	<u>3,541,009</u>	<u>4,098,316</u>
<u>\$ 14,913,304</u>	<u>\$ 15,899,857</u>	<u>\$ 15,344,301</u>	<u>\$ 17,937,872</u>	<u>\$18,340,373</u>	<u>\$18,773,993</u>
\$ 20,689,969	\$ 16,732,219	\$ 20,367,060	\$ 24,649,945	\$25,407,031	\$26,332,236
132,143	1,073,579	646,117	994,641	1,034,228	813,690
<u>6,533,886</u>	<u>9,025,443</u>	<u>4,909,485</u>	<u>3,709,424</u>	<u>3,447,210</u>	<u>4,258,999</u>
<u>\$ 27,355,998</u>	<u>\$ 26,831,241</u>	<u>\$ 25,922,662</u>	<u>\$ 29,354,010</u>	<u>\$29,888,469</u>	<u>\$31,404,925</u>

CITY OF BAY CITY, TEXAS*CHANGES IN NET POSITION (1)**Last ten fiscal years*

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities				
Expenses				
General government	\$ 2,473,385	\$ 2,012,790	\$ 2,592,172	\$ 1,992,271
Public safety	4,099,853	3,771,477	4,248,889	4,073,513
Public works	2,849,343	2,340,844	3,571,109	2,377,316
Construction for outside parties	-	2,320,411	-	-
Cultural and recreation	3,048,544	2,573,635	2,028,142	1,920,640
Interest on long-term debt	381,608	583,214	576,214	331,816
Total expenses	<u>12,852,733</u>	<u>13,602,371</u>	<u>13,016,526</u>	<u>10,695,556</u>
Program revenues				
Charges for services				
General government	254,034	240,650	210,778	94,793
Public safety	72,011	406,931	1,139,693	620,749
Public works	13,033	-	-	-
Construction for outside parties	-	1,847,562	-	-
Cultural and recreation	111,374	203,546	199,657	161,334
Operating grants and contributions	2,172,387	439,912	334,370	111,982
Capital grants and contributions	-	-	-	-
Total program revenues	<u>2,622,839</u>	<u>3,138,601</u>	<u>1,884,498</u>	<u>988,858</u>
Total governmental activities net program (expense) revenue	(10,229,894)	(10,463,770)	(11,132,028)	(9,706,698)
General revenues and other changes in net position				
Taxes				
Property taxes	3,059,879	3,414,585	3,724,754	3,728,127
Sales taxes	5,076,657	3,986,482	4,423,374	3,385,962
Franchise taxes	756,851	860,750	794,918	1,099,039
Other taxes	-	432,144	478,484	474,242
Investment earnings	26,809	14,401	14,914	6,163
Miscellaneous	514,177	1,014,427	1,100,694	924,999
Special item - discontinued operations	-	-	-	-
Transfers	(842,299)	74,131	98,338	1,134,962
Total general revenues and other changes in net position	<u>8,592,074</u>	<u>9,796,920</u>	<u>10,635,476</u>	<u>10,753,494</u>
Total governmental activities change in net position	<u><u>\$ (1,637,820)</u></u>	<u><u>\$ (666,850)</u></u>	<u><u>\$ (496,552)</u></u>	<u><u>\$ 1,046,796</u></u>

CITY OF BAY CITY, TEXAS*CHANGES IN NET POSITION (1) CONTINUED**Last ten fiscal years*

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 2,321,123	\$ 2,295,602	\$ 2,147,396	\$ 2,534,500	\$ 2,489,768	\$ 2,570,638
4,303,562	4,662,949	4,661,538	5,383,527	5,633,913	5,129,141
2,656,096	5,854,434	5,595,487	5,216,175	5,500,397	5,513,362
-	-	-	-	-	-
2,100,338	2,137,429	2,220,915	2,483,518	2,576,955	2,534,887
495,527	305,880	340,100	450,012	376,732	391,428
<u>11,876,646</u>	<u>15,256,294</u>	<u>14,965,436</u>	<u>16,067,732</u>	<u>16,577,765</u>	<u>16,139,456</u>
81,818	999,059	235,881	429,269	421,190	610,361
538,848	149,354	326,125	276,229	16,762	18,332
59,130	1,832,671	2,657,519	2,779,000	2,413,138	2,394,073
-	-	-	-	-	-
154,573	260,195	154,741	239,908	237,775	128,710
281,587	280,889	200,000	317,050	571,157	807,058
-	-	386,329	828,794	911,963	798,666
<u>1,115,956</u>	<u>3,522,168</u>	<u>3,960,595</u>	<u>4,870,250</u>	<u>4,571,985</u>	<u>4,757,200</u>
(10,760,690)	(11,734,126)	(11,004,841)	(11,197,482)	(12,005,780)	(11,382,256)
3,769,351	3,749,040	4,098,134	4,462,235	4,618,958	5,268,946
3,440,988	3,469,272	4,077,195	4,060,320	4,295,598	4,277,863
1,087,598	984,607	1,047,005	1,040,631	1,127,475	1,253,205
497,136	614,073	668,601	694,611	845,778	801,926
5,779	3,653	2,660	16,254	37,960	110,943
685,286	709,694	1,077,904	756,915	213,350	289,684
-	-	(1,208,541)	-	-	-
501,909	692,477	2,903,367	1,004,293	998,619	1,007,784
<u>9,988,047</u>	<u>10,222,816</u>	<u>12,666,325</u>	<u>12,035,259</u>	<u>12,137,738</u>	<u>13,010,351</u>
<u>\$ (772,643)</u>	<u>\$ (1,511,310)</u>	<u>\$ 1,661,484</u>	<u>\$ 837,777</u>	<u>\$ 131,958</u>	<u>\$ 1,628,095</u>

CITY OF BAY CITY, TEXAS**CHANGES IN NET POSITION (1)***Last ten fiscal years*

	Fiscal Year			
	2009	2010	2011	2012
Business-type activities				
Expenses				
Water and sewer	\$ 4,706,783	\$ 5,258,532	\$ 5,027,229	\$ 5,026,141
Sanitation	113,933	1,952,979	1,890,468	2,482,660
Airport	397,202	411,863	401,842	389,402
Total expenses	<u>5,217,918</u>	<u>7,623,374</u>	<u>7,319,539</u>	<u>7,898,203</u>
Program revenues				
Charges for services				
Water and sewer	5,561,610	5,730,656	6,326,946	6,521,880
Sanitation	-	2,176,550	2,204,210	2,632,229
Airport	159,161	201,474	227,920	239,173
Operating grants and contributions	361,082	-	-	220,997
Capital grants and contributions	-	726,097	123,325	-
Total program revenues	<u>6,081,853</u>	<u>8,834,777</u>	<u>8,882,401</u>	<u>9,614,279</u>
Total business-type activities net program (expense) revenue	863,935	1,211,403	1,562,862	1,716,076
General revenues and other changes in net position				
Unrestricted investment earnings	9,639	4,478	3,677	5,422
Miscellaneous	185,058	17,225	22,977	3,608
Special item - discontinued operations	-	-	-	-
Transfers	842,299	(74,131)	(98,338)	(1,134,962)
Total general revenues and other changes in net position	<u>1,036,996</u>	<u>(52,428)</u>	<u>(71,684)</u>	<u>(1,125,932)</u>
Total business-type activities change in net position	<u>\$ 1,900,931</u>	<u>\$ 1,158,975</u>	<u>\$ 1,491,178</u>	<u>\$ 590,144</u>
Total primary government change in net position	<u>\$ 263,111</u>	<u>\$ 492,125</u>	<u>\$ 994,626</u>	<u>\$ 1,636,940</u>

(1) Accrual basis of accounting

NOTES The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

CITY OF BAY CITY, TEXAS

CHANGES IN NET POSITION (1) CONTINUED

Last ten fiscal years

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 5,134,720	\$ 5,775,681	\$ 6,063,713	\$ 6,681,343	\$ 6,121,251	\$ 6,431,453
2,446,553	503,196	-	-	-	-
459,418	540,255	550,555	588,537	707,869	584,476
8,040,691	6,819,132	6,614,268	7,269,880	6,829,120	7,015,929
6,367,177	6,582,946	6,873,149	7,108,017	7,438,810	7,779,321
2,768,743	449,082	-	-	-	-
250,113	327,899	340,572	276,533	305,074	304,191
27,468	10,914	-	68,197	48,351	15,870
584,651	975,226	1,115,799	3,384,479	406,561	417,799
9,998,152	8,346,067	8,329,520	10,837,226	8,198,796	8,517,181
1,957,461	1,526,935	1,715,252	3,567,346	1,369,676	1,501,252
3,507	3,680	1,729	5,966	23,244	51,731
3,487	148,415	-	24,552	8,200	-
-	-	(2,903,367)	-	-	-
(501,909)	(692,477)	1,134,457	(1,004,293)	(998,619)	(1,007,784)
(494,915)	(540,382)	(1,767,181)	(973,775)	(967,175)	(956,053)
\$ 1,462,546	\$ 986,553	\$ (51,929)	\$ 2,593,571	\$ 402,501	\$ 545,199
\$ 689,903	\$ (524,757)	\$ 1,609,555	\$ 3,431,348	\$ 534,459	\$ 2,173,294

(concluded)

CITY OF BAY CITY, TEXAS*FUND BALANCES, GOVERNMENTAL FUNDS (1)**Last ten fiscal years*

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ 53,128	\$ 108,116
Assigned	-	-	7,201	7,201
Unassigned	-	-	2,013,578	2,821,025
Reserved				
Prepaid items	-	24,824	-	-
Unreserved	1,622,414	1,708,708	-	-
Total general fund	<u>\$ 1,622,414</u>	<u>\$ 1,733,532</u>	<u>\$ 2,073,907</u>	<u>\$ 2,936,342</u>
All Other Governmental Funds				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted				
Retirement of long-term debt	-	5,431	10,285	11,275
Capital project funds	832,503	3,663,379	1,365,723	1,337,295
Community development	1,356,292	1,810,198	1,806,794	-
Special revenue funds	1,325,206	-	884,510	823,579
Tourism	-	-	-	-
Municipal court	-	-	-	-
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
General government	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 3,514,001</u>	<u>\$ 5,479,008</u>	<u>\$ 4,067,312</u>	<u>\$ 2,172,149</u>

(1) Modified accrual basis of accounting

NOTE: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

CITY OF BAY CITY, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED

Last ten fiscal years

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 16,879	\$ 55,374	\$ 120,664	\$ 44,589	\$ 31,665	\$ 49,261
-	-	-	-	-	-
2,719,997	1,727,220	2,945,445	1,930,425	1,331,488	2,169,106
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,736,876</u>	<u>\$ 1,782,594</u>	<u>\$ 3,066,109</u>	<u>\$ 1,975,014</u>	<u>\$ 1,363,153</u>	<u>\$ 2,218,367</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,849
30,568	550,221	31,305	233,825	199,330	191,351
1,191,190	2,022,383	2,877,230	3,899,359	3,183,380	2,583,241
-	-	-	-	-	-
-	-	-	-	-	-
221,561	302,436	372,746	449,295	568,200	404,406
101,575	96,262	102,994	83,196	71,500	65,170
42,270	71,538	60,336	92,576	118,928	52,213
610,912	615,582	631,515	94,804	54,276	40,023
-	-	-	-	-	15,851
-	(40,379)	(98,700)	-	-	-
<u>\$ 2,198,076</u>	<u>\$ 3,618,043</u>	<u>\$ 3,977,426</u>	<u>\$ 4,853,055</u>	<u>\$ 4,195,614</u>	<u>\$ 3,367,104</u>

CITY OF BAY CITY, TEXAS*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)**Last ten fiscal years*

	2009	2010	2011	2012
Revenues				
Taxes	\$ 8,892,810	\$ 8,646,929	\$ 9,398,598	\$ 8,764,173
Licenses and permits	13,033	9,813	9,335	8,947
Fines and forfeitures	254,034	402,318	736,614	466,970
Fees and charges for services	263,473	2,286,558	751,218	408,908
Intergovernmental	399,741	156,826	334,370	111,982
Investment income	26,809	14,401	14,914	6,159
Miscellaneous	<u>2,446,952</u>	<u>1,174,532</u>	<u>1,102,026</u>	<u>954,226</u>
Total revenues	<u>12,296,852</u>	<u>12,691,377</u>	<u>12,347,075</u>	<u>10,721,365</u>
Expenditures				
Current				
General government	2,048,581	2,114,190	2,553,230	1,862,353
Public safety	3,301,382	3,692,061	4,074,012	3,840,767
Public works	1,071,482	1,050,523	1,617,989	981,178
Cultural and recreation	2,214,828	2,238,469	1,658,183	1,764,783
Capital outlay	2,502,372	3,569,151	2,351,256	467,801
Debt service				
Principal retirement	529,847	771,731	883,784	653,759
Interest and fiscal charges	428,781	484,390	622,147	398,754
Paying agents' fees and issue cost	<u>122,550</u>	<u>90,183</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>12,219,823</u>	<u>14,010,698</u>	<u>13,760,601</u>	<u>9,969,395</u>
Excess (deficiency) of revenues over expenditures	77,029	(1,319,321)	(1,413,526)	751,970
Other financing sources (uses)				
Debt issuance	2,500,000	3,300,000	-	-
Premium on bonds	50,974	-	-	-
Payment to escrow	-	-	-	-
Transfers in	439,236	510,232	1,271,561	568,493
Transfers out	<u>(1,281,535)</u>	<u>(436,101)</u>	<u>(1,173,223)</u>	<u>(576,872)</u>
Total other financing sources (uses)	<u>1,708,675</u>	<u>3,374,131</u>	<u>98,338</u>	<u>(8,379)</u>
Changes in fund balances	<u>\$ 1,785,704</u>	<u>\$ 2,054,810</u>	<u>\$ (1,315,188)</u>	<u>\$ 743,591</u>
Debt service as a percentage of noncapital expenditures	<u>9.87%</u>	<u>12.03%</u>	<u>13.20%</u>	<u>11.09%</u>

(1) Modified accrual basis of accounting

CITY OF BAY CITY, TEXAS*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED**Last ten fiscal years*

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 8,845,091	\$ 8,894,495	\$ 9,988,557	\$ 10,375,097	\$ 10,972,108	\$ 11,692,838
5,706	205,321	235,881	255,511	154,409	396,638
378,455	339,905	326,125	322,166	268,378	215,278
444,908	2,585,325	2,809,761	2,898,210	2,675,326	2,553,631
281,587	342,057	420,857	264,635	1,141,371	437,982
5,773	3,647	2,660	16,240	37,941	110,753
<u>713,618</u>	<u>805,993</u>	<u>998,560</u>	<u>892,115</u>	<u>490,118</u>	<u>685,503</u>
<u>10,675,138</u>	<u>13,176,743</u>	<u>14,782,401</u>	<u>15,023,974</u>	<u>15,739,651</u>	<u>16,092,623</u>
2,031,233	2,343,485	2,083,129	2,335,155	2,263,841	2,444,796
4,118,972	4,472,587	4,581,482	4,986,001	5,140,028	4,819,143
1,142,463	2,895,565	3,163,745	3,425,770	3,241,311	3,429,104
1,869,035	2,022,110	2,102,214	2,396,240	2,350,942	2,350,388
1,005,219	1,072,074	2,245,491	3,704,716	2,024,539	2,384,427
775,707	847,110	1,496,153	1,553,752	1,432,357	1,419,841
348,511	257,997	368,026	344,650	402,072	362,729
<u>154,249</u>	<u>71,973</u>	<u>-</u>	<u>123,195</u>	<u>5,495</u>	<u>59,101</u>
<u>11,445,389</u>	<u>13,982,901</u>	<u>16,040,240</u>	<u>18,869,479</u>	<u>16,860,585</u>	<u>17,269,529</u>
(770,251)	(806,158)	(1,257,839)	(3,845,505)	(1,120,934)	(1,176,906)
4,672,000	1,598,000	1,398,250	3,776,667	-	1,285,000
65,470	67,893	-	235,643	-	-
(3,960,250)	-	-	-	-	-
874,319	1,684,648	3,058,627	2,920,044	2,162,044	1,841,923
<u>(1,054,827)</u>	<u>(2,078,698)</u>	<u>(1,556,140)</u>	<u>(3,302,315)</u>	<u>(2,310,412)</u>	<u>(1,923,313)</u>
<u>596,712</u>	<u>1,271,843</u>	<u>2,900,737</u>	<u>3,630,039</u>	<u>(148,368)</u>	<u>1,203,610</u>
\$ <u>(173,539)</u>	\$ <u>465,685</u>	\$ <u>1,642,898</u>	\$ <u>(215,466)</u>	\$ <u>(1,269,302)</u>	\$ <u>26,704</u>
<u>11.23%</u>	<u>8.84%</u>	<u>13.64%</u>	<u>13.88%</u>	<u>12.61%</u>	<u>12.72%</u>

CITY OF BAY CITY, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten fiscal years

<u>Fiscal Year</u>	<u>Tax Roll</u>	<u>Residential Property</u>	<u>Commercial and Industrial Property</u>	<u>Personal Property</u>	<u>Less: Tax-Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2009	2008	\$ 299,647,821	\$ 331,396,398	\$82,412,631	\$ 111,046,253	\$ 602,410,597	\$ 0.50570
2010	2009	300,788,222	366,471,169	79,533,050	110,153,022	636,639,419	0.52934
2011	2010	312,638,392	381,341,753	77,386,950	111,494,200	659,872,895	0.56424
2012	2011	321,373,344	373,573,725	72,696,140	113,301,648	654,341,561	0.56981
2013	2012	317,325,756	375,135,265	69,127,650	106,208,499	655,380,172	0.57191
2014	2013	312,442,879	383,121,147	71,745,470	106,655,617	660,653,879	0.60209
2015	2014	319,956,588	393,514,710	71,784,570	107,744,036	677,511,832	0.60209
2016	2015	330,005,930	440,810,448	88,166,790	115,450,676	743,532,492	0.60209
2017	2016	342,546,022	455,655,624	81,557,591	116,289,064	763,470,173	0.60209
2018	2017	350,930,628	500,023,135	77,641,605	117,627,963	810,967,405	0.65500

NOTE: Property in the City is reassessed annually. The City assesses property at 100% of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Matagorda County Appraisal District



CITY OF BAY CITY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

PER \$100 OF ASSESSED VALUE

Last ten fiscal years

Fiscal Year	City Direct Rates			Overlapping Rates		
	Debt Service	General Fund	Total	Bay City ISD	Matagorda County	Port of Bay City
2009	\$ -	\$ 0.50570	\$ 0.50570	\$ 1.31380	\$ 0.27518	\$ 0.03420
2010	0.03000	0.49934	0.52934	1.32000	0.27498	0.03245
2011	0.04510	0.51914	0.56424	1.32000	0.27478	0.03116
2012	0.04521	0.52460	0.56981	1.32000	0.28162	0.03175
2013	0.04516	0.52675	0.57191	1.32000	0.29878	0.03284
2014	0.05866	0.54343	0.56794	1.32394	0.32099	0.03645
2015	0.05866	0.54343	0.60209	1.34064	0.35867	0.04044
2016	0.11047	0.49162	0.60209	1.34064	0.39568	0.04539
2017	0.11398	0.48811	0.60209	1.33120	0.41998	0.04856
2018	0.14400	0.51100	0.65500	1.43701	0.41898	0.05072

SOURCE: Tax department records of the various taxing authorities

CITY OF BAY CITY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

PER \$100 OF ASSESSED VALUE- CONTINUED

Last ten fiscal years

Overlapping Rates			
Matagorda Co. Hospital District	Matagorda Co. Drainage District #1	Matagorda Co. Conservation & Reclaim. Distr.	Total
\$ 0.17864	\$ 0.09221	\$ 0.00521	\$ 2.40494
0.18588	0.09329	0.00497	2.44091
0.18851	0.09627	0.00481	2.47977
0.20003	0.09628	0.00456	2.50405
0.23163	0.09524	0.00470	2.55510
0.25600	0.08600	0.00522	2.59654
0.27624	0.07750	0.00577	2.70135
0.30147	0.07158	0.00646	2.76331
0.31270	0.06554	0.00691	2.78698
0.32096	0.05138	0.00721	2.94126

CITY OF BAY CITY, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

(UNAUDITED)

Current Year and Nine Years Ago

2018		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Nichols Square Partners LTD	\$ 15,736,840	1.94%
Oak Manor Bay City LLC	10,255,308	1.26%
AEP Texas Central Company	9,588,290	1.18%
Cypressbrook Palm Village LP	9,435,380	1.16%
Wal Mart Real Estate Business Trust	8,445,300	1.04%
Bay City Community Development Corp.	9,052,890	1.12%
Shadow Bay Apartments	6,882,500	0.85%
Hampton Inn	6,804,500	0.84%
Holiday Inn Express	6,210,000	0.77%
Riverway Apartments	6,100,220	0.75%
	<u>\$ 88,511,228</u>	<u>10.91%</u>

2009		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
AEP Texas Central Co.	\$ 8,158,220	1.35%
Wal-Mart Real Estate Business	8,068,270	1.34%
Wal-Mart Store #01-1405	7,858,060	1.30%
Nichols Square Partners LLC	4,913,340	0.82%
WRH Bay City Ltd.	4,088,890	0.68%
1700 Batwood BC LLC	3,958,700	0.66%
H E Butt Geocery Co.	3,828,490	0.64%
H E Butt Grocery Company	3,596,290	0.60%
Barrets Minerals Inc.	3,498,750	0.58%
Bay City Cable Vision	3,016,480	0.50%
	<u>\$ 50,985,490</u>	<u>8.47%</u>

SOURCE: Matagorda Central Appraisal District

CITY OF BAY CITY, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year (Adjusted Levy)	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 3,045,182	\$ 2,930,352	96.23%	\$ 106,198	\$ 3,036,550	99.72%
2010	3,355,029	3,197,976	95.32%	145,366	3,343,342	99.65%
2011	3,716,438	3,575,427	96.21%	126,751	3,702,178	99.62%
2012	3,726,391	3,608,960	96.85%	102,101	3,711,061	99.59%
2013	3,749,234	3,629,326	96.80%	105,582	3,734,908	99.62%
2014	3,756,150	3,625,489	96.52%	111,659	3,737,148	99.49%
2015	4,087,685	3,980,062	97.37%	82,093	4,062,155	99.38%
2016	4,473,863	4,356,460	97.38%	83,840	4,440,300	99.25%
2017	4,624,437	4,508,161	97.49%	64,336	4,572,497	98.88%
2018	5,305,771	5,189,424	97.81%	-	5,189,424	97.81%

NOTES: Collections do not include penalty and interest.

The information above is presented to illustrate the City's ability to collect the amount it levies for a fiscal year, rather than provide a detailed breakdown of the revenue recognized in a fiscal year.

SOURCE: Tax assessor/collector's records

CITY OF BAY CITY, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last ten fiscal years

Fiscal Year	Governmental Activities				
	Certificates of Obligation	General Obligation Bonds	Notes	Capital Leases	Plus: Issuance Premiums
2009	\$ 2,500,000	\$ 4,920,000	\$ 4,179,741	\$ 169,897	\$ 119,427
2010	5,582,500	4,675,000	3,913,401	116,052	95,542
2011	5,287,500	4,420,000	3,633,262	59,466	71,667
2012	4,947,500	4,155,000	290,461	-	47,782
2013	4,595,000	3,995,000	819,255	-	92,872
2014	5,828,000	3,665,000	667,185	199,845	149,646
2015	7,566,250	3,330,000	511,101	151,690	212,081
2016	10,290,611	2,990,000	349,849	101,617	424,826
2017	9,353,103	2,645,000	200,000	49,549	391,643
2018	8,387,262	2,290,000	1,386,000	-	358,459

NOTES: Details regarding the City's outstanding debt can be found in the notes to financial statements.

N/A denotes information not available.

CITY OF BAY CITY, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE- CONTINUED

Last ten fiscal years

Certificates of Obligation	Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Plus: Issuance Premiums			
\$ 2,500,000	\$ 5,220,000	\$ 50,974	\$ 19,660,039	3.46%	\$ 1,044
2,282,500	4,025,000	141,418	20,831,413	N/A	1,667
2,057,500	2,795,000	112,436	18,436,831	N/A	1,475
11,357,500	1,530,000	119,508	22,447,751	N/A	1,274
10,675,000	225,000	88,080	20,490,207	N/A	1,163
12,297,000	-	157,645	22,964,321	N/A	1,312
8,883,750	-	68,697	20,723,569	N/A	1,193
10,074,583	-	181,502	24,412,988	N/A	1,387
9,381,907	-	171,344	22,192,546	N/A	1,246
8,667,748	-	161,185	21,250,654	N/A	1,206

CITY OF BAY CITY, TEXAS**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING***Last ten fiscal years*

Fiscal Year	General Bonded Debt Outstanding			
	Certificates of Obligation	General Obligation Bonds	Plus: Issuance Premiums	Total
2009	\$ 5,000,000	\$ 10,140,000	170,401	\$ 15,310,401
2010	7,865,000	8,700,000	236,960	16,801,960
2011	7,345,000	7,215,000	184,103	14,744,103
2012	16,305,000	5,685,000	167,290	22,157,290
2013	15,270,000	4,220,000	180,952	19,670,952
2014	18,125,000	3,665,000	307,291	22,097,291
2015	16,450,000	3,330,000	280,778	20,060,778
2016	20,365,194	2,990,000	606,328	23,961,522
2017	18,735,010	2,645,000	562,987	21,942,997
2018	17,055,010	2,290,000	519,644	19,864,654

NOTES: Details regarding the City's outstanding debt can be found in the notes to financial statements.

N/A denotes information not available

CITY OF BAY CITY, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING- CONTINUED

Last ten fiscal years

<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
\$ -	\$ 15,310,401	100.00%	\$ 811
4,854	16,797,106	100.00%	940
10,285	14,733,818	100.00%	824
11,275	22,146,015	100.00%	1,244
30,567	19,640,385	100.00%	1,113
542,496	21,554,795	100.00%	1,214
31,305	20,029,473	100.00%	1,154
233,825	23,727,697	100.00%	1,348
199,330	21,743,667	100.00%	1,221
191,351	19,673,303	100.00%	1,117

CITY OF BAY CITY, TEXAS**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****(UNAUDITED)****September 30, 2018**

	<u>Gross Debt Outstanding</u>		<u>Percentage Applicable To City</u>	<u>Amount Applicable To City</u>
	<u>Date</u>	<u>Amount</u>		
Direct Debt:				
City of Bay City (1)	9/30/2018	<u>\$ 12,421,721</u>	100.00%	<u>\$ 12,421,721</u>
Overlapping Debt:				
Matagorda County	9/30/2018	2,585,072	15.41%	398,458
Bay City Independent School District	9/30/2018	<u>90,206,924</u>	60.90%	<u>54,937,392</u>
Total Overlapping Debt		<u>92,791,996</u>		<u>55,335,850</u>
Total		<u>\$ 105,213,717</u>		<u>\$ 67,757,571</u>

(1) Figures do not include accrued compensated absences and net pension liability.

NOTES: There is no legal debt limit for the City. Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in a tax levy for general bonded debt of over \$1.00 for cities under 5,000 population, or \$1.50 for cities over 5,000 population.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each government's total taxable value.

SOURCES: Bay City Independent School District
Matagorda County



CITY OF BAY CITY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2009	2010	2011	2012
General government				
Building permits issued	N/A	442	310	231
Building inspections conducted	N/A	222	691	431
Fire inspection conducted	N/A	13	5	6
Public safety				
Police				
Arrests	1,513	1,934	1,730	893
Accident Reports	425	452	416	199
Citations	2,791	4,484	3,223	1,196
Offense reports	7,222	3,017	2,734	1,327
Calls for service	27,968	32,296	33,453	19,333
Fire				
Emergency responses	219	165	220	175
Fire incidents	133	71	132	95
Service calls and other calls	75	94	88	80
Automatic aid, mutual aid given	19	22	27	39
Streets and highways				
Street resurfacing (lane miles)	-	-	-	-
Water and wastewater				
Water				
Average daily consumption (millions)	2.503	1.907	2.248	2.217
Total consumption (millions)	913.706	695.911	820.538	809.245
Peak daily consumption (millions)	4.608	3.516	4.395	3.799
Wastewater				
Average daily sewage treatment (millions)	2.153	1.963	1.575	1.570
Total consumption (millions)	785.700	716.328	574.870	573.170
Peak daily consumption (millions)	5.100	13.556	9.758	11.916

NOTE: N/A denotes information not available

CITY OF BAY CITY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM- CONTINUED

Last ten fiscal years

Fiscal Year					
2013	2014	2015	2016	2017	2018
459	1,227	1,039	1,012	1,246	1,373
1,222	1,735	2,238	2,256	2,366	2,040
22	8	13	16	23	14
1,722	1,520	1,364	1,405	1,356	1,234
304	325	471	521	505	476
1,621	1,862	1,784	1,736	1,707	956
2,669	2,231	3,427	2,820	2,892	2,744
32,155	31,544	32,864	29,618	31,320	28,448
233	178	170	167	204	254
101	66	64	74	111	130
132	112	106	93	93	124
21	19	23	32	44	31
-	-	5.20	3.49	9.52	1.00
2.187	1.707	2.251	1.692	1.563	2.024
798.353	623.508	824.901	635.604	609.958	743.714
3.485	2.001	3.338	2.569	2.445	2.418
1.566	N/A	1.774	1.954	1.634	1.634
571.850	545.020	691.614	717.629	581.611	657.579
11.755	N/A	6.287	6.532	3.520	3.526

CITY OF BAY CITY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Public safety				
Police				
Stations	1	1	1	1
Patrol units	32	31	31	31
Fire				
Fire stations	1	1	1	1
Public works				
Streets				
Streets (lane miles)	95	109	109	109
Parks				
Acreage	360	360	360	360
Parks	22	22	22	22
Swimming pools	2	2	2	2
Water and wastewater				
Water				
Water mains (miles)	94	94	94	94
Fire hydrants	600	600	600	600
Maximum daily capacity (thousands of gallons)	4	4	4	4
Wastewater				
Sanitary sewers (miles)	88	88	88	88
Storm sewers (miles)	80	80	80	80
Maximum daily treatment capacity (thousands of gallons)	4	4.3	4.3	4.3
Sanitation				
Collection trucks	8	8	8	8

CITY OF BAY CITY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM- CONTINUED

Last ten fiscal years

Fiscal Year					
2013	2014	2015	2016	2017	2018
1	1	1	1	1	1
35	33	37	34	34	34
1	1	1	1	1	1
109	109	109	109	109	109
360	360	348	348	348	299
22	22	22	23	23	23
2	2	2	2	2	2
94	115	115	115	113	113
600	600	650	650	650	650
4	4	4	4	3	3
88	88	88	88	108	108
80	80	80	80	80	80
4.3	4.3	4.3	4.3	4.3	4.3
8	0	0	0	0	0



APPENDIX



Budgetary Process and Guidelines

Budget Planning Calendar

Summary Description of the Budget Process

Budget Ordinance

Tax Rate Ordinance

Budgetary & Financial Management Policies

Investment Policy Summary

Capital Asset Policy

Resolution Adopting a Five-Year Capital Improvement Program

Compensation and Staffing Plan

Long-Term Financial Planning

Acronyms

Glossary of Terms

Index



This section provides the City's budgetary and financial policies, personnel, glossary of terms, acronyms and index.

Budgetary Process and Guidelines

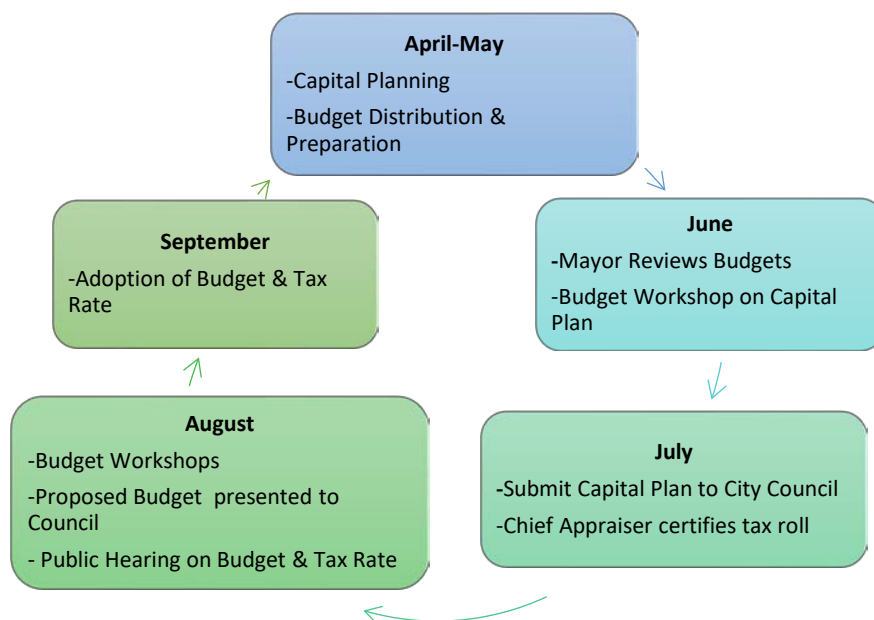
The purpose of this segment is to explain the budgetary policies and process of the City of Bay City. This narrative describes the legal requirements, budgeting standards and basic rationale of the budget process.

Purpose of the Budget

The purpose of the annual operating budget of the City of Bay City is to:

- Act as a financial plan which describes the activities that will be undertaken during the current fiscal year.
- Define the resources available for the completion of those activities.
- Determine the level of taxation necessary to generate required revenue resources.
- Act as an operations guide by providing levels of expenditures allowed for the accomplishment of departmental and program objectives.
- Provide the public with information about the activities and objectives of the various city departments and programs and the financial condition of the City.

Budget Calendar Cycle



*City of Bay City, Texas***Fiscal Year 2020****Summary Budget Calendar**

Date	Activity	Responsible Party
Jan-May	Goal Visioning Workshops Develop/Adopt Strategic Priorities	Mayor, City Council, Department Heads
March	Capital Planning	Mayor, Finance Director, Department Heads
April-May	Mailing of notices of appraised value	Matagorda County Appraisal District
April 12	Distribute budget package to Division Heads	Finance Director
May 3	Turn in budget package to Finance Director	Department Heads
May 9 & 23	Budget Workshop – Goal Visioning Regular Council Meeting	Mayor & City Council Department Heads
June 4-6	Budget review with Department Heads	Mayor, Finance Director Department Heads
June 13	Regular Council Meeting	Mayor & City Council Department Heads
June 18-20	Budget review with Department Heads	Mayor, Finance Director Department Heads
June 20	Budget Workshop- Capital Planning	Mayor, Finance Director Department Heads
June 27	Budget Workshop- Capital Planning Regular Council Meeting	Mayor, Finance Director Department Heads
July 11	Budget Workshop– BCCDC, Outside Organizations Regular Council Meeting	Mayor & City Council Department Heads
July 25	Certification of appraisal roll	Chief Appraiser
July 25	Budget Workshop – 5- year capital plan Regular Council Meeting	City Council, Mayor
July 30	Distribute budget package to Division Heads	Finance Director
August 1	Proposed Budget filed with City Secretary	Finance Director
August 7	Budget Workshop- 2:00 PM	Mayor & City Council Department Heads
August 7	Publishes notice of effective and rollback tax rates	Matagorda County Tax Office
August 7	Regular Council Meeting- 7:00 -Discuss tax rate- Propose desired rate -Set Public Hearings on tax rate (if required) -Set Public Hearings on budget & Capital Plan	City Council Mayor Finance Director
August 8	Budget Workshop- 2:00 PM (Tentative)	Mayor & City Council Department Heads
August 22	Regular Council Meeting- 7:00 -Public Hearings on budget & tax rate (if required) -Public Hearing on Capital Plan (Charter 10.16)	City Council
August 29	Special Called Meeting- 5:30 -Public Hearing on budget -Public Hearing on tax rate (if required)	City Council
September 12	Regular Council Meeting -Approve Capital Plan -Approval of tax rate and budget ordinance -First and final reading of fee ordinance	City Council
September 27	Distribute budgets	Finance Director
October 1	Budget becomes effective	N/A

*City of Bay City, Texas***Fiscal Year 2020****Detailed Budget Calendar**

Date	Description	Notes
Jan-May	Goal Visioning Workshops	<i>Workshops with City Council and Department Heads</i>
April	Capital Project Planning Departments Prepare Business Plans	<i>Preparing for Capital Workshop with City Council Goals for 2020 / Accomplishments 2019</i>
April-May	Mailing of Notices of appraised value	<i>Matagorda County Appraisal District</i>
April 12	Distribute budget packets to staff	
May 3	Turn in budget packet to Finance Director	
May 9	Budget Workshop- Goal Visioning Regular Council Meeting	<i>Goal Visioning Kick off with Department Heads</i>
May 23	Budget Workshop- Goal Visioning Regular Council Meeting	<i>Capital Plans and Budget</i>
May 29	Turn in business plans to Finance Director	<i>Vision 2040 Ranking</i>
May 31	Submit first draft to Mayor	<i>Strategic Plan Update-Set New priorities and goals</i>
June 4-6	Budget Review with Department Heads	<i>2020 Business Plans and any fee changes</i>
June 13 (Thurs)	Regular Council Meeting	
June 17 (Mon)	72 Hour Notice (July 20 Meeting)	
June 18-20 (Tues-Thurs)	Budget Review with Department Heads Capital Plan Review with Mayor	<i>Review Capital Plan to be presented to City Council on June 20</i>
June 20 (Thurs)	Budget Workshop- Capital Planning	<i>Present Capital Plan and receive input from Council of Ranking (10-year Plan)</i>
June 27 (Thurs)	Regular Council Meeting Budget Workshop- Capital Planning	
July 11	Budget Workshop- BCCDC Regular Council Meeting	<i>BCCDC, Hotel/Motel, Outside Organizations</i>
July 25	Deadline for Certification of Roll (MCAD)	<i>Chief appraiser certifies the approved appraisal roll</i>
July 25	Budget Workshop-5-year plan & Other Regular Council Meeting	<i>Narrow 10- year plan down to 5- year plan; Outside Organizations</i>
July 26-Aug 5	Calculation of Effective Tax Rate	
Aug 2 (Fri)	72 Hour Notice (August 7 & 8 Meeting)	
August 5 (Mon)	Proposed budget filed with City Secretary	

August 7 (Wed)	Publication of effective & roll back rates (Matagorda Tax Assessor/Collector)	<i>Publication Not Required.</i>
August 7 (Wed)	Deadline to Paper	<i>Effective & Roll Back Rates (Deadline Aug. 7)</i>
August 7 (Wed)	Budget Workshop -General Fund -Utility -Budget Calendar deadlines -Proposed Fee Ordinance -Budgetary & Financial Policy	<i>Request placeholder for public hearing notices to run Sunday Aug. 11 and Wednesday, Aug. 14</i> <i>Kick Off Budget Workshop</i>
August 7 (Wed)	Regular Council Meeting Discussion of tax rate; If proposed tax rate exceeds effective tax rate- take record of vote and schedule PH's. Set public hearing on <u>capital plan</u> per Charter	<i>"Consider and/or approve placing a proposal to adopt a tax rate for the 2020 fiscal year as an action item on the agenda of a future meeting, specifying therein the desired rate and publishing notice thereof."</i> <i>"Consider and/or approve setting two public hearings on the proposed 2020 Tax Rate for August 22 and August 29." (Only required if proposed rate exceeds Effective tax rate)</i> <i>"Consider and/or approve setting public hearings on the proposed 2020 Budget for August 22 and August 29."</i>
August 9 (Friday)	Confirm placement with newspaper Put Notices on City's Website	<i>"Notice of Public Hearing on Tax Increase" if applicable</i> <i>"Notice of Public Hearing on Proposed Budget"</i> <i>Ads to run Sun. Aug. 11 & Wed. Aug. 14</i>
August 19 (Mon)	72 Hour Notice for Public Hearings	<i>Put both dates here to avoid Aug 29 PH Notice</i>
August 22 (Thurs)	Regular Council Meeting <i>Public Hearing Capital Plan (Citizen Input)</i> Public Hearings on tax rate (if needed) & Proposed Budget & Capital Plan Tax rate hearings are only needed if proposed tax rate exceeds the effective tax rate. Budget Hearings are always required	<i>Mayor to announce the date of the next public hearing. (August 29 for proposed budget and tax)</i> <i>The governing body may not adopt a tax rate at either of these PH's. At each hearing, the governing body must announce the date, time, and place of the meeting at which it will vote on the tax rate</i>

August 29
(Thurs) **Special Called Meeting**
Public Hearing on tax rate and Proposed
Budget

Mayor to announce "the date of the final approval of the budget and tax rate will be in City Hall on Sept. 12, 2019 @ 7:00"

*There must be some sort of action on the budget after the budget hearing, therefore (LGC 102.007) This action could be the adoption of the budget or else **vote to postpone the final budget vote.***

Announce the date & time for final approval for the budget and tax rate ordinance (September 12 @ 7:00 at CH Council Chambers)

Aug. 30 (Friday) Deadline to Paper

Not required if tax rate does not exceed effective

Place notice on website and newspaper on Wednesday, September 4, 2019 if applicable
"Notice of Tax Revenue Increase"

Sept 12 (Thur) **Regular Council Meeting**
-Adopt Budget and Vote on Tax Rate
-Approve Fee Ordinance

"Consider first and final reading an ordinance approving the annual budget
A separate vote is needed to "ratify" the property tax revenue increase reflected in the budget
"Consider ratification of the property tax revenue increase reflected in the 2020 budget."
"Consider second and final reading fixing the tax rate...."
Approve Fee Ordinance if applicable

Sept 27 Distribute Budgets

Oct. 1 Budget becomes effective

Summary Description of the Budget Process

As previously stated, the City Charter, under Article 10.01 provides, “the fiscal year of the City of Bay City shall begin on the first day of October of each calendar year and shall end on the last day of September of each following calendar year. Such fiscal year shall also constitute the budgeted and accounting year.”

The Charter requires that a proposed budget shall be submitted to Council by July 1st in advance of each fiscal year containing a financial plan for the next fiscal year. The plan must contain, among other things, a budget message explanatory of the budget and any significant changes, an analysis of property valuation and tax rate, and detail concerning fund revenues and expenditures.

Upon receipt of the proposed budget, the Council orders a public hearing on the budget. By State law (Section 102.003 of the Local Government Code), the Council is required to hold a public hearing on the budget not less than fifteen (15) days after the budget is filed. By Charter, at least seven (7) days prior to the date of the budget hearing, a public notice of such hearing must be published. The Charter requires that the Council adopt a budget prior to the beginning of the fiscal year. Normally, the Council sets the tax rate for the coming fiscal year during the same meeting in which they adopt the budget ordinance.

The Mayor and Finance Director prepare estimates of revenues and cash balances for the coming budget year. Departments are asked to submit budget requests to the Finance Director during May or early June. In June and July, the Mayor and Director of Finance meet with departments to discuss their budget requests and develop line item funding proposals for each department and fund. Then the Mayor submits his proposed budget to the City Council. The Council will then examine the Budget and have one or more hearings and/or work sessions on the budget. The Council normally votes on the budget ordinance in the first or second week of September.

After the budget is adopted by the Council, copies are available for public inspection with the City Secretary’s Office, the County Clerk of Matagorda County, and the Bay City Public Library.

On the effective date of the budget, October first (1st), the amounts adopted by the City Council for each line item become appropriated. That is to say, an authorization is made by the City Council which permits the City to incur obligations and make expenditures of resources based on an amount of money adopted by Council.

Legal Requirements

A. City Charter.

The budgetary process of the City of Bay City shall comply with the provisions of Article X of the City Charter relating to the preparation and execution of the City budget.

B. State Law.

The budgeting process of the City of Bay City shall comply with the Texas Uniform Budget Law (articles 689a-13, 14, 15, and 16) and Section 102.003 of the local government code.

C. Federal Law.

The budgetary procedures of the City of Bay City shall comply with the requirements of Federal Law as they apply to such programs and grants administered by the City.

Budgeting Standards

The budgeting process of the City of Bay City generally conforms to the Governmental Accounting Standards Board (GASB): Principles of Budgeting, Budgetary Control, and Budgetary Reporting as published in the Governmental Accounting, Auditing and Financial Reporting (GAAFR). In addition, the budget document is believed to generally satisfy the evaluation criteria of the budget awards program of the Governmental Finance Officers Association.

Budget Policies as set forth in the City Charter

Fiscal Year

The fiscal year of the City of Bay City shall begin on the first day of October of each calendar year and shall end on the last day of September of each next following calendar year. Such fiscal year shall also constitute the budget and accounting year.

Preparation, Submission and Content of Budget

The Mayor shall submit to the Council a proposed budget, of which the budget shall provide a complete financial plan for the fiscal year, and shall contain the following:

1. A budget message outlining the proposed financial policies and priorities of the City for the fiscal year and the impact those policies will have on future years. The message shall explain any significant changes in financial policies, debt, and revenue as compared to the previous fiscal year, and factors affecting the ability to raise resources through issuance of debt and include such other issues as deemed desirable.
2. A consolidated statement of anticipated receipts and proposed expenditures for all funds, departments, and tax income

3. Parallel columns opposite each revenue and expenditure line item shall show:
 - for prior fiscal year- amount budgeted and amount actually collected or spent;
 - for current fiscal year- amount budgeted, amount actually collected or spent by June 1st, and estimated deficit or excess; and
 - for next fiscal year- proposed budget amount
4. A summary estimate of deficits and excess funds for each department and the City as a whole for the current fiscal year.
5. Bonds and Loans- An individual schedule of requirements for all bond issues and loans outstanding, showing rates of interest, date of issue, maturity date, amount authorized, amount issued or spent, principal paid and due, interest paid and due, and purpose for the bond or loans.
6. Capital Improvements- Each capital improvement shall be a line item with parallel columns opposite showing:
 - for all past fiscal years appropriate- the amount budgeted, amount actually spent, source of funds (i.e. depreciation reserve, grant, bond, etc.), deficit or excess amount over budget;
 - for current fiscal year- amount budgeted, amount actually spent by June 1st, source of funds, and estimated deficit or excess;
 - for next fiscal year- amount to be budgeted, source of funds.
7. General fund and special fund resources in detail.
8. Property valuation analysis.
9. Tax rate analysis.
10. Tax levies and tax collections by year for the last five years.
11. The proposed appropriation ordinance.
12. The proposed tax levying ordinance.
13. Objectives as established by Council.
14. Goals to meet objectives of Council.
15. Methods to measure milestones, outcomes, and performance related to the goals.

Anticipated Revenues and Proposed Expenditures Compared With Other Years

The Mayor, in preparation of the budget, shall show in parallel columns, opposite the various properly classified items of revenues and expenditures, the actual amount budgeted and collected or spent for prior fiscal year; the actual amount budgeted and collected or spent by June 1st of the current fiscal year, and estimated deficit or excess; and the proposed budget for next fiscal year.

Estimated Expenditures Shall Not Exceed Estimated Resources

Per Article 10.08 of the City Charter “The total estimated expenditures of the general fund, available utility fund, and debt service fund shall not exceed the total estimated resources (prospective income plus cash on hand). The classification of revenue and expenditure accounts shall conform as nearly as local conditions will permit to the uniform classification as promulgated by the American Institute of Certified Public Accountants or some other nationally accepted classification.

Budgetary Basis

Basis of accounting refers to the point in time at which revenues and expenditures are recognized in the accounts and reported in the financial statements. The budget of each City fund, with the subsequently noted exceptions, is prepared consistently with the basis of accounting used for that fund.

Budget Amendments

The City Charter, under Article 10.14(a) (Supplemental Appropriations) provides, “If during the fiscal year, the City Treasurer certifies that there are available for appropriation revenues in excess of those estimated in the budget, the Council, by Ordinance, may make supplemental appropriations for the fiscal year up to the amount of the excess”.

Basic Budgetary Units

The budget of the City of Bay City is both an annual operating budget and a capital budget. The operating budget contains current operations and services, current maintenance, debt service and is funded by funds currently available. Current expenses for capital outlay are included as expenditures.

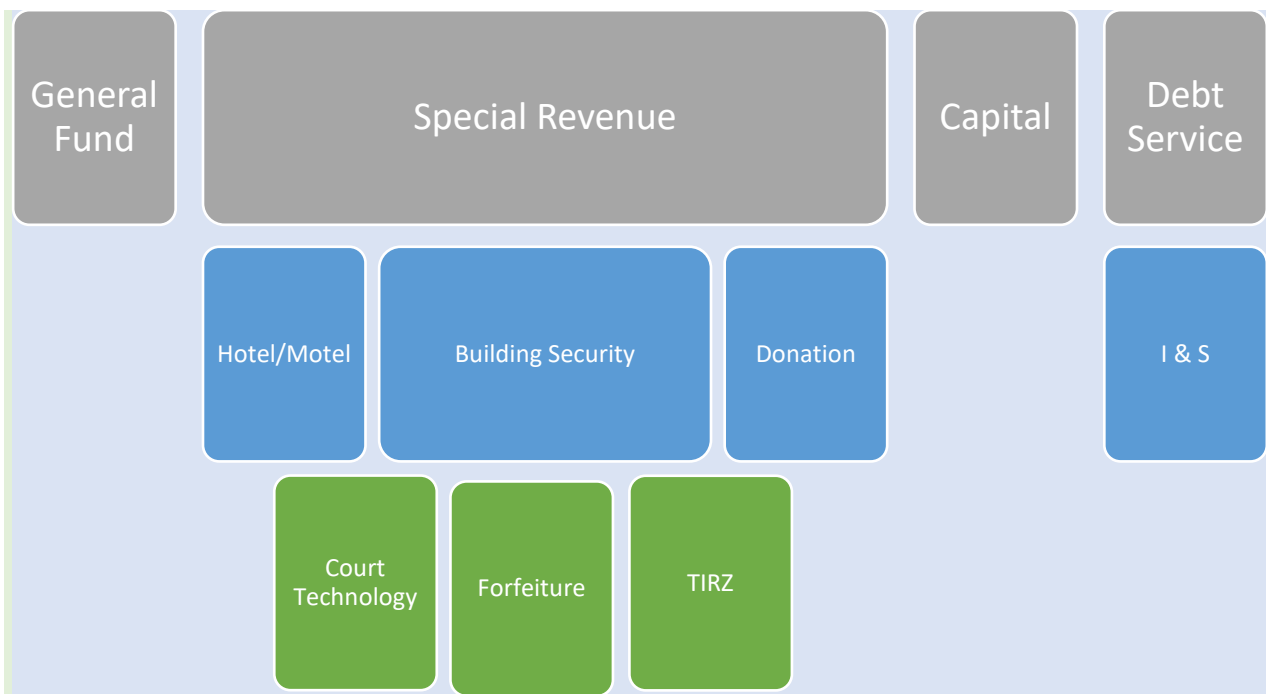
The organizational arrangement of the budget document is based upon the format reflecting the funds of the City, the departments associated with each fund, followed by revenue and expenditures.

Fund Structure

Governmental Funds

Governmental Funds are used to account for all or most of the City's general activities. The ***modified accrual basis of accounting*** is used for governmental funds (general, special revenue, debt service and capital projects), expendable trust funds and agency funds. Revenues are recognized in the accounting period in which they become measurable and reliable as net current assets; that is, collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred.

Governmental Fund Structure – Modified Basis

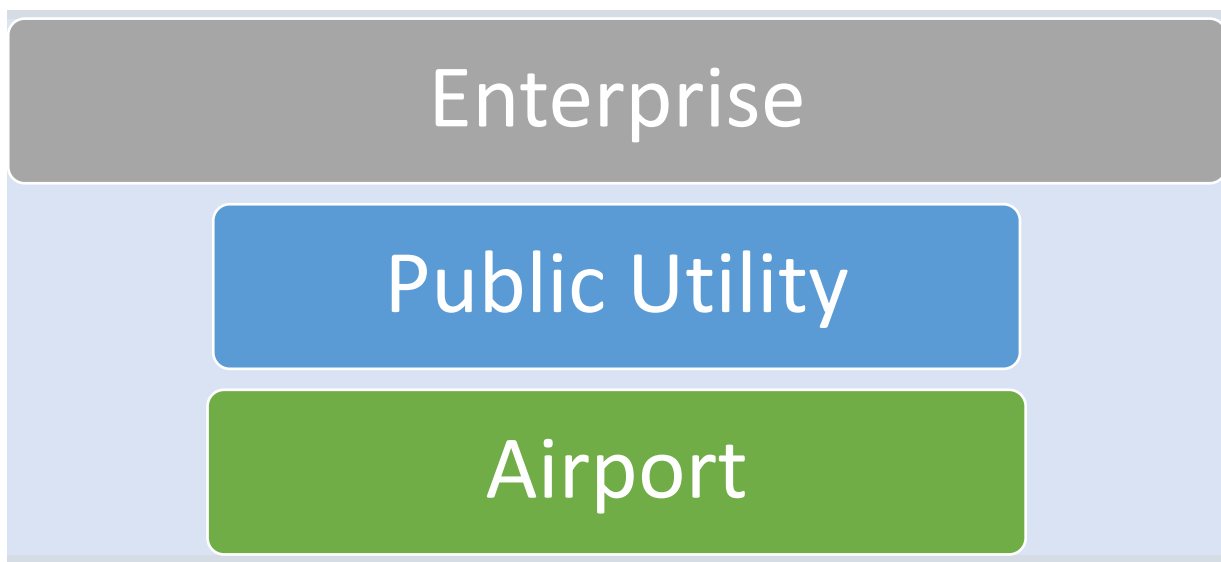


*Although the City has a number of funds shown above, only the General Fund, Hotel/Motel and Debt Service Fund(s) are appropriated. All City funds are audited annually.

Proprietary Funds

Proprietary funds are used to account for the operations and maintenance of City facilities and services. The ***accrual basis of accounting*** is used for proprietary funds (enterprise funds and internal service funds). Revenues are recognized in the accounting period in which they are earned and expenses recognized in the period in which they are incurred. The City budgets to cover depreciation expense. Capital leases, capital outlay and debt principal payments are budgeted as expenditures and then reclassified at year-end.

Proprietary Fund Structure – Accrual Basis



*All funds above are appropriated and audited annually.

Budget Ordinance

AN ORDINANCE ADOPTING AN OPERATING BUDGET FOR THE CITY OF BAY CITY, TEXAS FOR FISCAL YEAR 2020 AND ALL DESIGNATED, SPECIFIED, NOTED, AND INDICATED LEVIES, RATES, RESERVES, REVENUE PROVISIONS, AND PLANNED EXPENDITURE INHERENT, EXPRESSED AND INCLUDED THEREIN; PROVIDING FOR A CUMULATIVE CLAUSE: PROVIDING FOR SEVERABILITY: AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Bay City, Texas, is desirous of adopting an Operating Budget for the fiscal year of 2020 and

WHEREAS, the proposed Operating Budget was placed on file with the City Secretary on the 5th day of August 2019; and

WHEREAS, a public hearing on the Operating Budget for the City of Bay City for the fiscal year 2020 has heretofore been published in accordance with the law; and

WHEREAS, the required time has passed since the last public hearing as required by state law and the City of Bay City Home Rule Charter; and

WHEREAS, it is necessary, at this time that said budget is adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAY CITY THAT:

Section one. Operating Budget Approved. The Operating Budget for the fiscal year 2020 is hereby approved and adopted and does include:

- a) all designated, specified, noted, and indicated levies, rate, reserves, revenues provisions, and planned expenditures inherent, expressed, and included therein; and
- b) a contingent appropriation of 0.5 percent of the total budget to be used for unforeseen expenditures. Expenditures from this appropriation shall be made only with Council approval, and a detailed account of all expenditures shall be recorded and reported.

Section two. Cumulative and Conflicts. This Ordinance shall be cumulative of all provisions of ordinances of the City of Bay City, Texas, except where the provisions of the Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed. Any and all previous versions of this Ordinance to the extent that they are in conflict herewith are repealed.

Section three. Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section four. City Council directs the Director of Finance to file the Operating Budget with the Municipal Clerk.

Section five. City Council directs the Director of Finance to ensure the Operating Budget, including the Cover Page, is posted on the City's website.

Section six. Effective Date. This Ordinance shall become effective October 1, 2019.

PASSED AND APPROVED on this 12th day of September 2019.

Tax Rate Ordinance

AN ORDINANCE ADOPTING THE TAX RATE OF \$0.65500 PER \$100.00 OF ASSESSED VALUATION FOR THE CITY OF BAY CITY, TEXAS, FOR THE PURPOSE OF PAYING THE CURRENT EXPENSES OF THE CITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020, LEVYING A MAINTENANCE AND OPERATIONS RATE OF \$.50176 AND FOR THE FURTHER PURPOSE OF CREATING A SINKING FUND TO RETIRE THE PRINCIPAL AND INTEREST OF THE BOND INDEBTEDNESS OF THE CITY LEVYING A DEBT SERVICE RATE OF \$.15324; PROVIDING FOR A LIEN ON ALL REAL AND PERSONAL PROPERTY TO SECURE PAYMENT OF TAXES DUE THEREON; PROVIDING A SEVERABILITY CLAUSE HERewith; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of Bay City, Texas, has on this date, by way of separate Ordinance, duly approved, adopted an Operating Budget for the operation of the City for fiscal year 2020; and

WHEREAS, the aforesaid Ordinance anticipates and requires the levy of an *ad valorem* tax on taxable property in the City of Bay City; and

WHEREAS, the Chief Appraiser of Matagorda County Tax Appraisal District has prepared and certified the appraisal roll for the City of Bay City, Texas, that roll being that portion of the approved appraisal roll of the Bay City Tax Appraisal District which lists property taxable by the City of Bay City, Texas; and

WHEREAS, it is necessary to levy such an *ad valorem* tax at a given rate to generate revenues sufficient to meet the projected expenses of the City for fiscal year 2020; and

WHEREAS, the City has acknowledged that:

THIS YEAR'S TAX LEVY TO FUND MAINTENANCE AND OPERATIONS EXPENDITURES DOES NOT EXCEED LAST YEAR'S MAINTENANCE AND OPERATIONS TAX LEVY.

WHEREAS, the City has fully and timely complied with all notice and other requirements relative to the adoption of a tax rate for fiscal year 2020.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS THAT:

Section one. There is hereby levied for the fiscal year 2020 upon all real property situated within the corporate limits of the City of Bay City, Texas, and upon all personal property which is owned within the corporate limits of the City of Bay City, Texas on January 1, 2019, except so much thereof as may be

exempt by the Constitution or laws of the State of Texas, a total tax of \$0.65500 on each \$100 of assessed valuation on all taxable property, which total tax herein so levied shall consist and be comprised of the following components:

- a) An *ad valorem* tax rate of \$0.50176 on each \$100 of assessed valuation of all taxable property is hereby levied for general City purposes and to pay the current operating expenses of the City of Bay City, Texas, for the fiscal year ending September 30, 2020, which tax, when collected shall be appropriated to and for the credit of the General Fund of the City of Bay City, Texas.
- b) An *ad valorem* tax rate of \$0.15324 on each \$100 of assessed valuation of taxable property is hereby levied for the purpose of creating an Interest and Sinking Fund with which to pay the interest and principal of the valid bonded indebtedness, and related fees of the City of Bay City, now outstanding and such tax, when collected, shall be appropriated and deposited in and to the credit of the General Debt Service Fund of the City of Bay City, Texas, for fiscal year ending September 30, 2020.

Section two. The City of Bay City shall have lien on all taxable property located in the City of Bay City to secure the payments of taxes, penalty, and interest, and all costs of collection, assessed and levied hereby.

Section three. Taxes are payable in Bay City, Texas at the Office of the Tax Assessor/Collector of Matagorda County. The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this Ordinance.

Section four. The tax roll presented to the City Council, together with any supplements thereto, are hereby accepted and approved.

Section five. A copy of the "Vote Results" sheet for this Ordinance, reflecting the record vote of the City Council on this Ordinance, shall be attached to this Ordinance by the City Secretary, and shall constitute a part of this Ordinance for all purposes.

Section six. Should any paragraph, sentence, provision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance, as a whole or any part or provision thereof, other than the part or parts adjudged to be invalid, illegal, or unconstitutional.

Section seven. This ordinance shall be in full force and effect from and after its adoption by the City Council and publication of its caption as the law and the City Charter provide in such cases.

Section eight. All other ordinances and Code provisions in conflict herewith are hereby repealed, but only to the extent of any such conflict or inconsistency and all other provisions of the Bay City Code and ordinances not in conflict herewith shall remain in full force and effect.

Section nine. The repeal of any ordinance or parts thereof by the enactment of this Ordinance, shall not be construed as abandoning any action now pending under or by virtue of such ordinance; nor shall it have the effect of discontinuing, abating, modifying, or altering any penalty accruing or to accrue, nor as affecting any rights of the City under any section or provision of any ordinance at the time of passage of this Ordinance.

PASSED AND APPROVED on this 12th day of September 2019.



Budgetary & Financial Management Policies

The goal of formally adopting financial management and budgetary policies is to provide sound guidelines in planning the City's financial future. The adoption and adherence to these policies will help ensure long-term financial stability and a healthy financial position for the City of Bay City.

General Budgetary Policies

Budget Preparation

The City Budget shall be prepared in accordance with all applicable Charter requirements and State laws. The goal each year shall be to present the Proposed Budget to Council no later than six weeks prior to the end of the fiscal year and for the final approval of the Budget to be ready for Council action no later than two weeks before the end of the fiscal year. The Budget shall be comprehensive in nature and address all major funds of the City.

Government Finance Officer Association Distinguished Budget Program

The goal this year and each year following will be for the City's Budget to conform to the requirements of the Distinguished Budget Program of the G.F.O.A. and be submitted thereto for peer review.

Balanced Budget

It shall be a requirement each year for the budget of each fund to be balanced. This means that total resources available, including prior year ending resources plus projected revenues, shall be equal to or greater than the projected expenditures for the coming year. In a case where a deficit fund balance does occur, the goal shall be to limit deficits to only those amounts representing one-time capital expenditures and/or to adjust revenues and/or expenses so that the deficit is eliminated in no more than two budget years.

Public Hearings, Availability of Budget to Public

Upon completion of the Proposed Budget to Council, the City holds public hearings in August. A copy of the Proposed Budget is made available in the City Secretary's Office, the Bay City Public Library and on the City's website. These hearings provide the Citizens of Bay City a chance to ask questions as well as an opportunity for Council to hear any recommendations before final approval of the budget.

Cost Center Accounting and Budgeting

It shall be the policy of the City to allocate cost, and budget accordingly, to the various funds to the extent practical. This includes such items as utility costs, fuel costs, vehicle lease charges, overhead manpower and insurance fees.

Bond Ratings

It shall be the City's long-term goal to improve its bond ratings for general obligation bonds and revenue bonds. The City's policy shall be to manage its budget and financial affairs in such a way so as to promote enhancement of its bond ratings. This financial management includes the following:

- *Develop and maintain a multi- year operating budget*
- *Develop and maintain a multi-year capital improvements plan*
- *Implement financial procedures to quickly identify financial problems & limit budget shortfalls*
- *Review projected revenue methodologies annually*
- *Review method of determining appropriate cash reserve levels annually*

Administrative Overhead Fee to Enterprise Funds

It shall be the budgetary policy of each enterprise fund to pay to the General Fund an amount as set by the Budget each year. This charge shall be set as a percent of fund revenues and shall be construed as a payment for general administrative overhead, including management, accounting, legal, and personnel services. From an accounting perspective, such fee shall be treated as a fund operating transfer.

Budget Projections for Revenues and Expenditures

Most individual budget projections are a collaborative effort between the Division Heads, the Director of Finance, and the Mayor. The Director of Finance will note the methodology for estimating each major revenue or expense item budgeted; taking into consideration the insight of the respective Division Head. Revenue and expense estimates are always to be conservative so as to reduce any potential for budget shortfalls.

Maintenance of Plant and Equipment

The operating budget will provide for the adequate maintenance and replacement of the capital plant, building, infrastructure, and equipment. Deferral of such costs on a long-term continued basis will not be an acceptable policy to use in balancing the budget.

Financial Management Policies

Fund Balance Policy

Purpose

The purpose of this policy is to establish a key element of the financial stability of the City of Bay City by setting guidelines for fund balance in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54. Unassigned fund balance is an important measure of economic stability and it is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and other similar circumstances. This policy will ensure the City maintains adequate fund balances in the operating fund with the capacity to:

1. Provide sufficient cash flow for daily financial needs,
2. Secure and maintain investment grade bond ratings,
3. Offset significant economic downturns or revenue shortfalls, and
4. Provide funds for unforeseen expenditures related to emergencies.

Definitions

Fund Equity – A fund's equity is generally the difference between its assets and its liabilities.

Fund Balance – The fund equity of a governmental fund for which an accounting distinction is made between the portions that are spendable and nonspendable.

Fund Balance reporting in governmental funds: Fund balance will be reported in governmental funds under the following categories using the *definitions* provided by GASB Statement No. 54:

- 1) **Nonspendable fund balance** – includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain in-tact such as the principal of an endowment.
- 2) **Restricted fund balance** – includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include impact fees, grants, and debt covenants.

- 3) **Committed fund balance** – includes the portion of net resources upon which the Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a *formal action* of the council. Commitments may be changed or lifted only by the Council taking the same *formal action* that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements. An example would be committing hotel/motel tax funds for future consideration of a reconstruction project. (i.e. Visitor' Center)
- 4) **Assigned fund balance** – includes the portion of net resources for which an *intended* use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund. An example would be encumbrances (i.e. Purchase Orders) for purchase of goods and/or supplies and/or construction services.

Authority to Assign - The City Council delegates the responsibility to assign funds to the Mayor or their designee to be used for specific purposes. City Council shall have the authority to assign any amount of funds to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. The assignments may occur subsequent to fiscal year-end.

- 5) **Unassigned fund balance** – includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Minimum Unassigned Fund Balance

General Fund - Being a City on the Gulf Coast, it shall be the goal of the City to maintain a fund balance in the General Fund equal to 120 days of the operating expenditures and a policy to maintain a **unassigned** fund balance of no less than 90 days of operating expenditures and outgoing transfers as to provide operating liquidity and contingency funding for non-specific unscheduled expenditures such as natural disasters or major unexpected expenditures. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Hotel/Motel Tax Fund – Since the City's Convention Center qualifies for use of Hotel/Tax, it shall be the goal of the City to maintain a fund balance in the Hotel/Motel Fund to support the annual cost for repairs and maintenance of the Civic Center. The proper level of this unassigned fund balance will be based on the most recent three-year average cost of building maintenance plus the most recent insurance payment for the Civic Center or \$50,000 whichever is greater.

Committed Fund Balances

Fixed or Capital Asset Replacement- The City Council commits an additional portion of the General Fund Reserve for fixed asset replacement related to machinery and equipment. On an annual basis, the City strives to commit dollars equal to one year's depreciation expense of machinery and equipment for assets on record as of the previous fiscal year end. The balance at year end in this account will be the committed fund balance.

Replenishment of Minimum Fund Balance Reserves

If unassigned fund balance unintentionally falls below 90 days or if it is anticipated that at the completion of any fiscal year the projected unassigned fund balance will be less than the minimum requirement, the Mayor shall prepare and submit a plan to restore the minimum required level as soon as economic conditions allow. The plan shall detail the steps necessary for the replenishment of fund balance as well as an estimated timeline for achieving such.

These steps may include, but are not limited to, identifying new, nonrecurring, or alternative sources of revenue; increasing existing revenues, charges and/or fees; use of year end surpluses; and/or enacting cost saving measures such as holding capital purchases, reducing departmental operating budgets, freezing vacant positions, and/or reducing the workforce. The replenishment of fund balance to the minimum level shall be accomplished within a three to four-year period. If restoration of the reserve cannot be accomplished within such a period without severe hardship to the City of Bay City, then the Council shall establish an extended time line for attaining the minimum balance.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Council, and unassigned fund balance), the Council will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

Appropriation of Unassigned Fund Balance

Appropriation from the minimum unassigned fund balance shall require the approval of the City Council and shall be utilized only for one-time expenditures, such as capital purchases, and not for ongoing operating expenditures unless a viable revenue plan designed to sustain the expenditure is simultaneously adopted.

The Council may appropriate unassigned fund balances for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the established minimum.

Monitoring and Reporting

The Director of Finance shall be responsible for monitoring and reporting the City's reserve balances. The Mayor is directed to make recommendations to the Council on the use of reserve funds both as an element of the annual operating budget submission and from time to time throughout the fiscal year as needs may arise.

Compliance with the provisions of the policy shall be reviewed as a part of the annual operating budget adoption process and subsequent review will be included in the annual audit and financial statement preparation procedures.

Fund Balance Policy for Component Units

Each Component Unit (i.e. Bay City Community Development, Bay City Gas Company) shall create a fund balance/reserve policy that shall be approved by the City Council.

Revenue Management Policy

The City strives for the following optimum characteristics in its revenue system:

- ***Simplicity and Certainty.*** The City shall strive to keep the revenue classification system simple to promote understanding of the revenue sources. The City shall describe its revenue sources and enact consistent collection policies to provide assurances that the revenue is collected according to budgets and plans.
- ***Equity.*** The City shall make every effort to maintain equity in its revenue system structure. The City shall minimize all forms of subsidization between entities, funds, services, utilities, and customers.
- ***Realistic and Conservative Estimates.*** Revenues are to be estimated realistically. Revenues of volatile nature shall be budgeted conservatively.
- ***Centralized Reporting.*** Receipts will be submitted daily to the Finance Department for deposit and investment. Daily transaction reports and supporting documentation will be prepared.
- ***Review of Fees and Charges.*** The City shall review all fees and charges annually in order to match fees and charges with the cost of providing that service.
- ***Aggressive Collection Policy.*** The City shall follow an aggressive policy of collecting revenues. Utility services will be discontinued (i.e. turned off) for non-payment in accordance with established policies and ordinances. The Matagorda County Tax Office is responsible for delinquent tax collection, through the central collection agency, shall be encouraged to collect delinquent property taxes using an established tax suit policy and sale of real and personal property to satisfy non-payment of property taxes. A

warrant officer in the Police Division will aggressively pursue outstanding warrants, and the Court will use a collection agency to pursue delinquent fines.

Use of Fund Balance and Non-Recurring Revenues

The City will use non-recurring revenues and excess fund balance for capital expenditures or for non-recurring expenditures. These non-recurring revenues will not be used to fund recurring type maintenance and operating costs. *For example, the City receives annual contributions from the City's two component units- the Bay City Gas Company and the Bay City Community Development Corporation. These appropriations are treated as non-recurring in the sense that they are committed for capital expenditures (i.e. park amenities and/or street projects).*

Property Tax Revenue

All real and business personal property located within the City shall be valued at 100% of the fair market value based on the appraisal supplied by the Matagorda County Appraisal District. Reappraisal and reassessment is as provided by the Appraisal District. A ninety-seven percent (97%) collection rate shall serve each year as a goal for tax collections and the budgeted revenue projection shall be based in average collection rate calculated by the Matagorda County Appraisal District. Property tax rates shall be maintained at a rate adequate to fund an acceptable service level. Based upon taxable values, rates will be adjusted to fund this service level. Collection services shall be contracted out with a collection agency, currently the Matagorda County Tax Office.

Interest Income

Interest earned from investment of available monies, whether pooled or not, shall be distributed to the funds in accordance with the equity balance of the fund from which monies were invested.

User Based Fees and Service Charges

For services associated with a user fee or charge, the direct and indirect costs of that service shall be offset wholly or partially by a fee where possible. There shall be an annual review of fees and charges to ensure that the fees provide adequate coverage of costs of services.

Water and Wastewater Rates and other fees for Services

Water and wastewater fees shall be set to generate revenues required to cover operating expenditures, meet the legal requirements of applicable bond covenants, and provide for an adequate level of working capital. It is the goal of the City that the Water and Wastewater Fund, and other enterprise funds, not be subsidized by property tax revenue.

Intergovernmental Revenues/Grants/Special Revenues

Grant revenues and other special revenues shall be spent for the purpose(s) intended. The City shall review grant match requirements and include in the budget all grant revenues and expenditures.

Collection of Charges

The City will follow a policy of collecting, on a timely basis, all fees, charges, taxes and other revenues properly due to the City. The City will follow an aggressive policy of collecting all delinquencies due to the City.

Revenue Monitoring

Revenues actually received are to be regularly compared to budgeted revenues (at least monthly) with a formal report to City Council at least quarterly. If revenue estimates are down, the Director of Finance shall recommend to Council a corrective action to minimize the impact on the budget at the next available Council Meeting.

Expenditure Control Policy**Appropriations**

The responsibility for budgetary control lies with the Department Head. Department Heads may not approve expenditures that exceed monies available at the departmental budget level excluding personnel and capital expenditures. Capital expenditures are approved by the City Council on a per project basis normally during the annual budget process. Personnel allocations may not be changed without the approval of Mayor.

Amendments to the Budget

In accordance with the City Charter, under Article 10.14 (Transfer of Appropriations) provides, with approval of the City Council, the Mayor may transfer any unencumbered appropriated balance within any office, department, or agency at any time. At the request of the Mayor, and within the last three months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from an office, department or agency, to another.

Central Control

Unspent funds in salary and capital allocation object codes may not be spent for any purpose other than their specifically intended purpose without prior authorization of Mayor.

Mayor's Authority to Amend the Budget

The Mayor is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures/expenses must be approved by the City Council.

Purchasing

All purchases shall be made in accordance with the Purchasing Policies approved by the City Council.

Prompt Payment

All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt, in accordance with the provisions of state law. Proper procedures shall be established that enables the City to take advantage of all

purchase discounts, except in the instance where payments can be reasonably and legally delayed in order to maximize the City's investable cash.

Long-Term Debt Policy

Revenue Bond Debt Service Account

It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the Revenue Bond Debt Service Fund. Monthly transfers are to be made to this account each year in accordance with the bond debt service payment schedule. The balance in the account must be adequate to cover semi-annual payments as they become due.

General Obligation Bond Debt Service Account

It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the General Obligation Bond Interest and Sinking Fund Account. Taxes, as applicable shall be distributed to this account monthly as received. Utility Revenues transferred to the Interest and Sinking Fund Account shall occur, as needed prior to the semi-annual payment dates. The balance in the account must be adequate to cover semi-annual payments as they become due.

Capital Improvement Plan (CIP)

The City will develop a multi-year plan to present to Council each year for approval. The City will provide a list of proposed capital improvements, funding recommendations, and prospective timing of projects. CIP projects shall be for equipment over \$100,00, infrastructure over \$50,000 and facilities over \$25,000. Any maintenance and operational cost shall be disclosed that could impact future operating budgets.

Debt Policy Guidelines

- The City will limit long-term debt to only those capital projects that cannot be financed from current revenues.
- The City will not use long-term debt to finance recurring maintenance and operating costs.
- The City will not issue long-term debt for a period longer than the estimated useful life of the capital project.
- Decisions will be made based on long term goals rather than a short- term fix.
- Debt Service Funds will be managed and invested according to all federal, state, and local laws
- Coverage Ratios of Revenue Bonds will always be in compliance with the minimum coverage ratio required by the revenue bond ordinances. It shall be the goal of the City to achieve a budgeted coverage ratio of 1.60.

Other Fund Use Information

Governmental Funds

Most government functions are financed through governmental funds. The acquisition, use, and balances of the City's expendable resources and related current liabilities are accounted for through governmental funds. Long-term liabilities and fixed assets are not accounted for through governmental funds.

Proprietary Funds

These funds listed below are used to account for the ongoing activities of the City that are similar to those found in the private sector. These funds are financed through user charges to recover costs of services provided. Proprietary funds use accrual accounting, which means revenues are recognized when they are earned by the City and expenses are recognized when they are incurred. Enterprise funds are considered proprietary funds and are used to account for operations for the City's Public Utility Fund and Airport Fund.

Working Capital Position- the goal shall be to maintain a working capital position equal to 120 days of the operating budget and a policy to maintain a working capital position no less than 90 days of the operating budget.

Public Utility Fund

It shall be the general policy of the City to commit a portion of the reserve for fixed asset replacement as it strives to budget for revenue to cover depreciation.

Airport Fund

It will be the general policy of the City that the fees collected will be spent on maintenance of the facilities grounds, and other structures. The goal shall be to reduce the reliance of the general fund tax dollars for this purpose.

Implementation and Review

Upon adoption of this policy the City Council authorizes the Mayor to establish any standards and procedures which may be necessary for its implementation. The Director of Finance shall review this policy at least annually and make recommendations for changes to the Mayor and City Council.



Investment Policy Summary

I. POLICY STATEMENT

It is the policy of the City that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

II. SCOPE

This investment policy applies to all the financial assets and funds of the City. The City commingles its funds into one pooled investment fund for investment purposes to provide efficiency and maximum investment opportunity. These funds are defined in the City's Comprehensive Annual Financial Report (CAFR).

Any new funds created by the City shall be included unless specifically exempted by the City Council and this policy.

III. OBJECTIVES

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield.



Ordinance of the City of Bay City, Texas
No. 1436

FIXED ASSETS CAPITALIZATION POLICY

- 1) Purpose: The purpose of this policy is to provide definitions and procedures for recording and accounting for the various types of fixed assets of the City of Bay City, Texas (the City), in accordance with generally accepted accounting principles, as applied to governmental entities.
- 2) Definition: A fixed asset is defined as tangible or intangible assets of significant value having a useful life of more than three years and costs more than \$10,000, except as otherwise provided herein.
- 3) The items meeting the following criteria are considered fixed assets:
 - a) Land – includes all land parcels purchased donated, or otherwise acquired for building sites, parks, etc. All land should be capitalized without regard to its size or value.
 - b) Buildings – includes all City-owned buildings (or structures which serve as buildings, such as permanently established trailers) exceeding \$10,000 in original cost. Permanently attached fixtures installed during construction are considered a part of the building. Subsequent addition of equipment will be recorded as machinery and equipment. Major improvements are capitalized as a part of the original structure. All additions to existing structures exceeding \$10,000 in original cost shall also be capitalized as a part of the original structure.
 - c) Improvements Other than Buildings – includes improvements exceeding \$10,000 such as park facilities, parking lots and infrastructure assets. (Infrastructure assets include streets, roads, sidewalks, bridges, underground structures, and piping, etc.) Improvements Other Than Buildings are generally not individually identifiable as specific assets. As a result, the cost of these assets are generally grouped in general categories.
 - d) Machinery & Equipment – includes all motor vehicles, trailers, and construction and maintenance equipment where the unit cost exceeds \$10,000.

- e) Office Machinery & Equipment – includes all office equipment and machinery, including computers, computer software, typewriters, telephones, etc., where the unit cost exceeds \$10,000.
 - f) Furniture & Fixtures – includes all office furniture and fixtures such as desks, tables, file cabinets, chairs, where the cost exceeds \$10,000.
 - g) Construction Work-in-Progress – includes all partially completed projects, except roads and bridges. Upon completion, these assets are transferred to one of the above classifications.
- 4) The following costs associated in determining the total acquisition of a fixed asset are to be capitalized, i.e., added to the cost of the asset:
- a) Purchase cost before trade-in allowances and less discounts; or a qualified appraisal of the value at the time of acquisition if the asset is donated.
 - b) Professional fees of attorneys, architects, engineers, appraisers, surveyors, etc.
 - c) Site preparation costs such as clearing, leveling, filling, and demolition of unwanted structures.
 - d) Fixtures attached to a building or other structure.
 - e) Transportation, installation and training costs.
 - f) Any other expenditure required to put the asset into its intended state of use.
 - g) The acquisition cost of any asset shall be reduced by receipts for the sale or reimbursements of salvage materials or work initially charged to the cost of acquisition or construction.
 - h) For assets for which no records of acquisition exist, the Finance Director and Department Head shall ascertain the original cost of the asset using accepted accounting methods.
- 5) The following guidelines with respect to the treatment of costs that are incurred subsequent to the acquisition or construction of an asset are as follows:
- a) Maintenance – expenditures that neither materially add to the value of an asset nor appreciably prolong its life. Maintenance costs keep an asset in an ordinary, efficient operating condition. As a result, maintenance costs should not be capitalized.
 - b) Replacements – replacing an existing asset with an improved or superior unit or component part, usually resulting in a more productive, efficient, or longer useful life.

Replacement of an existing unit or component part thereof, by another of like quality is not generally considered a replacement of the asset for accounting purposes. Only when the value of the original asset is increased, or the useful life is significantly prolonged, should the new value or replacement cost be capitalized.

- c) Additions – new and separate assets, or extensions of existing assets. The cost of significant additions to assets should be capitalized and added to the value of the existing asset(s).
 - d) Alterations – changes in the physical structure of an asset which neither materially adds to the value of the asset nor prolongs its expected life. As such, alterations should not be capitalized.
- 6) Accounting for Assets; Annual physical inventory required.
- a) All fixed assets in excess of the established minimums shall be capitalized.
 - b) Property inventory records will be maintained by the Finance Department.
 - c) Each Department Head shall be accountable for all assets assigned to their department, and knowledgeable at all times of the physical location of all assets issued to the department.
 - d) Upon receipt of an asset, the department receiving the asset shall notify the Finance Department. The Finance Department will be responsible for tagging the asset and assigning an asset number.
 - e) Transfer of assets between departments shall be initiated by completion of a “Fixed Asset Transfer” form. The form shall be forwarded to the Finance Department for recording purposes.
 - f) Disposal of assets shall be processed by completing a “Fixed Asset Disposal” form. The form shall also be forwarded to the Finance Department for recording purposes. Disposal of an asset shall be necessary when the asset is either sold or is no longer in service.
 - g) Physical inventories of assets shall be conducted annually by each department and submitted to the Finance Department.

7) Depreciation.

- a) General Fixed Assets. General fixed assets are those assets purchased or in use by all funds other than proprietary and trust funds. Depreciation shall be recorded for general fixed assets. For purposes of depreciation, no salvage values shall be estimated, and the method of depreciation shall be designated as the straight-line method. Depreciation shall begin on the date the asset is placed in service.
- b) Proprietary and Trust Funds. Depreciation shall be recorded in all proprietary and trust funds (if applicable). For purposes of depreciation, no salvage values shall be estimated, and the method of depreciation shall be designated as the straight-line method. Depreciation shall begin on the date the asset is placed in service. The following is a representative list of estimated lives for depreciation purposes:
 - i) Infrastructure (mains, services, improvements) – 40 years
 - ii) Buildings – 40 years
 - iii) Furniture and fixtures – 5 to 15 years
 - iv) Motor vehicles – 4 to 10 years
 - v) Heavy machinery and equipment – 10 to 20 years
 - vi) Light and medium mobile equipment – 7 to 15 years
 - vii) Office and other equipment – 5 to 10 years
 - viii) Computer hardware and software – 5 to 10 years

All of the above useful lives are dependent upon the actual use of the asset. Some assets may be used more frequently than others, and would require a shorter useful life for depreciation purposes.

Lease, Sale or Disposal of City Property:

- 1) Purpose: This policy shall be established with regard to lease, sale or disposal of personal property owned by the City.
- 2) Non-applicability: This policy shall not apply to the following:
 - a) The lease, sale or disposal of property obtained from grants or other sources, whereby the procedures for lease, sale or disposal of such property are determined by other policies, or are prescribed by separate contract or agreement;
 - b) Temporary lease or rental of City facilities or real property, such as the Civic Center;
 - c) Property to be leased, sold or disposed under laws of the State of Texas or the United States of America. In such instances, the policies, rules or laws of the appropriate agency or organization governing the lease, sale or disposal of property shall apply; or

- d) Property valued at \$1,000 or more not sold at a public auction, or any lease or sale of City-owned real property for any amount. Sale or lease of such property shall be authorized only by the City Council.

3) Definitions:

- a) Property – shall refer to assets, supplies, or any other tangible item or property, other than real property, owned by the City, or in its legal possession.

4) Lease of Property:

- a) Property may be leased by the City, provided the City executes a lease agreement which has been approved by the Mayor and the City Attorney.
- b) Proceeds or revenue from the lease of City property may be used to offset any expenses for maintenance and other related costs of the property being leased and shall be credited to the appropriate fund or account, as determined by the Finance Director, or his designee.

5) Sale or Disposal of Personal Property:

- a) Annual Sale (Public Auction). Annually, each department of the City shall submit to the Mayor and Finance Director a detailed listing of the property for sale or disposal. The Mayor and Finance Director shall review the lists and make a recommendation to City Council of the items to be sold or disposed. A public auction shall be the primary means of disposal or sale of property.
 - i) The Mayor or Finance Director shall submit the list of items or property for sale or disposal to the City Council for approval. Upon approval by the City Council, the items or property may, be advertised for sale at a public auction or may be declared as surplus property and donated in accordance with all federal, state and local laws.
 - ii) Subsequent to the authorization by the City Council, the City Secretary shall provide public notice of the sale. The notice shall be published in a local newspaper of general circulation at least one (1) time, and at least seven (7) days prior to the date set for such public sale. Sale or disposal of property obtained from grants or other sources shall follow established notice requirements in accordance with the State of Texas or Federal statutes.
 - iii) The annual auction shall be conducted by a legal agent of the City (an auction firm), or by acceptance of sealed bids by the Mayor. In order for an agent to be used by the City, the City Council must select a firm based upon competitive proposals. For sealed public auctions, the type and method of receipt of sealed bids shall be determined by the Mayor.

- b) **As-Needed Sale.** At other times during the year, a department may request sale or disposal of an item or items without the use of a public auction. An as-needed sale may be necessary in the event that (1) damage or significant deterioration of the item(s) or property would result from a delay in disposal; (2) where no proper storage area for the item(s) or property is available; or (3) where the value of the property would be significantly reduced as a result of a delay in disposal. The Mayor shall review all requests for as-needed sales, and make a final determination authorizing the sale or disposition.
- i) The Mayor, or authorized agent of the City, shall be authorized to sell such property to the highest and most responsible bidder. Only sealed bids will be accepted, except where other types of bids may be recognized during a public auction.
 - ii) Prior to an as-needed sale, the City Secretary shall publish a notice of the City's interest to sell property in accordance with Section (4)(a)(ii) above.
 - iii) The City shall reserve the right to reject any and all sealed bids. In the event no bid is received or bid(s) are not responsible bids, the Mayor is authorized to dispose of the property in the most economical means possible, up to and including the sale or disposal for scrap material. In the event of a tie bid, where two or more sealed bids are identical, the first bid submitted shall be awarded.
 - iv) City employees or officials may bid on items to be sold, or disposed, provided that the method for submitting a bid is the same as the bidding method used for receipt of all other bids. No preferential treatment of bidding procedures shall be permitted for an employee or official of the City.
- c) The sale and lease of land and certain personal property shall be done in accordance with Local Government Code Chapter 272.
- b. **Expenses and Proceeds of Sale or Disposal:**
- a) Expenses related to the sale or disposal of property, such as advertising and bidding supplies, shall be charged against proceeds of the sale. If proceeds of the sale are not sufficient to cover the expenses of the sale, the Finance Director shall allocate any remaining expenses of the sale according to departmental budgetary allocations.
 - b) Proceeds of sale or disposal of property not otherwise designated or reserved by contract or other agreement shall be deposited into the appropriate account or fund from which the item was originally purchased or used for other purposes as may be designated by the City Council.



**Resolution of the City of Bay City, Texas
No. R-2019-21**

**A RESOLUTION ADOPTING A FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
(CIP) IN COMPLIANCE WITH THE CITY CHARTER**

WHEREAS the City Charter requires the Mayor to submit a plan for capital improvement covering the succeeding five years and proposed method of financing to the City Council prior to the beginning of each budget year; and,

WHEREAS the Mayor submitted a Five-Year Capital Program to the City Council on July 25, 2019 in compliance with the City Charter and,

WHEREAS the City Council has reviewed the Five-Year Capital Program, found it to be in compliance with all City Charter and believes its approval by resolution is in the best interest of Bay City residents.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF BAY CITY, TEXAS:**

THAT the Five-Year Capital Program (October 1, 2019 – September 30, 2024), a copy of which is attached hereto and incorporated in the Fiscal Year Budget 2020, is hereby adopted in compliance with the City of Bay City Home Rule Charter.

PASSED and APPROVED this 26th day of September 2019.

Compensation and Staffing Plan

The City is currently working on a competitive compensation and staffing plan which will include schedules that need to be updated by the Council annually to keep the policy current. This document will outline some of the proposals to the plan.

Goals

- Provide a competitive benefit package
- Evaluate staffing levels to meet service needs
- Assist in staff developmental training
- Set guidelines for performance evaluations

2020 Business Plans (Objectives)

- Phase in Council approved compensation and salary plan
- Conduct quarterly benefit meetings for employees
- Review and amend new employee orientation program (create on-boarding process)
- Revise Personnel Policy

2019 Accomplishments of Prior Year Business Plans

- ✓ Attended Time Clock Manager training
- ✓ Created monthly HR Newsletter
- ✓ Completed compensation study
- ✓ Developed a pay scale
- ✓ Developed a certification pay scale
- ✓ Reviewed and modified job descriptions
- ✓ Continued monthly policy update and review for employees
- ✓ Performed monthly insurance audits

Salary Increase (City Council Annual Approval)

City Council approved a budgeted salary increase of 3.5% this year for all City employees.

Approved Positions for FY 2020 (City Council Annual Approval)

The City Council approves the number of part-time and full-time positions annually. The purpose of this schedule is to designate how many positions are authorized. The information about each department is included in the Staffing Levels Table. Airport increased one position while City Secretary decreased one position. **There were no staffing level changes in regular full-time positions. However, due to change in form of government there is an increase in City Council.**

Approved by Council for 2020 Budget:

- Amount of Salary Increase Allocated- \$240,000
- Number of Positions (157)

Summary Personnel Listing

<i>Occupational Department</i>	<i>No. Of Positions FY 2017</i>	<i>No. Of Positions FY 2018</i>	<i>No. Of Positions FY 2019</i>	<i>No. Of Positions FY 2020</i>
<i>*Administration</i>	8	8	8	9
<i>City Secretary</i>	3	2	2	1
<i>Human Resources</i>	0	2	2	2
<i>*Municipal Court</i>	6	6	6	6
<i>Finance</i>	5	4	4	4
<i>Police</i>	59	57	57	57
<i>Fire</i>	1	1	1	1
<i>Animal Impound</i>	3	3	3	3
<i>Streets</i>	17	17	16	16
<i>Recycling Center</i>	3.5	3.5	3.5	3.5
<i>*Parks</i>	10	12	12	12
<i>*Riverside Park</i>	2	3	3	3
<i>*Recreation</i>	3	0	3	3
<i>*Pools</i>	21	21	21	21
<i>Library</i>	6.5	6.5	8.5	8.5
<i>Tourism</i>	0	0	1	1
<i>Utility General</i>	9	9	10	10
<i>Utility Maintenance</i>	14	14	13	13
<i>Waste Water (WWTP)</i>	6	6	7	7
<i>*Airport</i>	2	3	3	4
<i>Information Technology</i>	3	3	2	2
<i>Equipment Maintenance</i>	3	3	3	3
<i>Facility Maintenance</i>	5	4	4	4
Total Budgeted Positions	190	188	193	194
*Temporary /Appointed Positions	30	31	36	37
Total Full Time/Part Time	160	157	157	157
Temporary/Appointed by Department				
<i>Council Members- Administration</i>	5	5	5	6
<i>Appointed-Judges- Municipal Court</i>	2	2	2	2
<i>Temporary Workers-Parks</i>	0	2	2	2
<i>Temporary Worker-Riverside</i>	0	1	1	1
<i>Temporary Workers-Recreation</i>	3	0	3	3
<i>Temporary Workers-Pools</i>	20	20	20	20
<i>Temporary Workers- Library</i>	0	0	2	2
<i>Temporary Worker- Airport</i>	0	1	1	1
Total Budgeted Positions	190	188	193	194

A detailed listing of each departments' positions can be found in their Departmental Summaries

Component Unit: Bay City Community Development Corporation (BCCDC)

The Bay City Community Development Corporation (BCCDC) is a legally separate unit from the City and is governed by a board appointed by the Bay City City Council. The BCCDC was formed to oversee revenues and expenditures of a special one-fourth cents sales tax for economic development pursuant to the Development Corporation Act of 1979. This revenue collected from sales tax revenues is one of the most useful tools in helping to promote economic development throughout the community. For financial reporting purposes, the BCCDC is reported as a component unit.



Our Mission

The mission of Bay City Community Development Corporation is to retain and attract jobs, encourage investment and enhance the quality of life for the citizens of Bay City.

Description of Our Services

The Bay City Development Corporation promotes Bay City and improves the quality of place through the seven goals outlined below. The CDC works with City and County officials, City staff, constituents, business and industry, and schools to improve the daily lives of our citizens. We strive to bring business to our area, promote our local diversity, and meet the needs of our industry and citizens.

Vision 2040

2020 Strategic Focus*

Infrastructure/Transportation

Bay City residents enjoy new community infrastructure and enhancements to the transportation network and systems.

- ❖ Infrastructure improvements

Community & Economic Development

Bay City is known for encouraging economic development opportunities, creating a business development program that is responsive to existing business needs, and actively promoting tourism.

- ❖ Business Retention and Expansion
- ❖ Downtown Revitalization/Historic Preservation
 - North Downtown Plan
- ❖ Land Use

BCCDC Goals:

- ❖ Create a welcoming, positive environment that encourages new and current businesses and their employees to invest in Bay City with human and financial capital.
- ❖ Continue to invest in the beautification of Bay City through new and existing programs; expanding the reach of our main thoroughfares and side streets.
- ❖ Provide opportunities for education expansion that meet and exceed the needs of our community.
- ❖ Develop and encourage entrepreneurship/leadership in the community.
- ❖ Provide assistance in developing and/or enhancing water, wastewater and street, infrastructure, and housing needs in Bay City.
- ❖ Support the development and enrichment of recreational and tourism opportunities for all citizens of Bay City.
- ❖ Create opportunities to connect residents with resources, support and foster leadership prospects in their efforts to enhance and revitalize their City and neighborhoods.

FY 2020 Business Plans (Objectives)

- Streamline the permitting processes to a One-Stop-Shop for Developers
- Unite local officials in supporting community development
- Develop an incentive package from BCCDC/City/Other entities for developers
- Develop a Regional Drainage Plan
- Assist in reopening Nile Valley Road
- Real Estate Development
- Hire a grant writer
- Provide Façade grants for non-main street businesses
- Develop blighted shopping centers and dilapidated buildings
- Focus on curb appeal programs for HWY 60 and 35
- Expand Wharton County Junior College Campus in Bay City
- Work with schools; pull in the elected and hired officials
- Develop programs that unite the business community with the school system
- Develop, support, and monetize our existing draws/attractions
- Support small recreation businesses

FY 2019 Accomplishments of Prior Year Business Plans

- ✓ Led a strategic planning session that outlined goals for years 2019 and 2020
- ✓ Implemented a façade and beautification grant program for all Bay City businesses
- ✓ Outlined and implemented grant writer for service organizations and schools to utilize at no cost them
- ✓ Commissioned a housing study to identify housing needs
- ✓ Recruited a new shopping center with two restaurants, a gym, spa, etc.
- ✓ Represented BCCDC on a state and federal level by attending state and national conventions, and the Economic Development Institute
- ✓ Organized and updated Bay City's profile for retail recruitment
- ✓ Assisted in securing Ace Hardware, Nana's House of Treats, and McCoy's Building Supply
- ✓ Developed the first Reserve Policy for the Community Development Corporation

Bay City Community Development Corporation (BCCDC) Budget Summary

	<i>Actual FY 2018</i>	<i>Budget FY 2019</i>	<i>YTD FY 2019</i>	<i>Adopted FY 2020</i>
<i>STP Lease Income</i>	75,600	75,600	75,600	75,600
<i>SMBG Lease Income</i>	569,963	600,000	319,963	600,000
<i>MCEDC Lease Income</i>	0	0	0	4,800
<i>Sales Tax Collections</i>	1,431,893	1,425,000	835,271	1,450,000
<i>BDC Income</i>	3,210	4,000	2,140	4,000
<i>Main Street Income</i>	43,091	43,091	32,318	43,091
<i>Interest Income</i>	5,609	5,000	3,739	7,500
<i>Reduction in Grant Obligation</i>	376	0	376	0
<i>Loan Proceeds</i>	979,307	0	979,307	0
<i>TIRZ #1 Income</i>	31,249	0	0	0
<i>TIRZ #2 Income</i>	6,620	30,000	0	150,000
Total Revenue	\$3,159,604	\$2,182,691	\$2,260,594	\$2,334,991
<u>Administrative</u>				
<i>Salaries and Wages</i>	196,000	170,000	102,831	173,500
<i>Other Compensation</i>	1,946	2,350	1,197	2,052
<i>Payroll Taxes</i>	15,143	13,185	7,958	13,273
<i>Unemployment Taxes</i>	600	600	550	250
<i>Retirement Expense</i>	18,416	18,959	9,855	19,311
<i>Workers Compensation</i>	0	850	602	800
<i>Employee Health Insurance</i>	23,968	26,400	7,952	5,000
<i>Travel and Training</i>	2,000	2,500	308	2,500
<i>Postage and Freight</i>	189	300	4	300
<i>General Supplies</i>	2,400	2,400	2,893	2,400
<i>Dues and Subscriptions</i>	3,553	4,150	3,205	5,000
<i>Vehicle Expense</i>	2,607	4,000	1,616	4,000
<i>General Insurance</i>	15,164	12,000	9,394	12,000
<i>Telephone</i>	4,609	5,000	2,827	5,000
<i>Utilities</i>	4,500	4,500	2,105	4,500
<i>Legal and Professional Fees</i>	23,750	19,900	19,350	19,900
<i>Cleaning and Maintenance</i>	5,415	6,000	4,665	6,210
<i>Leaseholder Improvements</i>	0	28,000	27,759	10,000

<i>Continued</i>	<i>Actual FY 2017</i>	<i>Budget FY 2018</i>	<i>Projected FY 2018</i>	<i>Adopted FY 2019</i>
<i>Equipment Rentals</i>	2,414	3,385	26,974	4,600
<i>Building Rental</i>	0	45,000	0	60,000
<i>Printed Materials</i>	1,108	1,500	356	1,500
<i>Advertising</i>	0	2,800	0	0
<i>Business Meals</i>	1,900	1,900	1,926	2,500
<i>Misc. Furniture and Equipment</i>	1,000	10,000	1,620	3,500
<i>Miscellaneous</i>	1,000	1,500	181	1,500
<i>Repairs and Maint. Equipment</i>	240	0	440	0
<i>Principal Payment</i>	279,289	400,978	121,117	417,095
<i>Interest Expense</i>	370,728	449,513	295,915	437,285
<i>Total Administrative</i>	\$978,737	\$1,237,669	\$653,598	\$1,213,976
<u>Prospect Development</u>				
<i>Travel and Training</i>	6,500	6,180	9,741	8,000
<i>Postage and Freight</i>	200	400	0	0
<i>Contracted Services</i>	5,000	10,000	0	7,000
<i>Promotional Items</i>	1,200	1,000	7,299	1,500
<i>Advertising</i>	5,000	8,000	5,258	10,000
<i>Website Development & Maint</i>	0	4,000	0	8,000
<i>Business Meals</i>	3,500	4,120	1,606	3,500
<i>Miscellaneous</i>	500	3,500	0	3,500
<i>Total Prospect Development</i>	\$21,900	\$37,200	\$23,903	\$41,500
<u>Project Expenses</u>				
<i>Mat. Co. Economic Devel. Corp.</i>	70,000	75,000	0	75,000
<i>U of H- Coastal Plains</i>	20,000	0	0	0
<i>Main Street</i>	25,000	25,000	14,233	30,000
<i>Business Assistance Center</i>	10,000	0	0	0
<i>Builders Incentive Program</i>	0	0	0	50,000
<i>Texas Capital Fund Main St.-Sidwalk</i>	0	50,000	50,000	0
<i>City Vision 2040 Plan</i>	10,000	35,000	12,466	35,000
<i>Parks & Recreation Project</i>	70,000	150,000	150,000	0
<i>BR&E Program</i>	0	60,000	60,000	60,000
<i>Grant Writer</i>	0	50,000	0	0
<i>Reserve for Special Projects</i>	0	0	0	400,000
<i>CED Insurance and Maintenance</i>	100,000	190,000	90,705	100,000
<i>Parking Lot</i>	100,000	0	85	5,000
<i>Family Entertainment Center</i>	1,500,000	0	0	0
<i>Total Project Expenses</i>	\$1,905,000	\$635,000	\$377,489	\$755,000
<i>Total BCCDC Expenditures</i>	\$2,905,637	\$1,909,869	\$1,054,990	\$2,010,476

Long-Term Financial Planning

OVERVIEW

The City must take into consideration many different facets when trying to plan for the future. The City's first step was with the adoption of a Vision 2040 Plan in 2014. Next, the City implemented a Five-Year Capital Plan. This was an effort to look at the "big ticket" items and determine what funding sources would be needed for all the planned projects for the next five years. Revenue assumptions were then developed. The City's Strategic Plan updated in 2017 along with the Council's associated goal statements. These statements have provided staff with a future picture of desired outcomes that the staff can continually aim towards. This enabled departmental business plans to be linked to the "big picture."

COMPONENTS OF LONG-TERM PLANNING

Vision, Mission and Strategic Plan

Information on the City's Strategic Plan can be found in the "City Profile" section of this document.

Demographic and Economic Profile

Population

Any discussion of the population of Bay City must recognize the significant long-term transient population of construction workers and others in the community. These individuals are not captured in Census data yet have a significant impact on the community and must be considered in any planning process. With the large number of major projects happening in Bay City, such as the Tenaris construction, outages at STP, etc., this will be a significant issue to address in the planning process.

Table 1 Population Growth

	2000	2010	2020 (estimate)
Bay City	18,593	17,614	17,635
Matagorda County	37,957	36,702	36,954

Source: US Census, ESRI Business Analyst

The population of Bay City and Matagorda County declined slightly between 2000 and 2010 but has shown a rebound since the 2010 Census. The rebound in population is likely due to the resurgence in economic activity and new job opportunities being created in the County.

The population projects below utilize data from two sources, the Texas Water Development Board, and the Texas State Data Center. The Data Center only provides data at the County level; however, population trends within Bay City reflect those of the County overall, so it can be expected that growth within Bay City will mirror that of the County overall. The two different methodologies show fairly similar results, with growth expected to be fairly slow and steady over the next few years.

It is important to recognize that population projections are based on historic trends, and Bay City's population actually declined between 2000 and 2010. This decline has influenced the projections to show slower growth going forward. Given the economic activity happening in Bay City, it is likely that those projections are not reflective of current conditions and that the population can be expected to grow faster than shown. Development pressure will first be visible through the Public Works department, as developers begin submitting plans for new subdivisions, apartments, etc. As these plans come in, City Staff must communicate with the Planning Commission and City Council to update them and ensure proper capital planning is done to address this growth.

Table 2 Population Projection

	2018 (estimate)	2020 Texas State Data Center	2020 Texas Water Development Board	2030 Texas State Data Center	2030 Texas Water Development Board
Bay City	17,624	NA	18,797	NA	19,786
Matagorda County	36,679	37,064	39,166	36,457	41,226

Source: Texas Water Development Board www.twdb.state.tx.gov and Texas State Data Center www.osd.texas.gov

Ethnicity

Bay City is fairly reflective of the State as a whole in terms of diversity. There are a slightly higher percentage of Hispanic and Black residents in the City than the State overall. This does not reflect the transient population of construction workers and others who are in Bay City long term, but not captured by the Census. This transient population will influence the community, despite not being "counted" as part of the population. In Census data, Hispanic is considered an Ethnicity, not a race. This means the numbers below will not add up to 100% as individuals can identify as White and Hispanic, etc.

Table 3 Race and Ethnicity

	Count	Percent
White Alone	16,768	71.8%
Black Alone	3,295	14.1%
American Indian	145	0.6%
Asian	113	0.5%
Pacific Islander	42	0.2%
Other	2,421	10.4%
2 or more Races	585	2.5%
Hispanic (any race)	9,928	42.5%

Source: US Census Bureau www.census.gov

Age

Bay City is a relatively young community, with a median age of 36 years. Nearly 50% of the population is between 25 and 64, which are the prime working years. This is an asset for the community to build on, because it indicates an available workforce for new jobs. It also has implications for the school district, parks and recreation, and other community assets because this is also the prime years for people with families who demand services and amenities in the community.

Table 4 Age

	Count	Percent
0 – 4	1,783	7.6%
5 – 9	1,864	8.0%
10 – 14	1,632	7.0%
15 – 19	1,410	6.0%
20 – 24	1,387	5.9%
25 – 34	3,074	13.2%
35 – 44	2,752	11.8%
45 – 54	2,731	11.7%
55 – 64	3,209	13.7%
65 – 74	2,092	8.9%
75 – 84	929	4.0%
85+	506	2.2%
Median Age	36.0	

Source: U.S. Census Bureau www.census.gov

Income and Employment

The median income in Bay City (\$46,104) is significantly lower than the State (\$47,622) and even the County (\$40,635). This indicates that many of the well-paying jobs in and around Bay City are not held by those living in the City limits. In addition, over 1/3 of Bay City residents make less than \$25,000 per year. This puts a significant strain on public services and is a challenge for the community. It will be important to identify strategies to address this issue and create opportunity for Bay City residents to access local, high paying jobs.

Table 5 Income by Household

	Count	Percent
< \$15,000	1,589	18.3%
\$15,000 - \$24,999	873	10.1%
\$25,000 - \$34,999	914	10.6%
\$35,000 - \$49,999	1,280	14.8%
\$50,000 - \$74,999	1,433	16.6%
\$75,000 - \$99,999	1,034	12.0%
\$100,000 - \$149,999	1,016	11.7%
\$150,000 or more	513	5.9%
Median Household Income	\$46,104	

Source: U.S. Census Bureau www.census.gov

One of the reasons for the low income in Bay City can be found in the table below. Nearly 70% of the jobs in the City Limits are in the Retail and Service industry, which typically has low wages. While there has been tremendous success in economic development within Matagorda County, residents of Bay City have not seen as much benefit from this as would be hoped. It will be critical going forward for the City to continue working to develop the local workforce to compete for the new jobs being created in the region.

Table6 Employment by Sector

	Business Count	Business Percent	Employee Count	Employee Percent
Total, All Industries	1,102	100%	6,101	100%
Agricultural & Mining	61	5.5%	244	4.0%
Construction	54	4.9%	130	2.1%
Manufacturing	26	2.4%	173	2.9%
Transportation	23	2.1%	136	2.2%
Communication	8	0.7%	97	1.6%
Utility	4	0.4%	253	4.1%
Wholesale Trade	47	4.3%	253	4.1%
Retail Trade	218	19.8%	1,572	25.8%
Finance, Insurance, Real Estate	106	9.6%	345	5.7%
Services	526	47.7%	2,622	43.0%
Government	29	2.6%	462	7.6%

Source: ESRI Business Analyst

Housing

Housing is a tremendous challenge for many communities, especially those with characteristics like Bay City. With the population decline between 2000 and 2010, there was a decrease in available homes (8,035 in 2000 vs. 7,856 in 2010 per US Census). In addition, builders will be hesitant to build in a community with a history of population decline because it indicates there will not be a market for their properties. Bay City has taken a proactive approach to encourage housing development and is working with developers to encourage new building. This has shown success in several new projects breaking ground in the area.

Given the large transient population in Bay City, it will be important to work with apartment developers and RV Park developers to address this demand for longer-term housing other than hotels. This is a challenge to address because many residents are resistant to developments of this type, and developers are often wary of making significant investments because the population is not stable. It will be a challenge to meet the demand for this type of housing; however, it is an opportunity for the City.

An area of concern is the lack of homes for sale. Potential new residents may not be able to find suitable homes available in their price range and decide to look elsewhere. Another issue is the large number of "Other" vacant homes. These represent homes that are unoccupied, but not for sale or rent. These may be homes that have been abandoned, held in trusts, or other issues. There needs to be a focus on ensuring these homes are maintained and do not become sources of blight in the community. Code Enforcement should prioritize these properties for attention.

Table 7 2010 Housing Occupancy

	Count	Percent
Total	7,856	100%
Occupied	6,648	84.6%
Owner	3,523	44.8%
Renter	3,125	39.8%
Vacant	1,208	15.4%
For Rent	594	7.6%
Rented- Not Occupied	16	0.2%
For Sale Only	65	0.8%
Sold- Not Occupied	20	0.3%
Seasonal Use	68	0.9%
Migrant Workers	2	0.0%
Other	443	5.6%

Source: 2010 US Census

The majority of homes in Bay City are single family (63.1%). Bay City is fortunate to have a significant percentage of multi-family homes; however, the low vacancy rates means there are few available for potential residents. The City should continue to focus on developing a diversity of housing options, both multi and single family to ensure adequate opportunities for potential residents. This data comes from the American Community Survey, which is a statistical survey rather than actual count like the US Census. This is why the numbers in this table are different from the other housing data.

Table 8 2013-2017 Housing Units per Structure

	Count	Percent
Total	11,905	100%
1, Detached	7,510	63.1%
1, attached	154	1.3%
2	121	1.0%
3 to 4	444	3.7%
5 to 9	1,073	9.0%
10 to 19	520	4.4%
20 or More	271	2.3%
Mobile Home	1,750	14.7%
Boat, RV, Van, Etc.	62	0.5%

Source: US Census Bureau www.census.gov

With a median value of \$105,500, a median priced home would be within reach of a family making the median income; however, without a significant down payment, the monthly payment might be a struggle. Also, given the limited number of homes available, it may be difficult for a potential resident to find a suitable home in their price range.

Table 9 Housing Values for Owner Occupied Units

	Count	Percent
Total	5,0008	100%
<\$50,000	1,065	21.3%
\$50,000 - \$99,999	1,314	26.2%
\$100,000 - \$149,999	959	19.1%
\$150,000 - \$199,999	703	14.0%
\$200,000 - \$299,999	605	12.1%
\$300,000 - \$499,999	299	6.0%
\$500,000 - \$999,999	47	0.9%
> \$1,000,000	16	0.3%
Median Value	\$105,500	

Source: U.S. Census Bureau www.census.gov

Education

Over 23% of Bay City residents do not have a high school diploma. This presents a tremendous challenge in creating quality jobs because there is not a skilled workforce to recruit from. This low education attainment is reflected in the low household income discussed earlier.

Addressing the educational attainment and skills of the local workforce is a key challenge for Bay City. There is work underway, through the partnership with Wharton County Junior College; however, much more needs to be done to get local residents at least a high school equivalency so they can be prepared for the new jobs being created in Matagorda County.

Table 10 Educational Attainment 25 years+

	Count	Percent
Total Pop 25+	15,293	100%
Less than 9th grade	1,999	13.1%
Some HS, no diploma	1,609	10.5%
HS Degree	4,608	30.1%
Some College	3,897	25.5%
Associates Degree	870	5.7%
Bachelor's Degree	1,721	11.3%
Graduate degree	589	3.9%

Source: US Census Bureau www.census.gov

Taxes

The majority of funding for local governments comes from property taxes and sales tax. Property taxes are collected by a number of entities, with the City, County, and School District being the primary drivers. In addition, there are a number of special districts that collect taxes in all or part of the County. These districts provide specific services and collect taxes to be used within that district's boundaries on approved projects. Table 11 provides an overview of the taxing districts and the basic rate. Specific information on exemptions, etc. can be found at the County Appraisal website.

Table 12 Property Tax Rates and Entities 2018 (most recent available on CAD site)

	Rate / \$100
City of Bay City	0.65500
City of Palacios	0.85351
Matagorda County	0.41758
Bay City ISD	1.55222
Boling ISD	1.04000
Matagorda ISD	1.13541
Palacios ISD	1.13500
Tidehaven ISD	1.22275
Van Vleck ISD	1.25325
Matagorda County Hospital District	0.32159
Port of Bay City Authority	0.05389
Matagorda County Nav District #1	0.04533
Matagorda County Consv. & Recl. District	0.00765

Source: Matagorda County CAD

The Sales Tax in Bay City is the State maximum of 8.25 percent. Of this, 6.25 percent goes to the State of Texas, 1.0 percent goes to the City, 0.5 percent for property tax relief, and 0.5 percent is for economic development.

The economic downturn of 2008 resulted in a significant drop in gross sales and sales tax collection in Bay City. While there has been a rebound in the gross sales, the level of sales subject to sales tax has not returned to the same level as in 2008. As the City continues to rebound and see more retail and service growth, this revenue will continue to increase and return to the levels seen prior to the recession.

Table 12 Gross Retail Sales

	Gross Sales	Amount Subject to Sales Tax
2008	\$1,129,330,892	\$206,250,221
2009	\$886,306,707	\$168,627,904
2010	\$1,054,681,190	\$165,389,889
2011	\$1,267,010,937	\$180,724,866
2012	\$1,195,880,273	\$188,777,615
2013- Through 3rd Qtr.	\$913,418,235	\$140,552,454

Hotel and Motel Taxes

Hotels, motels, and bed and breakfast establishments are levied a Hotel/Motel tax. This tax is intended to be used on projects that will put “heads in beds”, which means projects need to promote tourism in the community. This can include marketing, festivals and events, and similar projects. In the fourth quarter of 2018, Bay City had 20 properties reporting for the Hotel/Motel tax, totaling 837 rooms and \$1,774,297.84 in taxable receipts. Bay City hotels and motels are full, and many of their occupants are long term. Companies renting blocks of rooms for employees to be in the area for extended periods of time.

Conclusion

Bay City is a community in transition. After a period of stagnation, there is significant change happening, with tremendous opportunity for growth. New jobs and new opportunities are being created in the area, and this plan will allow the City to harness that opportunity for the betterment of its residents. The population is changing, and it will be important to address those changes and ensure future community development meets the needs of current and future residents.

Park/Building Amenities

Park	Address	Acreage	Designation	Parking	BBQ Pits	Ball Fields	Basketball	Boat Dock	Camping		Community Building	Concession Stand	Disc Golf	Dog Park	Fishing	Gazebo	Memorial Site	Horseshoe Pits	Lake	Laundry	Pavilion	Picnic Areas	Playground	Pool	Restrooms	River Access	Shade Structure	Showers	Skate Park	Tennis	Trail	Undeveloped	Volleyball	
									RV	Tent																								
Amistad Ave. I	1708 Avenue C	4.14	NP	SP	x	PF	x														1	x	x		x									
Bay Ridge	1221 Bay Ridge	1.90	NP	SP																			x											
Barkway	1701 Avenue H	1.50	DP	x										x												2								
Caboose	Gusman Avenue																																	
Chateaux Oaks	301/307 La Bradford	0.17	NP	SP			x																x									x		
City Field	3212/3220 Ave E	4.40	CP	x	S																			x										
Community	2900 Rugeley	9.16	CP	x	LL							x											x	x	x									
Duncan	612 Duncan	2.19	NP	x	x		x											x					x	x	x							x		
Frahms Field	1000 Whitson		NP	x		S						x													x									
Girls Softball	M and Grace	12.00	NP	SP	x	SB						x													x									
Gusman	Gusman Avenue Esplanade																x																	
Train Depot	2620 Avenue G	0.25	CB/HS	x																														
Hardeman	600 12th Street	23.23	CP	x		FB																			x									
Henderson	1205/1219 Moore	1.03	NP/HS				x										x									2								
Highland	1302 Highland Drive	0.42	PP	SP																			x	x										
Hilliard Pool	3020 Le Tulie	0.82	P	x								x											x	x	x									
Le Tulie	1135 S Hwy 35	63.12	RP	x	x								x		x			x					x	x	x								x	
Liberty	2004 6th Street	0.52	PP	SP													x																	
Little League Fields	1220 Avenue M	12.00	NP	x		LL						x													x									
Mary Wilhers	2611 6th Street	1.03	NP	x																													x	
McDonald Acres	Esplanade	0.50	PP																														x	
Riverside	7330 Highway 2668	100.15	RP	x	x			x	40	34								x																x
USO Building	2105 Avenue M	1.03	CB	x								x																						
Southern Pacific Trail	Nichols - Cottonwood	.3 mile	Trail																															x
Sports Complex	2414 FM 3156	46.91	CP	x		SB	x																											x
Valiant	2624 16th Street	3.08	P	x																														x
Recycling Park	1812 Ave. H	0.96	NP																															x

Key:		CB	Community Building	P	Pool	T	Trail
CP	Community Park	PF	Practice Field				
DP	Dog Park	PP	Pocket Park				
FB	Football	RP	Regional Park				
HS	Historic Site	S	Soccer				
LL	Little League	SB	Softball				
NP	Neighborhood Park	SP	Street Parking				

Acronyms

A/P	Accounts Payable
ACH	Automated Clearing House
AMI	Advanced Metering Infrastructure
BCCDC	Bay City Community Development Corporation
BCISD	Bay City Independent School District
BCLA	Bay City Library Association
BCPD	Bay City Police Department
BCPL	Bay City Public Library
CAFR	Comprehensive Annual Financial Report (Audit)
CDBG	Community Development Block Grant
CIP	Capital Improvement Plan
C.O.	Certificates of Obligation
COG	Council of Governments
CTRA	Central Texas Recycling Association
CVB	Convention and Visitors Bureau
CY	Cubic Yard
ED	Economic Development
EAC	Economic Action Committee
EPA	Environmental Protection Agency
FAA	Federal Aviation Administration
FASB	Financial Accounting Standards Board
FICA	Federal Insurance Contribution Act
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAFR	Governmental Accounting, Auditing and Financial Reporting
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board
GF	General Fund
GFOA	Government Finance Officers Association
GIS	Geographical Information Systems
G.O.	General Obligation
H-GAC	Houston-Galveston Area Council

HOT – Hotel Occupancy Tax

HR – Human Resources

HRS – Hours

I & S – Interest and Sinking

ISO- Insurance Service Office

IT – Information Technology

LCRA- Lower Colorado River Authority

LED- Light Emitting Diode

LF – Linear Foot

MCAD- Matagorda County Appraisal District

M & O- Maintenance and Operations

MIU- Metering Interface Units

MSB- Municipal Services Building

PSI- Pounds per Square Inch

RAMP- Repair and Maintenance Program

RFP – Request for Proposal

RFQ – Request for Qualifications

ROW – Right of Way

RV – Recreational Vehicle

SCADA – System Control and Data Acquisition

TCCA- Texas Court Clerk Association

TCEQ – Texas Commission on Environmental Quality

TCF- Texas Capital Fund

TIF- Tax Increment Financing

TIRZ- Tax Increment Reinvestment Zone

TML – Texas Municipal League

TMRS – Texas Municipal Retirement System

TWC – Texas Workforce Commission

TXDOT – Texas Department of Transportation

USO- United Service Organization

VVISED- Van Vleck Independent School District

WCA- Waste Corporation of America

WWTP – Wastewater Treatment Plant

Glossary of Terms

Accrual Basis

The basis of accounting where transactions are recognized when they occur, regardless of the timing of related cash flows.

Ad Valorem Taxes

Commonly referred to as property taxes. Charges levied on all property, real personal, mixed tangible, intangible, annexations, additions and improvements to property located within the taxing unit's jurisdiction. These levies are based on the property's assessed value and the tax rate.

Appropriation

An authorization made by the legislative body to make expenditures and incur obligations for the City.

Assessed Value

A value that is established on real estate or other property as a basis for levying property taxes.

Asset

Resources owned or held which have monetary value that can be used to cover or be applied to cover liabilities.

Audit

A comprehensive review of an organization's financial accounts and records and the utilization of resources. An annual audit is conducted by a certified public accountant who concludes the audit with a Comprehensive Annual Financial Report also referred to as a CAFR.

Balanced Budget

Annual financial plan in which expenses do not exceed revenues and carry-over fund balance.

Basis of Accounting

The method of accounting used to recognize revenues, expenses, expenditures and transfers, and the related assets and liabilities.

Bond

A written promise to pay a specified sum of money (principal) at a specified date or dates in the future (maturity date), and carrying interest at a specified rate, usually paid periodically. The most common types of bonds are general obligation and revenue bonds. Bonds are frequently used for construction of large capital projects such as buildings, streets, and water and sewer improvements.

Budget

A financial plan for a specified period of time of projected resources and proposed expenditures.

Budget Calendar

A schedule of key dates that the City follows in the preparation and adoption of the City's budget.

Budget Year

From October 1st through September 30th, is the same as the fiscal year.

CAFR

Comprehensive Annual Financial Report.

Capital Outlay

Expenditures that result in the acquisition of or addition to fixed assets.

Capital Program

A five-year plan that outlines the capital projects and includes information regarding funding, project description and scheduling.

Cash Basis

A basis of accounting under which transactions are recorded when cash is received or disbursed.

Certificate of Obligation (CO's)

Legal debt instruments used to finance capital improvement projects. CO's are backed by the credit of the government entity and are fully payable from a property tax levy. CO's differ from general obligation debt in that they are approved by the City Council and are not voter approved.

Contingency

An appropriation reserve set aside for emergencies or unforeseen expenditures not budgeted.

Current Taxes

Taxes that are levied and due within the current year.

Debt Service Fund

A fund established to account for payment of principal and interest on outstanding bonds when due.

Delinquent Taxes

Property taxes that remain unpaid on and after the due date. Delinquent taxes also incur penalties and interest at specified rates set by law.

Department

A functional group aimed at accomplishing a major service or program using related activities.

Depreciation

The allocation of the cost of a fixed asset over the estimated service life of that asset.

Division

A division is a separately budgeted segment of the department.

Effectiveness

A program performance indicator that measures the quality of the program outputs.

Effective Tax Rate

The rate that produced the same effect in terms of the total amount of taxes last year using the assessed valuation in the current year.

Encumbrance

Appropriated funds committed to purchase a good or service that has not been performed or executed. After the receipt or performance of goods or service the commitment becomes an account payable.

Enterprise Fund

A fund that operates like a business with the intent that the costs of providing the services will be recovered through user charges such as water and sewer charges.

Expenditure

This term refers to total funds paid or to be paid for an asset or goods or services regardless whether the expense has been paid or unpaid.

Expense

Charges incurred, whether paid or unpaid, for operation, maintenance, interest or other charges within the current period.

Fiscal Year

The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Bay City has specified the fiscal year as beginning October 1 and ending September 30.

Fixed Assets

Assets of a long-term character which are intended to be held or used, such as buildings, machinery, furniture, equipment and land.

Full-Time

The 40 hours per week that constitutes a regular full-time position.

Fund

Separate accounting entities with their own resources, budgets and accounts for recording all financing transactions for specific activities or government functions.

Fund Balance

The difference between fund assets and fund liabilities, excess being a surplus and a shortfall being a deficit.

GAAP

General Accepted Accounting Principles.

General Fund

The fund used to account for all financial resources and activities except for those required to be in another fund.

General Obligation Bonds

Voter approved bonds that finance a variety of public projects such as streets, buildings, and capital improvements. The Debt Service Fund is usually used to service and pay the debt issued. These bonds are backed by the full faith and credit of the City.

Goals

Generalized statements of where an organization desires to be at some future time with regard to certain operating elements. (e.g. financial conditions, service levels provided, etc.)

Grants

Contributions or gifts of cash or other assets from another government or entity to be used for a specific purpose, activity or facility.

Interfund Transfers

Amounts transferred from one fund to another.

Infrastructure

Substructure or underlying foundation of the City. (E.g. streets, utility lines, water and wastewater treatment facilities, etc.)

Liaison

The contact or connection maintained by communications between any organization to ensure concerted action, cooperation, etc.

Legal Debt Margin

Actual amount of tax-secured debt service at the end of the fiscal year.

Legal Debt Service Limit

The assessed value of the tax roll multiplied by the limit on amount designated for debt service per \$100 assessed valuation

Modified Accrual Basis

This method of accounting recognizes revenues when they are measurable and available and expenditures when goods or services are received the exception being principal and interest on long-term debt which are generally recognized when due.

Operating Budget

A plan of current year financing activities including expenditures and the proposed means of funding them.

Ordinance

A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

Policy

A plan, course of action, or guiding principle, designed to set parameters for decisions and actions.

Property Tax

Taxes that are levied on both real and personal property according to the property's assessed valuation and tax rate.

Reserve

An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is therefore, not available for general appropriation.

Retained Earnings

An equity account reflecting the accumulated earnings of a proprietary, or enterprise fund, or internal service fund.

Revenue

Funds received as income. It includes such items as tax payments, fees from specific services, fines, interest income, franchise fees, etc.

Revenue Bonds

Bonds for which principal and interest are paid from an Enterprise or Proprietary Fund.

Sales Tax

A general “sales tax” is levied on all persons and businesses selling merchandise within the City limits on retail items.

SCADA

Supervisory and Control Data Acquisition.

Special Revenue Funds

Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. (e.g. Hotel/Motel)

Strategic Plan

A collectively supported vision of the City’s future including observations regarding the potential effects of various operating decisions.

Tax Base

Certified by the Tax Appraisal District the total taxable value of all real and personal property within the City as of January 1st of each year.

Tax Levy

The product of the tax rate per one hundred dollars multiplied by the tax base.

Tax Rate

The amount of tax levied against each \$100 of taxable value.

Tax Roll

The official list showing the amount of taxes levied against each taxpayer or property.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed by the government for the common benefit of the public it serves.

Unencumbered Balance

The amount of an appropriation that is neither expended nor encumbered. It is the amount of money still available for future purchases.

Working Capital

The excess of current assets over current liabilities.

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CONTRIBUTORS

Financial Consultants and Editors

Robert K. Nelson

Mayor

Scotty Jones

Finance Director

Jennifer Leverett

Senior Accountant

Page Design and Typography

Jennifer Leverett

Photography

Photos submitted by Various Departments

CITY OF BAY CITY

1901 Fifth Street

Bay City, Texas 77414

979-245-2137

www.cityofbaycity.org



CITY OF BAY CITY
WWW.CITYOFBAYCITY.ORG