

Adopted Annual Budget FY



2019



CITY OF BAY CITY
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CITY OF BAY CITY

**1901 Fifth Street
Bay City, Texas 77414
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www.cityofbaycity.org

CITY OF BAY CITY, TEXAS

ANNUAL OPERATING BUDGET

FOR FISCAL YEAR 2019

This budget will raise more revenue from property taxes than last year's budget by \$269,971, which is a 5.08 % increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$179,294.

City Council Voted on September 13, 2018

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 Mark Bricker*	Not Voting	Not Voting	Not Voting
Mayor Pro-Tem Chrystal Folse	X	X	X
Julie Estlinbaum	X	X	X
William Cornman	X	X	X
Becca Sitz	X	X	X
Jason Childers	X	X	X

*Note: Mayor Mark Bricker only votes in the event of a tie.

Tax Rate Information	Adopted FY 2018	Adopted FY 2019
Property Tax Rate	.65500	.65500
Effective Rate	.57798	.64044
Effective M&O Tax Rate	.46567	.50693
Debt Rate	.14401	.14462
Rollback Tax Rate	.66075	.70548

Debt service requirements for the City of Bay City are currently \$.14462 of the current **adopted** property tax rate of **\$.6550**. The City has eight outstanding debt issues. At the end of Fiscal Year 2019, outstanding general obligation bond and certificates of obligation bonds will be \$18,540,000 however only \$10,598,083 is currently supported by property taxes.

2018 Debt Service Requirement to be paid by property taxes \$1,234,127. See Debt rate (.14462) requirement above.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Bay City
Texas**

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morill

Executive Director

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, 2017**. 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.

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 divided into the following twelve (12) sections:

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.

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, Donation, 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.

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

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BUDGET MESSAGE





Mayor and Council Members
City of Bay City

Dear Citizens,

“Things don’t happen, they are made to happen.” - President John F. Kennedy.

Having had the privilege to serve as Mayor for the past eight years, my goal has been to create an environment in which City Council, city employees, and myself are motivated to improve the city we call home. The FY 2019 budget lays out the path for improvements that enhance the quality of life for the citizens of Bay City.



City departments, including Administration, Public Works, Utilities, Parks & Recreation, Finance, Police Department, and Fire are skillfully funded to assist in projects that will improve infrastructure throughout the City.

The Comprehensive Plan (Bay City Vision 2040) and a five-year Capital Improvement Plan reflects the elected officials and City Staff’s commitment to the City and facilitates an environment that will provide for continuous improvement for the citizens.

Please accept the FY 2019 budget as an integral component as the City is inclined to become a more progressive and sustainable place to live. In the spirit of productivity let us continue to develop a partnership that drives our prosperity to be the pillar of our great community.

Mark Bricker
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 2019 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 2019 Objectives set by the Mayor and City Council. 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 2019 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 2019 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 .9 miles of streets- Nichols Avenue, Thierr Drive, Gontier Drive, and Holly Lane.
- Installed 2 blocks new drainage pipe and cleaned 35 blocks of ditches in various locations
- Overlaid 2,500 linear feet of streets by in-house crews
- Demolished three substandard properties
- Constructed new pavilions at Henderson Park
- Added murals at Hardeman Skate Park
- Replaced roofs on pavilions and shop at Riverside Park
- Installed new roofs at various city locations
- Added a new restroom at LeTulle Park (West Side)
- Added trees on Southern Pacific right-of-way
- Completed engineering to replace Airfield lighting & Upgrade to Jet Fuel System
- Completed design services for the Texas Theater of Art's Center
- Adopted Parks Master Plan

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 2019 recommends no increase to the property tax rate. However, it does support an increase in property tax revenue and an increase in water, sewer and garbage rates. The City-Wide Budget totals \$27,239,000. Of this amount, \$15,031,000 is estimated for the operations and maintenance of the General Fund (4% increase from prior year), \$1,832,000 for the Debt Service Fund, \$8,855,000 for the Public Utility Fund (15% increase from prior year), and \$642,000 for the Airport Fund (61% increase from prior year). Within these budgets are capital costs of approximately \$8.7 million to fund equipment and major public improvement projects. Capital costs account for most of the variances over 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 six Special Revenue Funds. The Hotel/Motel Tax Fund totals \$879,000. 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.
2. 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.
3. The City's fund balance is below the 90 days (25%) operating reserve and was 9.82 % by fiscal year end 2017. 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 3 to 4-year period. The reserves are anticipated to be near 13% by fiscal year end 2018.
4. The City's legal costs have continued to be high as compared to surrounding cities and other cities our size, however some of this is due to special litigation (non-routine).
5. Available road materials were recently depleted; therefore the City will have to purchase its own material (\$70,000).
6. 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.
7. 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 \$350,000 in operational cost per year. In addition, the pools need major repairs. The City recently replaced the Library's roof (\$103,000) through issuance of a tax note.
8. 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 2019 to replace the boat ramp.

How City Addressed Challenges

The FY 2019 Proposed Budget utilizes business plans that were developed in support of the City's **Vision 2040 and 2019 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 sales tax revenue helped the City to provide a minimum cost of living increase (2.5%) to help maintain a quality workforce.
- The City increased property tax revenue to maintain service levels and build fund balance by \$500,000.
- The City staff negotiated down over \$50,000 in medical premiums from original proposals.
- The Bay City Gas Company increased their level of contribution for Fiscal Year 2019 by \$50,000. These dollars will be dedicated to street rehabilitation (\$400,000).
- 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 \$27,239,000, up \$1,249,000 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 2.5% or \$130,000.
- Fund Balance- This budget increases fund balance by \$500,000 in the General Fund.
- Capital Additions- Machinery and Equipment in General Fund (\$267,000), Utility Fund (\$448,000), Airport Fund (\$11,000), and Hotel Motel Fund (\$150,000)
- Capital Projects- General Fund: appropriated \$1,500,000 to reconstruct various streets, \$894,000 to reconstruct sidewalks, \$330,728 to build a new recycling center, and \$50,000 to replace a roof at Riverside Park
- Capital Projects- Hotel Motel Fund: appropriated \$150,000 towards rehabilitation of the City's Theatre of Arts Center
- Capital Projects- Utility Fund: appropriated \$2,400,000 for water and sewer line replacement along East Hwy 60; \$308,000 for water line replacement along South Highway 60 North; \$698,000 for improvements to the Katy Water Plant; and \$400,000 for engineering for 5th Street waterline project
- Capital Projects- Airport Fund: appropriated \$923,000 for Airfield Lighting project and \$320,000 for T-Hanger Rebuild

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 2018. 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.

Mark Bricker, 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





From left to right: Councilman Jason Childers, Councilwoman Julie Estlinbaum, Mayor Mark Bricker, Councilwoman Chrystal Folse, Councilwoman Becca Sitz and Councilman William "Bill" Cornman.

ELECTED OFFICIALS

The City has a home-rule Council-Mayor 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 Thursday at 7:00 p.m.

The Mayor presides at council meetings and is the Chief Executive Officer of the City. The Mayor is also 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 2019**



Mayor Bricker



Councilwoman Estlinbaum
Position 1



Councilman Cornman
Position 2



Councilwoman Folse
Position 3



Councilwoman Sitz
Position 4



Councilman Childers
Position 5

Official	Title	Years of Service	Term Expires
Mark Bricker	Mayor	8	2019
Julie Estlinbaum	Councilwoman Position 1	6	2020
William "Bill" Cornman	Councilman Position 2	6	2020
Chrystal Folse	Councilwoman Position 3	5	2019
Becca Sitz	Councilwoman Position 4	1	2019
Jason Childers	Councilman Position 5	1	2019

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

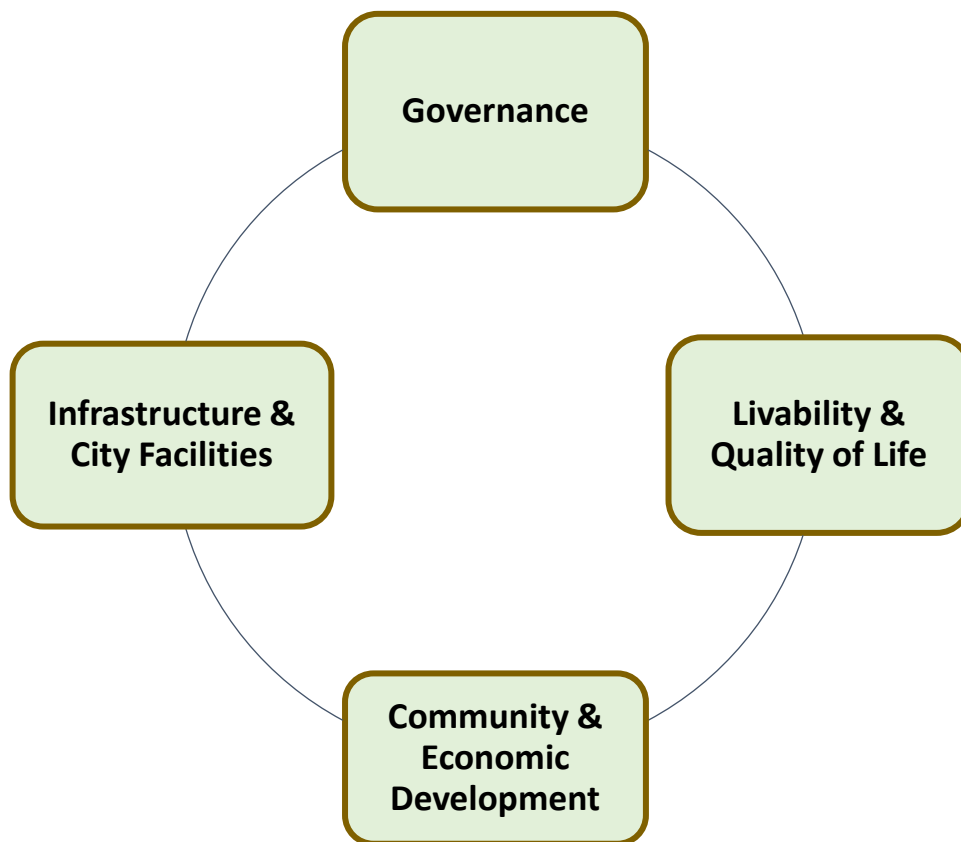
Vision

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 2019 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 2019 Budget, each department has outlined a description of services and aligned themselves with the City's Vision 2040 Plan along with Council's 2019 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 (2019 Focus)**
- **Communication (2019 Focus)**

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

Fiscal Year 2019 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
- Establish a clear policy on Council liaison appointments, roles, and responsibilities

City Secretary Department

- Implement new agenda software to enhance citizen engagement
- Develop a City Council Public Comment Guide

Human Resource Department

- Improve the applicant recruiting effort
- Improve the culture of service in all city departments- "How may I help improve our town today?"

Municipal Court Department

- Schedule more opportunities for reaching the youth of our community with powerful messages, speaker, and information about distracted and impaired driving.

Finance Department

- Assist in efficiency improvements (annual contracts, cost benefit analysis)
- Revamp the Finance Department on City's website

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

- Organize community programs such as Youth Explorers

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

INFRASTRUCTURE & CITY FACILITIES

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

*Fiscal Year 2019 Departmental Business Plans (Objectives)***Administrative Council**

- Establish and implement plans for a walkable City (sidewalk connectivity plan)
- Implement a masonry ordinance providing for a more sustainable building model for future commercial buildings

Main Street

- Support the Texas Theatre Project

Public Safety Departments

- Police Department roof replacement

Public Works Departments (Streets and Utility Departments)

- Establish a street overlay, repair and maintenance program
- Establish a sidewalk program to install two-city blocks of new or replacement sidewalk annually with in-house crews
- Water and sewer line improvement projects

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 2019 Departmental Business Plans (Objectives)***Administrative Council**

- Develop and tree and landscaping ordinance to aid in preservation of historic trees and improve overall city appearance

Main Street Department

- Grow CamoFest
- Award Façade Grants
- 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 2019 Departmental Business Plans (Objectives)***Parks Department**

- Implement Parks Master Plan (Build into capital plan)

CITY OFFICIALS

FY 2019

Elected Offices

Mark A. Bricker

Mayor

Division Directors

Scotty Jones

Finance Director

David Holubec

City Secretary

Rhonda Clegg

Human Resources Director

Barry Calhoun

Director of Public Works

Robert Lister

Police Chief

Suzan Thompson

Municipal Court Judge- Appointed

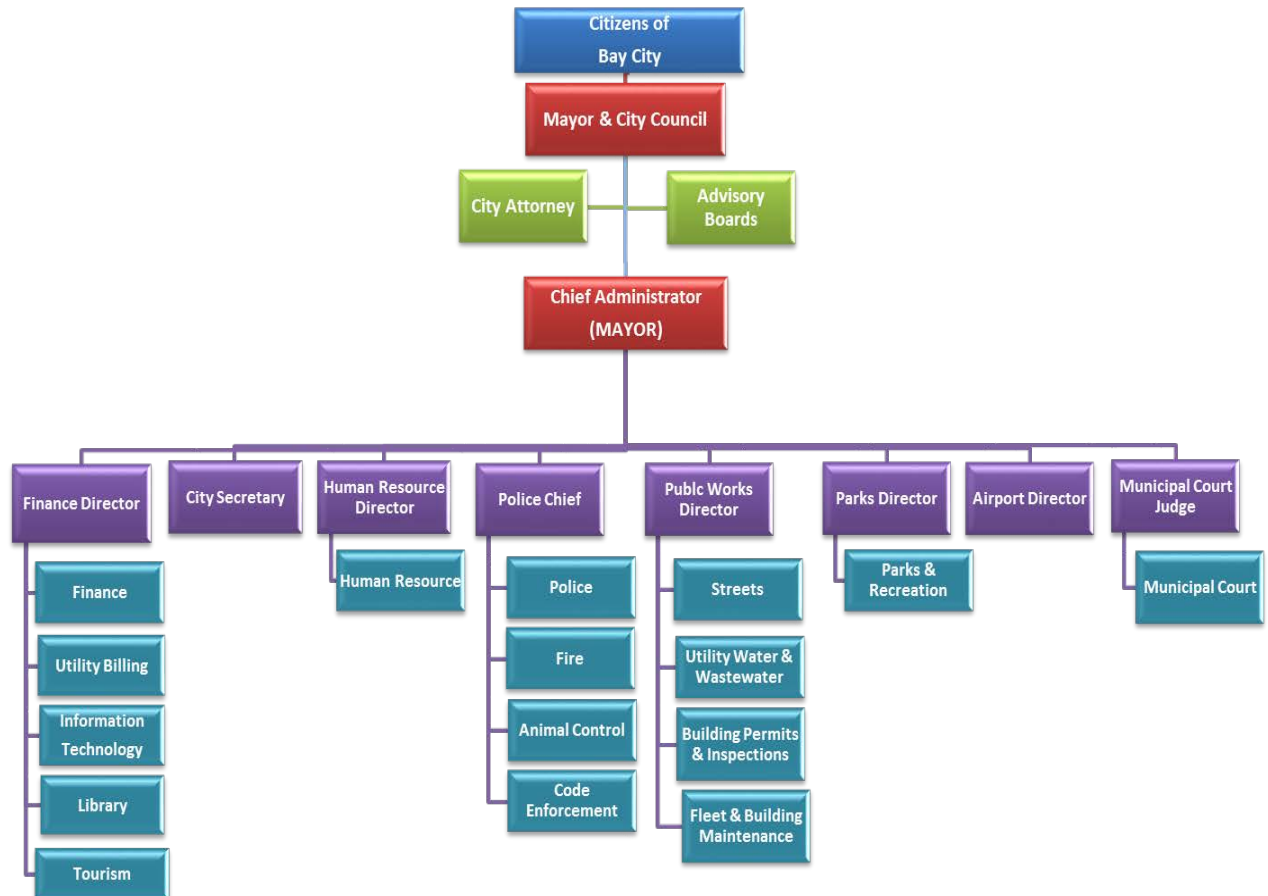
Shawn Blackburn

Parks & Recreation Director

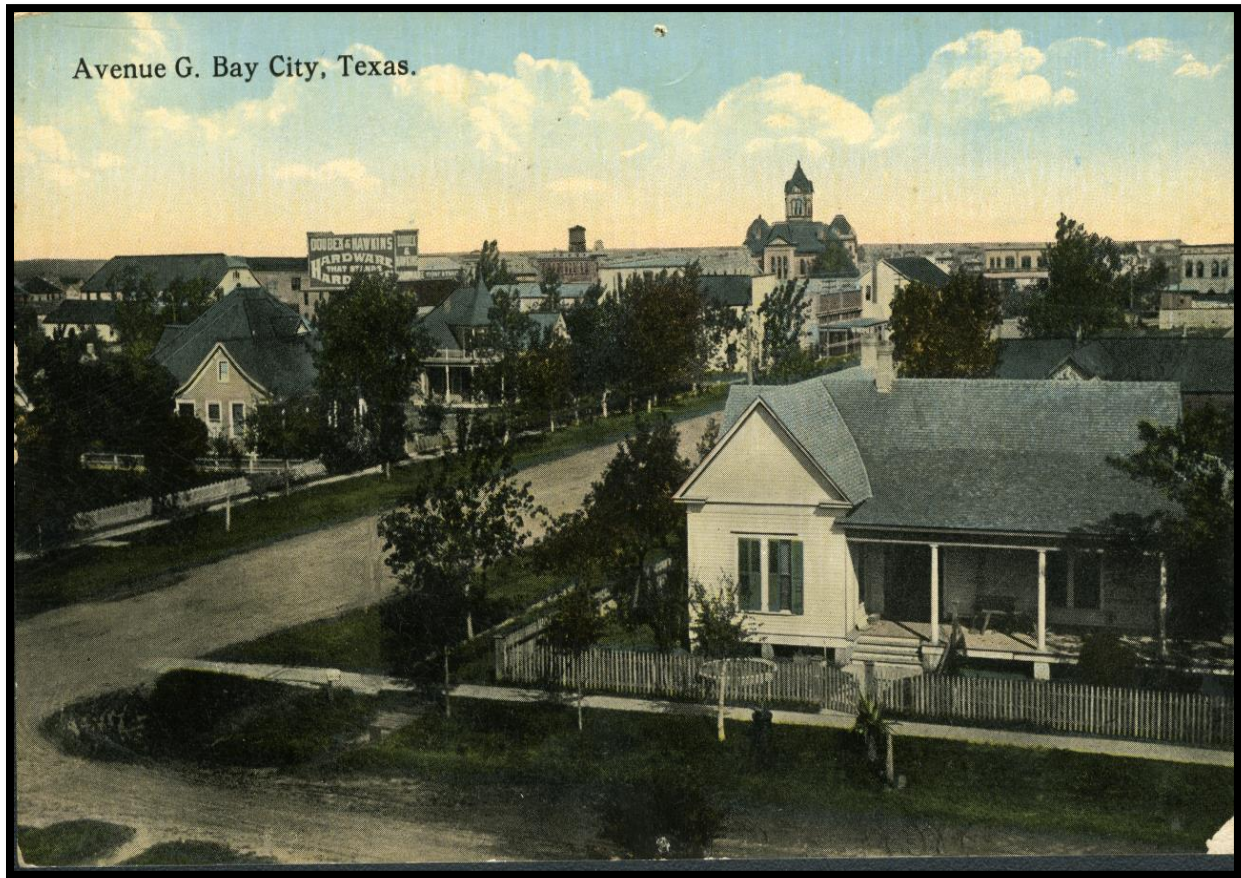
James Mason

Airport Manager





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.

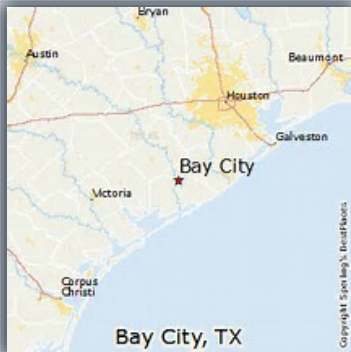
In 1916, as revolution developed in Mexico, a company of men from the community served on the border. The town grew slowly during World War I and reached a population of 3,454 by 1920. Bay City was regularly flooded by the Colorado River until levees and dams were built along the river in 1924. The population 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

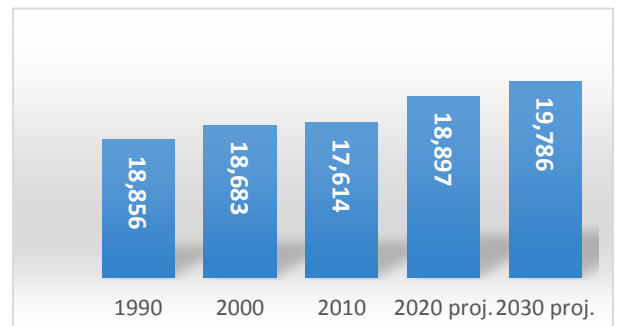


Location

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.



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, Homes Elementary and Roberts Elementary School; one Sixth through Eighth grade middle school; Bay City Jr. High serves the Seventh and Eighth grades; Bay City High School serves the Ninth through Twelfth grades. Bay City also has a college campus, Wharton County Junior College, which focuses on technical training and nuclear plant operations.



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 responds to all animal calls in conjunction with our Animal Impound.

Utilities

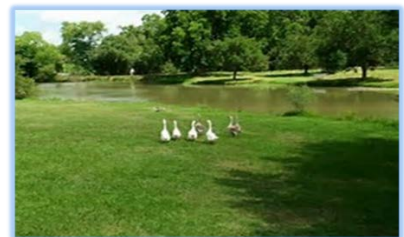
The City of Bay City owns and operates its own water, wastewater and gas which is operated by the Bay City Gas Company. Sanitation services have been contracted out to WCA. Currently, the City has approx. 6,100 water and sewer customers, whether it be residential or commercial. Average daily water consumption (millions) is 1.563 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, 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
Market Days	Every 3 rd Saturday
Christmas in the Park	Annual
CamoFest	Annual
Sparks in the Park	Annual (4 th of July)

CITY OF BAY CITY, TEXAS*DEMOGRAPHIC AND ECONOMIC STATISTICS**(UNAUDITED)**Last ten fiscal years*

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(4) Personal Income</u>	<u>(1) Per Capita Personal Income</u>	<u>(1) Median Age</u>	<u>(2) School Enrollment</u>	<u>(3) Unemployment Rate</u>
2008	19,735	\$ 588,684,295	\$ 29,829	32	4,140	7.0%
2009	18,667	568,335,482	30,446	32	4,140	11.2%
2010	17,614	N/A	21,773	33	3,797	11.2%
2011	17,663	N/A	21,773	33	3,772	11.6%
2012	17,663	N/A	22,000	33	3,770	10.1%
2013	17,476	N/A	22,000	33	3,860	9.80%
2014	17,509	N/A	35,426	38	3,735	8.30%
2015	17,368	N/A	37,324	38	3,755	6.80%
2016	17,598	N/A	39,111	39	3,725	7.00%
2017	17,809	N/A	39,090	37	3,571	7.40%

NOTES: The unemployment rates are a twelve-month average from October through September.

N/A denotes information not available

SOURCES: (1) US Dept of Labor, Bureau of Labor Statistics

(2) Bay City Independent School District

(3) Texas Workforce Commission

(4) County Information Program, Tx Assoc of Counties

CITY OF BAY CITY, TEXAS*PRINCIPAL EMPLOYERS**(UNAUDITED)**Current Year and Five Years Ago*

2017	
<u>Employer</u>	<u>Employees</u>
South Texas Project (STP)	1,189
Bay City ISD	548
Matagorda County General Hospital	428
Tenaris	400
Matagorda County	250
OXEA	181
Lyondell	150
City of Bay City	157
H.E.B.	250
Walmart	100
	<u>3,653</u>

2012	
<u>Employer</u>	<u>Employees</u>
South Texas Project (STP)	1,200
Bay City ISD	820
Walmart	305
Matagorda County General Hospital	300
H.E.B.	250
Lyondell	220
Valerus	188
City of Bay City	175
OXEA	140
Henderson	26
	<u>3,624</u>

NOTES: Information for nine years ago was not readily available.

BUDGET SUMMARIES



Budgetary Fund Structure

Combined Budget Overview

Changes in Fund Balances / Working Capital

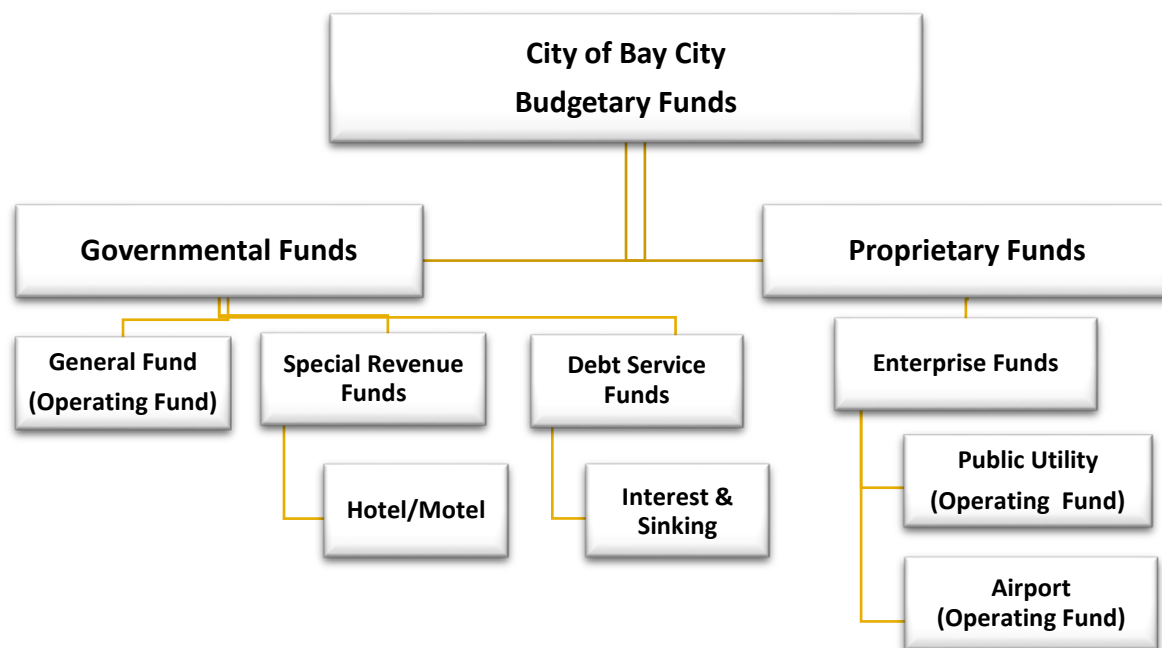
**Combined Revenue and Expenditure
Summary**



This section depicts the “big picture” of City wide revenue and expenditure, reflects the changes in fund balance or working capital for each budgeted fund, and provides 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 2019 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.



Combined Budget Overview

The FY 2019 budget for all appropriated funds totals \$27,239,000 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 2019 Budget by Funds as it compares to the prior year.

	Budget FY 2018	Adopted Budget FY 2019	Variance	Variance By %
General Fund	14,518,000	15,031,000	583,000	4%
Interest & Sinking Fund	1,784,000	1,832,000	48,000	3%
Public Utility Fund	7,721,000	8,855,000	1,134,000	15%
Airport Fund	505,000	642,000	136,500	27%
Hotel/Motel Fund	1,567,000	879,000	-688,000	-44%
Total Budget	26,095,000	27,239,000	1,143,000	4%



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 10-1-18	Budgeted Revenue FY 2019	Budgeted Expenditures FY 2019	Ending Fund Balance/ Working Capital 9-30-19
General Fund	1,763,000	15,031,000	(15,031,000)	1,763,000
Interest & Sinking Fund	199,330	1,832,000	(1,832,000)	199,330
Utility Fund	3,166,423	8,855,000	(8,855,000)	3,166,423
Airport Fund	72,256	642,000	(642,000)	72,256
Hotel Occupancy Tax Fund	518,200	879,000	(879,000)	518,200
Total Fund Balance/Working Capital	5,719,209	27,239,000	(27,239,000)	5,719,209

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 10-1-18	1,763,000	199,330	3,166,423	72,256	518,200
Reserve Policy (90 days)	(3,045,989)	0	(1,829,060)	0	0
Reserves Used-Capital Projects	0	0	0	(57,500)	0
Reserves Used- Balance Budget*	0	0	(1,076,000)	0	0
Budgeted Depreciation** Build Reserve	500,000	0	0	0	0
Target Reserve Over/Under	(1,206,194)	199,330	261,363	14,756	518,200

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 10-1-18	Revenues & Transfers In	Expenditures & Transfer Out	Revenue Over/(Under)	Projected Ending Balance
*General Fund	1,763,000	15,031,000	(14,531,000)	500,000	2,263,000
Internal Service Funds:					
Information Technology Fund	0	590,000	(590,000)	0	0
Maintenance Fund	0	600,000	(600,000)	0	0
Special Revenue Funds:					
Donation Fund	50,000	0	(25,000)	(25,000)	25,000
*Hotel Occupancy Tax Fund	518,200	879,000	(879,000)	0	518,200
Police Forfeiture Fund	54,276	0	(10,000)	(10,000)	44,276
MC Court Technology Fund	30,000	5000	(10,000)	(5,000)	25,000
TIRZ District # 1	0	65,000	(65,000)	0	0
TIRZ District # 2	0	157,000	(157,000)	0	0
TIRZ District # 3	0	0	0	0	0
MC Building Security Fund	35,000	4,000	(5,000)	(1,000)	34,000
Enterprise Funds:					
*Utility Fund	3,166,423	7,779,000	(8,855,000)	(1,076,000)	2,090,423
*Airport Fund	72,256	584,500	(642,000)	(57,500)	14,756
*Debt Service Fund	199,330	1,832,000	(1,832,000)	0	199,330
Total Fund Balance/Working Capital	5,888,485	27,526,500	(28,201,000)	(674,500)	5,213,985

*Budgetary Funds

Fund	Projected Beginning Balance	Revenues & Transfers In	Expenditures & Transfers Out
General Fund - 11	1,763,000	15,031,000	14,531,000
Internal Service Funds:			
Information Technology Fund - 81	-	590,000	590,000
Maintenance Fund - 82	-	600,000	600,000
Subtotal	-	1,190,000	1,190,000
Special Revenue funds			
Donation Fund - 21			

BUDGET SUMMARIES

	50,000	-	25,000
Civic & Cultural Fund - 25	518,200	879,000	879,000
Police Forfeiture Fund - 24	54,276	-	10,000
Municipal Court Technology Fund - 29	30,000	5,000	10,000
TIRZ District #1	-	65,000	65,000
TIRZ District #2	-	157,000	157,000
Municipal Court Building Security Fund - 27	35,000	4,000	5,000
Subtotal	687,476	1,110,000	1,151,000
Enterprise Funds:			
Utility Fund			
Utility General 61	3,166,423	7,779,000	8,855,000
Subtotal	3,166,423	7,779,000	8,855,000
Airport Fund - 64	72,256	584,500	642,000
Subtotal	72,256	584,500	642,000
Debt Service Fund - Fund 80	199,330	1,832,000	1,832,000
Subtotal	199,330	1,832,000	1,832,000
GRAND TOTAL	\$ 5,888,485	\$ 27,526,500	\$ 28,201,000



Combined Revenue and Expenditures Summary

	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	% Change Budget FY 2018 to Adopted FY 2019
Funding Sources						
Property Tax	4,579,535	4,703,256	5,457,192	5,454,209	5,695,810	4.37%
Sales and Use Tax	4,100,512	4,334,905	4,152,500	4,334,618	4,313,000	3.87%
Franchise Tax	1,155,180	1,127,475	1,265,000	1,259,000	1,274,500	0.75%
Hotel/Motel Tax	654,420	806,471	725,000	800,000	800,000	10.34%
Licenses and Permits	250,852	154,409	181,500	398,000	180,500	-0.55%
Charges for Services	9,128,388	9,662,600	9,838,000	9,824,640	10,037,000	2.02%
Fines & Penalties	466,398	431,622	473,500	388,150	378,000	-20.17%
Other Revenues/ Sources	1,212,332	1,328,839	700,707	987,096	179,249	-74.42%
Miscellaneous	2,583,276	185,880	2,043,751	1,226,160	2,794,016	35.71%
Intergovernmental	3,961,348	2,209,803	1,258,350	2,251,834	1,586,925	26.11%
Total Revenues &	28,092,240	24,945,261	26,095,000	26,923,707	27,239,000	4.38%
Transfers						
Expenditures						

BUDGET SUMMARIES

General Government	4,628,360	4,219,358	3,928,962	3,940,926	4,508,505	14.75%
Streets	3,424,211	3,241,311	3,337,075	3,816,235	3,624,832	8.62%
Public Safety	4,938,374	5,077,197	5,015,868	4,889,964	4,823,850	-3.83%
Parks & Recreation	1,832,542	1,789,980	2,236,095	1,932,415	2,073,813	-7.26%
Water & Sewer	8,826,749	8,052,151	7,721,000	7,072,484	8,855,000	14.69%
Airport	588,538	707,869	505,500	505,363	642,000	27.00%
Hotel Motel	657,825	756,247	1,567,000	1,076,320	879,000	-43.91%
Interest & Sinking	1,828,803	1,786,697	1,784,000	1,786,935	1,832,000	2.69%
Total Expenditures & Transfers	26,725,402	25,630,811	26,095,000	25,020,642	27,239,000	4.38%
Net Revenue (Expenditures)	1,366,838	-685,550	0	1,903,065	0	

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

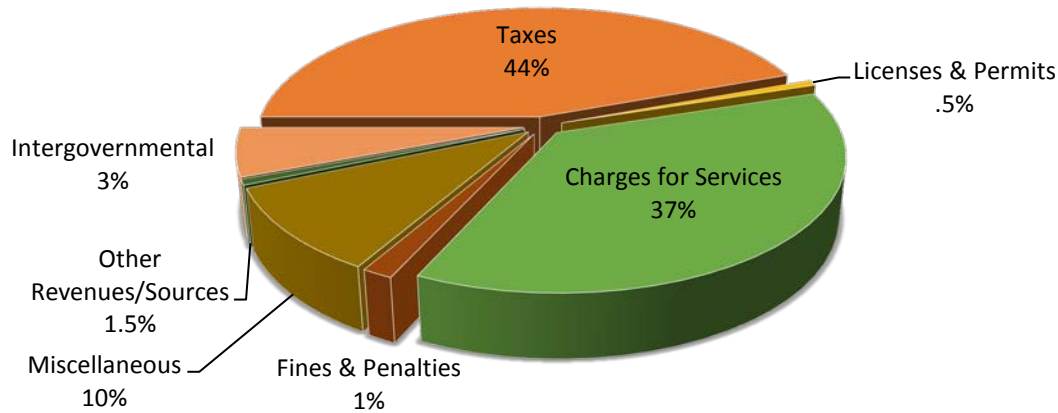
City Wide Revenue

The FY 2019 budgeted revenues total \$27,239,000, which is above \$1,143,500 from prior year FY 2018 budget. The use of reserves to fund prior year capital projects and debt service attributes for this decrease. The largest revenue source fund is taxes which represents 44% 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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Taxes (Property, Sales, Franchise, Hotel/Motel)	10,489,646	10,972,108	11,599,692	11,847,827	12,083,310
Licenses & Permits	250,852	154,409	181,500	398,000	180,500
Charges for Services	9,128,388	9,662,600	9,838,000	9,824,640	10,037,000
Fines & Penalties	466,398	431,622	473,500	388,150	403,000
Miscellaneous	2,583,276	1,328,839	2,043,751	1,226,160	2,794,016
Other Revenues/ Sources	1,212,332	185,880	700,707	987,096	179,249
Intergovernmental	3,961,348	2,209,803	1,258,350	2,251,834	1,586,925

Total Revenue	28,092,240	24,945,261	25,095,000	26,923,707	27,239,000
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Where do we get our dollars?



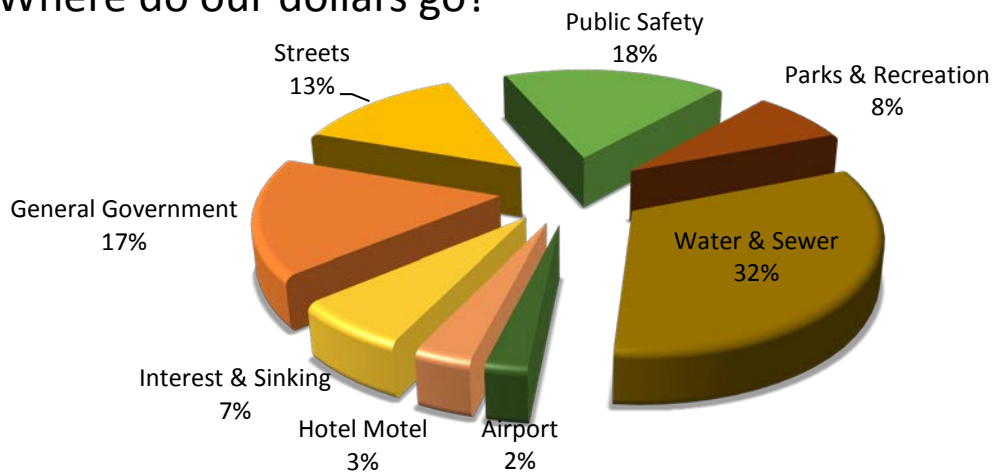
City Wide Expenditures

The FY 2019 budgeted expenditures total \$27,239,000, which is up \$1,143,500 over FY 2018 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 \$500,000.

By Object (Operational Funds)	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
General Government	4,628,360	4,219,358	3,928,962	3,940,926	4,508,505
Streets	3,424,211	3,241,311	3,337,075	3,816,235	3,624,832
Public Safety	4,938,374	5,077,197	5,015,868	4,889,964	4,823,850
Parks & Recreation	1,832,542	1,789,980	2,236,095	1,932,415	2,073,813
Water & Sewer	8,826,749	8,052,151	7,721,000	7,072,484	8,855,000
Airport	588,538	707,869	505,500	505,363	642,000
Hotel Motel	657,825	756,247	1,567,000	1,076,320	879,000

Interest & Sinking	1,828,803	1,786,697	1,784,000	1,786,935	1,832,000
Total Expenditures	26,725,402	25,630,811	26,095,500	25,020,642	27,239,000

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 2019 fiscal year. This tax supports operations such as police services, fire protection, streets, park maintenance and code enforcement. 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 2019	Prior Year FY 2018	Variance	Variance
Certified Taxable Value (2018 Tax Roll)	857,099,643	809,313,073	47,786,570	5.90%
Certified Taxable Value (Excludes TIRZ)	853,346,147	809,313,073	44,033,074	5.44%

* The City approved a \$10,000 exemption for all Bay City citizens over the age of 65.

Certified taxable property valuations provided to the City by the MCAD on July 20, 2018 totaled \$857,099,643 - an increase of 5.9% over prior year. For the Fiscal Year 2019 budget, the **adopted budget** will raise more property taxes than last year's budget by \$269,971 (5.08%). The City Council adopted a tax rate of .6550/\$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 2019 Budget ²
Debt Service Funds:				
Various Debt Service	.1446	22.08%	1,234,127	1,234,127
Total Debt Service (Required)	<u>.1446</u>	<u>22.08%</u>	<u>1,234,127</u>	<u>1,234,127</u>
General Fund:				
Operation and Maintenance	<u>.5104</u>	<u>77.92%</u>	<u>4,355,290</u>	<u>4,268,184</u>
Total	<u>.6550</u>	<u>100.00%</u>	<u>5,589,417</u>	<u>5,502,311</u>

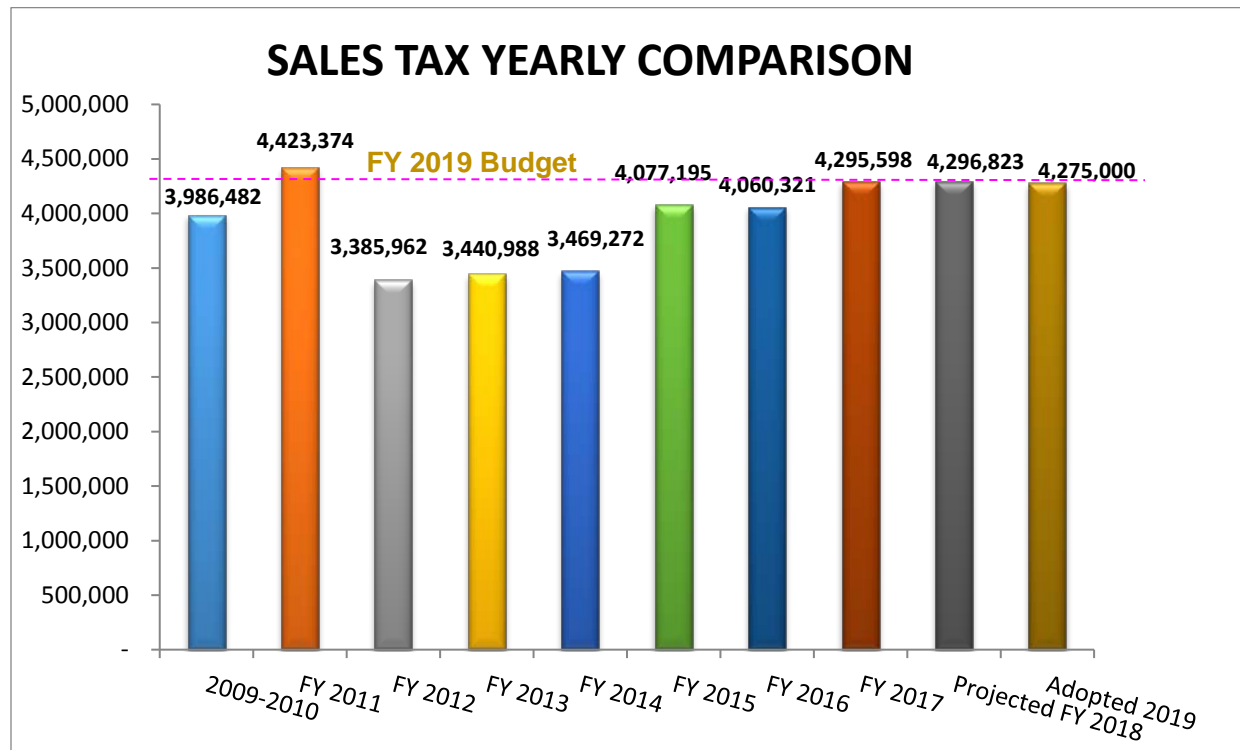
¹ **Gross levy**-anticipates 100% collection rate; ² **Budget** anticipates 100% collection rate in debt service and 98% collection rate in General Fund Operations and Maintenance Budget.

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 **28%** 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 **8%** 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 **\$1,274,500** 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 \$466,500. 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 **\$801,812**.

- Interlocal agreement with Matagorda County for library services- \$200,000
- Interlocal agreement with Matagorda County for animal impound- \$72,812
- Agreement with the Bay City Gas Company- \$400,000
- Agreement with Bay City Community Development Corporation- \$125,000
- 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.

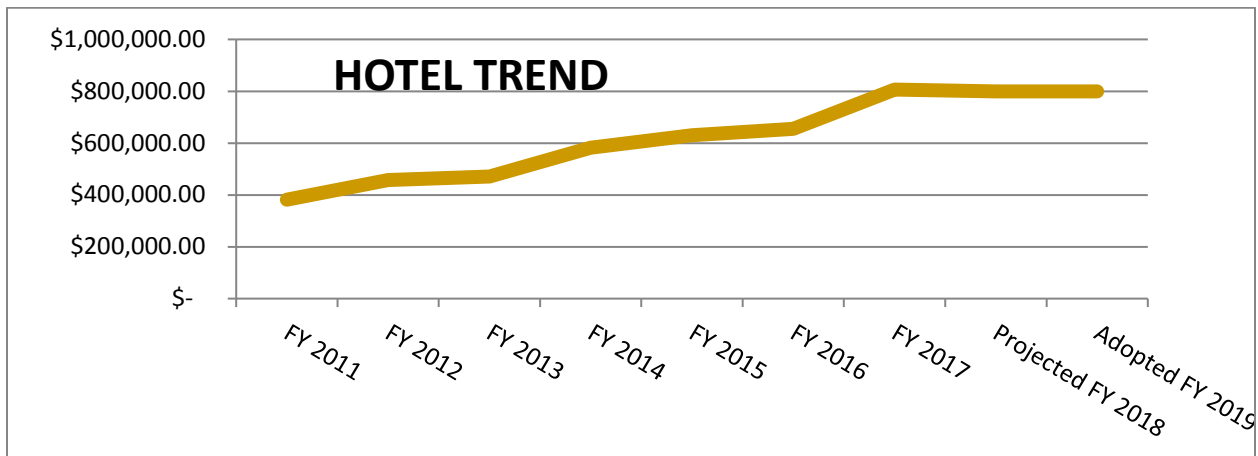
- Transfer in from Public Utility Fund to recover administrative fees- \$466,500
- Transfer in from Hotel Motel Fund to recover costs related to Main Street- \$48,000

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 \$800,000.



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, 2017**. 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 (\$178,500) are the largest user fees in this fund and are estimated to be **\$273,500**, or **43%** of total budget. The General Fund subsidizes this fund by approximately \$250,000. 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 **37%** of citywide revenue.

Less than **16%** of the General Fund revenue comes from service fees (sanitation fees). However, this is **86%** 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 2019 budgeted revenues for the City totaled \$27,239,000. This is up \$1,143,500 or **4%** more than prior year's budget. This is attributable to funding various capital projects with reserves.



GENERAL FUND

Revenue

Expenditures

Department Summaries

Administrative Council

City Secretary

City General

Main Street

Human Resources

Municipal Court

Finance

Police

Animal Control

Fire

Street & Bridge

Recycling Center

Parks

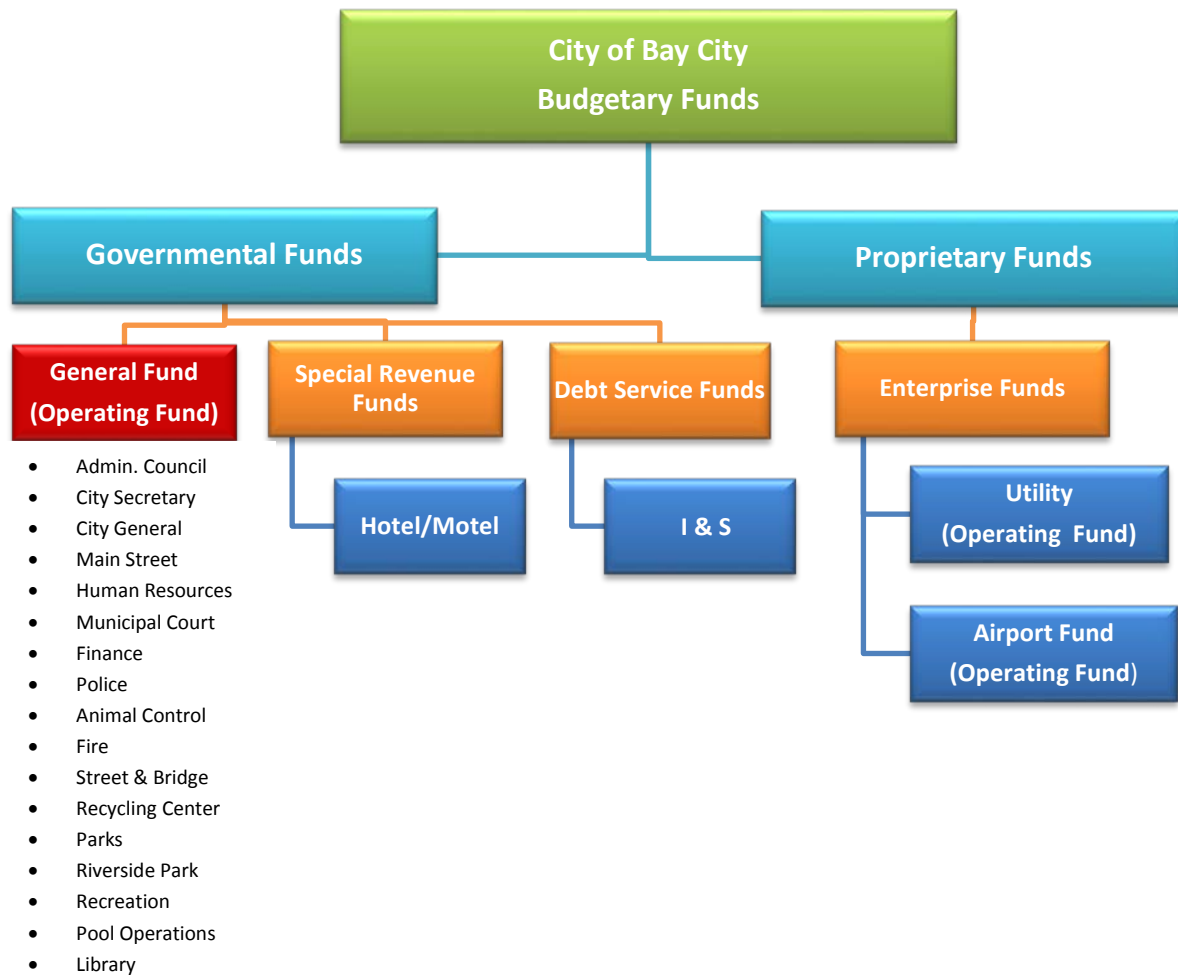
Riverside Park

Recreation

Pool Operations

Library





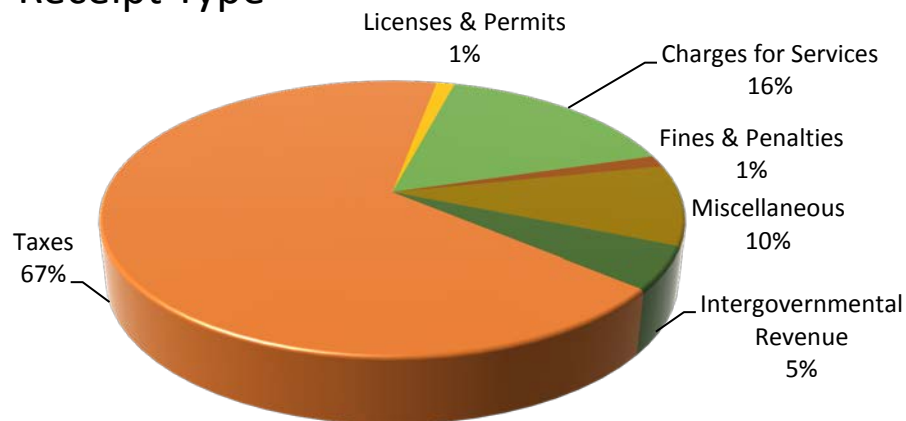
The General Fund is the general operating fund of the City. It is used to account for all financial resources accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating 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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	Variance
Taxes	9,014,242	9,283,293	9,685,449	9,855,008	10,047,184	361,735
Licenses & Permits	250,852	154,409	181,500	398,000	180,500	-1,000
Charges for Services	2,176,457	2,380,790	2,316,000	2,374,000	2,443,000	127,000
Fines & Penalties	277,226	257,791	283,500	198,915	203,000	-80,500
Miscellaneous	1,211,679	972,817	997,751	933,615	1,415,516	417,765
Intergovernmental Rev.	834,193	657,974	513,800	513,800	741,800	228,000
Other Revenues/Sources	-	-	540,000	817,000	-	-540,000
Total Revenue	13,764,649	13,707,074	14,518,000	15,090,338	15,031,000	513,000

Revenue by Receipt Type



Largest Revenue Sources	Budget FY 2018	% Of Total FY 2018 General Fund Budget	Adopted FY 2019	% Of Total FY 2019 General Fund Budget	Variance
Property Taxes	4,267,949	31%	4,459,684	30%	191,735
Sales Tax	4,117,500	30%	4,275,000	28%	157,500
Franchise Fees	1,265,000	9%	1,274,500	8%	9,500
Total	9,650,449	70%	10,047,184	66%	358,735

Note: Excludes consideration of Intergovernmental Revenue or Transfers from Enterprise Funds for administrative fees

General Fund Revenue Detail

General Fund Revenues	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Taxes					
Property Taxes Collections	3,553,624	3,660,706	4,061,449	4,062,000	4,268,184
Delinquent Taxes	126,122	86,974	130,000	124,590	120,000
Tax Overpayments	3,455	609	1,500	3,075	1,500
Property Taxes- P&I Fees	75,349	72,624	75,000	71,725	70,000
State Sales Tax	2,714,355	2,856,164	2,745,000	2,864,000	2,850,000
State Mixed Drink Tax	40,191	39,307	35,000	38,618	38,000
Franchise Tax	683,654	682,475	680,000	678,000	680,000
Enterprise Franchise Fee	356,977	445,000	463,000	463,000	466,500
Waste Collection Franchise	114,550	-	122,000	118,000	128,000
State Sales Tax- Tax Relief	1,345,965	1,439,434	1,372,500	1,432,000	1,425,000
Total Taxes	9,014,243	9,283,293	9,685,449	9,855,008	10,047,184
Licenses & Permits					
Alcohol Beverage Permit	4,748	3,598	4,500	4,000	3,500
Building Permits	240,871	144,901	175,000	390,000	175,000
Misc. Inspection Fee- Code Enf.	1,000	1,670	1,000	1,000	1,000
Plat Filing Fees	4,233	4,240	1,000	3,000	1,000
Total Licenses & Permits	250,851	154,409	181,500	398,000	180,500
Charges for Services					
Sanitation Fees	2,176,457	2,380,790	2,316,000	2,374,000	2,443,000
Total Charges for Services	2,176,457	2,380,790	2,316,000	2,374,000	2,443,000
Fines & Penalties					
Court Fines	243,906	226,999	250,500	175,000	175,000
Warrant Fines-Collected	17,963	16,622	17,000	11,430	17,000
Arrest Fees	884	699	1,000	1,000	500
Juvenile Case Management	8,005	7,793	8,000	7,230	7,000
Library Fines	6,468	5,678	7,000	4,255	3,500
Total Fines & Penalties	277,226	257,791	283,500	198,915	203,000

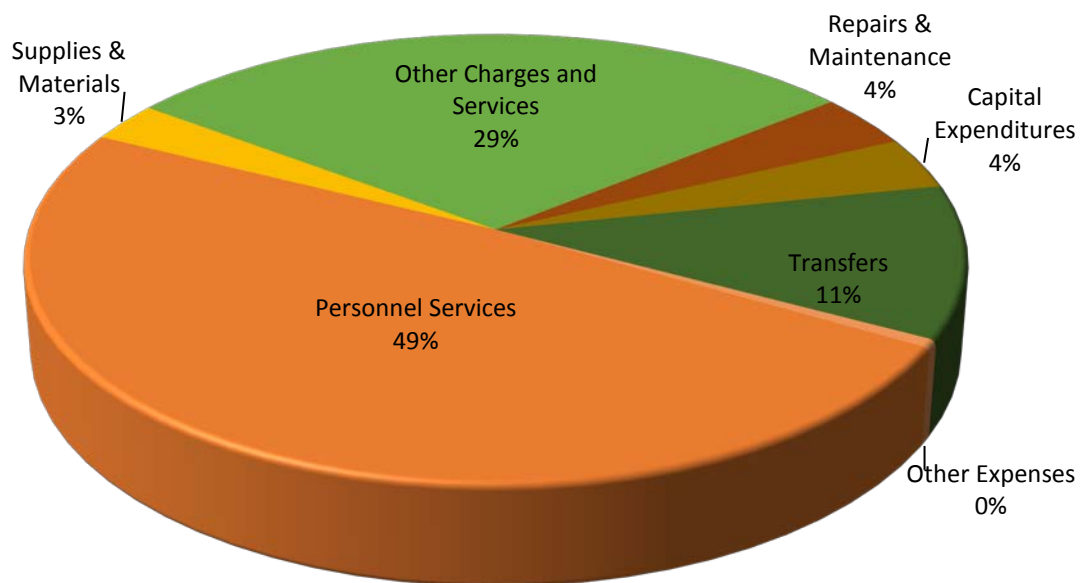
GENERAL FUND

General Fund Revenues (Continued)	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Miscellaneous					
Interest Income	2,803	7,467	2,500	22,000	15,000
Liens	5,736	5,873	500	3,500	500
Building Demolitions	5,837	-	500	800	500
Rental Proceeds	76,320	64,034	12,000	20,550	18,000
Recycling Center	23,008	32,348	22,000	30,800	24,000
Royalties	143	-	-	-	-
PD Grants and Special Rev.	53,990	64,550	57,000	48,350	55,000
Grants- Various Sources	3,609	893	-	-	314,780
Law Enforcement Education	3,002	3,181	3,000	4,000	4,000
Parks- Rental Income	14,960	16,170	15,000	15,500	15,000
Rec Programs	31,154	27,037	23,900	23,750	25,000
Riverside- RV Rentals	-	54,850	65,000	-	50,000
Riverside Park Fees	74,183	20,935	25,000	-	7,500
Service Center Fees	7,411	1,331	5,000	3,591	5,000
Donations	1,552	15,927	10,000	350	-
BCISD- Pool Renovation	16,000	-	-	-	-
County- Animal Impound %	50,853	84,856	72,085	70,000	72,812
County- Library Funding	200,000	200,000	200,000	200,000	200,000
Animal Impound- Donations	255	433	-	300	-
Animal Impound- Fees	6,370	6,175	6,500	5,000	5,000
Suspense Account	-5,665	-	-	-	-
Insurance Claims	10,125	17,973	-	4,500	-
Gain on Disposal of Assets	24,264	7,812	-	-	-
Other Income- From Gas Co.	366,000	166,000	350,000	350,000	400,000
Other Income- Police	9,912	6,035	7,766	16,000	5,924
Other Income- BCCDC	-	70,000	70,000	69,624	125,000
Other Income	229,855	98,937	50,000	45,000	72,500
Prior Year Fund Balance	-	-	-	-	-
Total Miscellaneous	1,211,679	972,817	997,751	933,615	1,415,516
Intergovernmental Revenue					
Transfer from FD 25	31,866	57,564	50,800	50,800	48,000
Transfer from Utility	666,903	464,986	463,000	463,000	668,800
Transfer from Fund 21	-	-	-	-	25,000
Transfer- Library	135,424	135,424	-	-	-
Total Intergovernmental	934,193	657,974	513,800	513,800	741,800
Other Revenues/Sources					
Other Financing Sources	-	-	540,000	817,000	-
Total Other Revenues/Sources	-	-	540,000	817,000	-
Total General Fund Revenue	13,764,649	13,707,074	14,518,000	15,090,338	15,031,000

General Fund Expenditures by Function

Expenses by Function	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	Variance
Personnel Services	6,863,733	7,253,703	7,332,570	7,272,319	7,362,761	33,691
Supplies & Materials	439,085	368,903	459,574	433,796	423,550	-36,024
Charges and Services	3,877,625	4,017,313	3,720,814	3,723,847	4,374,084	647,270
Repairs & Maint.	678,653	422,957	562,000	481,785	574,200	14,700
Capital Expenditures	700,923	278,035	727,000	1,007,751	556,780	-257,720
Transfers	2,088,183	1,843,146	1,623,542	1,580,542	1,654,625	31,083
Debt Service	69,598	53,226	-	-	-	-
Other Expenses	105,688	90,564	92,500	79,500	85,000	80,000
Total Expenditures	14,823,488	14,327,847	14,518,000	14,579,540	15,031,000	513,000

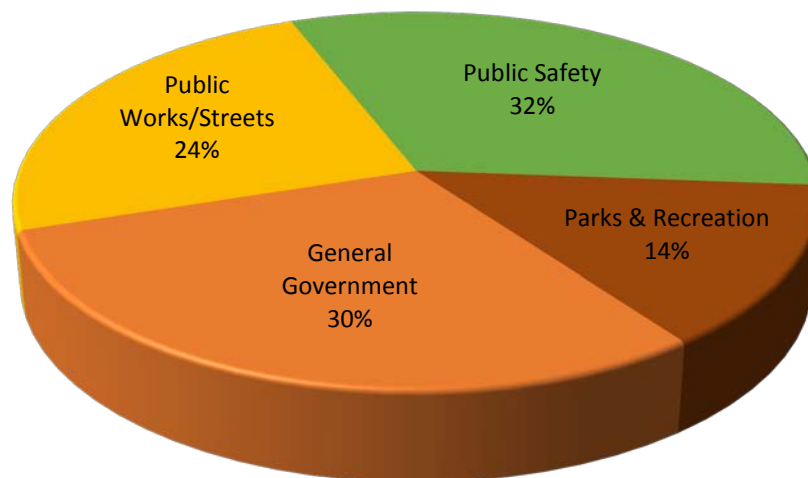
Expenditures by Function



General Fund Expenditures by Department

Department	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	Variance	%
City Secretary	327,107	309,841	141,451	153,480	148,949	7,498	5%
City General Services	3,485,696	2,987,097	2,665,540	2,681,592	3,208,449	542,909	20%
Admin. Council	266,736	279,602	206,205	206,005	207,580	1,375	1%
Main Street	42,104	56,291	50,800	61,425	55,800	5,000	10%
Personnel Resources	-	-	238,202	237,175	246,623	8,421	0%
Municipal Court	288,033	280,761	308,019	291,168	318,522	10,503	3%
Finance	218,685	305,766	318,745	310,081	322,582	3,837	1%
Police	4,605,984	4,726,125	4,666,840	4,488,812	4,463,977	-202,863	-4%
Animal Impound	148,928	160,868	163,830	159,246	165,482	1,652	1%
Fire	183,461	190,205	185,198	241,906	194,391	9,193	5%
Public Works/Streets	3,185,747	3,099,644	3,177,046	3,673,000	3,230,327	53,281	2%
Recycling Center	238,464	141,667	160,029	143,235	394,505	234,476	147%
Parks & Recreation	823,928	892,934	929,937	869,751	1,015,961	86,024	9%
Riverside Park	225,555	156,740	223,300	190,500	273,517	50,217	22%
Recreational Programs	147,989	97,946	100,012	87,995	94,186	-5,826	-6%
Pool Operations	224,492	191,286	296,096	266,000	266,681	-29,415	-10%
Library	410,578	451,075	686,750	518,169	423,468	-263,282	-38%
Total Expenditures	14,823,488	14,327,847	14,518,000	14,579,540	15,031,000	513,000	4%

Expenditures by Department



Departmental Summaries

ADMINISTRATIVE COUNCIL

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

2019 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 (2019 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 2019 Business Plans (Objectives)

- Continue to encourage the adoption of a Masonry ordinance.
- Pass the Tree and Landscaping Ordinance to aid in the preservation of historic trees and improve the overall appearance of the City.
- Conduct regular staff trainings to further educate directors and staff on team building, customer service and efficient task completion.
- Continue to improve the transparency and communication between the community and local law enforcement, fire and public works departments.
- Consistently implement Bay City Works and Vision 2040 plans that incorporate the Mayor and City Council's goals for creating a downtown that is inviting to tourists and accommodating to pedestrians.
- Conduct an annual strategic planning session with City Council and staff together.
- Rebrand Bay City to encourage ecotourism, engaging the birding community and to promote the fundraising and use of the Texas Theatre Arts Center.

FY 2018 Accomplishments of Prior Year Business Plans

- Conducted regular workshops with City Council and staff.
- Coordinated strategic planning sessions with City Council and staff.
- Transitioned, successfully, the CVB to become an active Tourism Department under the City.
- Established a Tourism Council.
- Collaborated with the Bay City Art League to commission to new murals in Bay City.
- Assisted in meetings with architects and engineers to establish the final floor plans for the Texas Theatre Rehabilitation Project.
- Adopted the Parks Master Plan.

Budget Summary

Administrative Council	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	231,187	257,354	193,855	197,000	196,230
Supplies & Materials	15,792	10,492	7,150	4,005	4,150
Other Charges & Services	19,757	11,756	5,200	5,000	7,200
Repairs & Maintenance	-	-	-	-	-
Total Admin. Council	266,736	279,602	206,205	206,005	207,580

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Mayor	1	1	1	1
Executive Assistant	1	1	1	1
Council Members	5	5	5	5
Temp. (Intern)	2	1	1	1
Total	9	8	8	8

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 government
- ❖ 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

2019 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 2019 Business Plans (Objectives)

- Develop and promote a City Council meeting agenda process for Council members and directors to place items on the agenda.
- Develop and promote a City Council Public Comment Guide for citizens wishing to address the City Council.
- Create a City Fee Ordinance to be presented to the City Council for action.
- Continue to organize and update the City Code of Ordinances both hardcopy and online.
- Review permanent records and those eligible for destruction to maintain an orderly, current and efficient records department.
- Continue to pursue opportunities that will enhance the Department's ability to provide accurate and timely information to the City Council, Mayor, City departments and the general public.
- Maintain records and appointment processes of Board membership and terms of all City Board participation.
- Organize records in the vault and update old labels.
- Develop a data base of legal opinions (Provided by our attorneys over the years).

FY 2018 Accomplishments of Prior Year Business Plans

- Created a City Easement Database
- Organized City lien records
- Corrected Annexation records
- Implemented new technology in the Council Chambers

Budget Summary

City Secretary	Actual FY 2016	Actual FY 2017	Budgeted FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	222,618	240,574	116,451	126,605	124,899
Supplies & Materials	20,960	13,283	14,500	12,875	14,000
Other Charges & Services	83,322	55,985	10,500	14,000	10,050
Repairs & Maintenance	207	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total City Secretary	327,107	309,841	141,451	153,480	148,949

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
City Secretary	1	1	1	1
Deputy City Secretary	1	1	1	1
Personnel Generalist	1	1	0	0
Total	3	3	2	2

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of Agendas/Meetings/Mins.	30	30	48	98
Number of requests for Public Info.	40	40	45	54
Number of new Ordinances approved	11	10	12	21
Number of closed sessions	10	8	8	24
Number of public hearings	6	8	6	14
Number of Proclamations	10	10	10	10
Number of resolutions approved	20	20	20	36
Number of elections prepared for	1	1	1	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 allocations are for the future purchase of governmental fund assets. A minimum threshold will be reviewed annually for the appropriateness based on the depreciation schedule and age of the asset portfolio.

Budget Summary

City General	Actual FY 2016	Actual FY 2017	Budgeted FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	8,894	264	15,000	15,000	4,000
Supplies & Materials	15,902	15,887	14,724	24,050	20,000
Other Charges & Services	1,255,153	1,056,006	982,274	980,000	1,504,824
Repairs & Maintenance	47,966	22,919	30,000	25,000	25,000
Capital Expenditures	-	-	-	57,000	-
Transfers	2,088,183	1,838,795	1,623,542	1,580,542	1,654,625
Debt Service	69,598	53,226	-	-	-
Total City General	3,485,696	2,987,097	2,665,540	2,681,592	3,208,449

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 afford the community resources to help address the needs and concerns of downtown businesses.

Vision 2040

2019 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 2019 Business Plans (Objectives)

- Increase volunteers for Main Street events.
- Partner with the Historic Downtown Business Association, Chamber of Commerce, Tourism and other community organizations on downtown events.
- Grow CamoFest, increase funds raised, participation and attendance.
- Update the downtown shopping map and guide.
- Increase traffic downtown through seasonal promotions.
- Increase utilization of downtown by installing speaker systems on the merchants' side and seating on the courthouse side of the square.
- Promote downtown with increased presence on social media.
- Place emphasis on story telling through plaques and other media outlets.
- Increase façade grant budget funds.
- Work with the Bay City Historic Commission to encourage façade rehabilitations.
- Educate citizens, property owners and businesses on preservation practices.
- Identify opportunities for grants and funding sources for downtown improvements.
- Support the Texas Theatre Project.
- Develop an incentive plan for downtown investors.
- Develop an inventory of all downtown buildings.

FY 2018 Accomplishments of Prior Year Business Plans

- Reinvested \$1,042,000 downtown through private and public investments.
- Revamped “Adopt a Planter” program.
- Awarded a façade grant to Burlap Sack.
- Held a successful CamoFest, despite the weather.
- Partnered with Historic Downtown Business Association for successful “Light It Up” fundraiser for Christmas decorations.
- Accredited Main Street America and Texas Main Street program.
- Held several “Rock the Block” events downtown.
- Helped with Harvest Moon festivals.
- Welcomed Texas Main Street architect to visit several buildings downtown regarding façade improvements.

Budget Summary

Main Street	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	-	-	-	-	-
Supplies & Materials	-	22	-	-	-
Other Charges & Services	35,764	44,595	45,800	56,625	50,800
Other Expenses	6,340	11,674	5,000	4,800	5,000
Total Main Street	42,104	56,291	50,800	61,425	55,800

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
10-point criteria met/Accredited	Yes	Yes	Yes	Yes
CamoFest Revenue	\$25,165	\$49,357	\$45,525	\$55,000
CamoFest Attendance	600	750	1,100	1,200
Beautification Project	\$2,800	\$12,000	\$15,719	\$15,000
Façade Grants Awarded	2	1	2	1
Main Street Board Meetings	12	12	11	12
Historic Commission Meetings	12	12	7	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

2019 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 2019 Business Plans (Objectives)

- 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 HR module in Incode.
- Continue pushing information out through the department's website page.
- Implement pay scale.
- Revise personnel policy.
- Attend Time Clock Manager training.

FY 2018 Accomplishments of Prior Year Business Plans

- Completed compensation study and developed a pay scale.
- Developed a certification pay scale.
- Reviewed and modified job descriptions.
- Continued monthly policy update and review for employees.
- Expanded resources used to recruit qualified applicants.
- Performed monthly insurance audits.
- Increased the number of monthly employee and supervisor policy reviews.
- Created pre-filled forms for more efficiency.
- Conducted City-Wide Supervisor Alcohol training.

Budget Summary

Human Resources	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	-	-	172,202	169,000	177,923
Supplies & Materials	-	-	5,500	4,400	5,800
Other Charges & Services	-	-	60,500	63,775	62,900
Capital Expenditures	-	-	-	-	-
Total Human Resources	-	-	238,202	237,175	246,623

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Director of Human Resources	0	0	1	1
Personnel Generalist	0	0	1	1
Total	0	0	2	2

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

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of new employees processed (F/T)	37	20	15	10
Number of employee terminations (F/T)	25	21	8	5
Number of work related injuries	19	26	10	0
Number of open enrollment changes processed	60	45	35	30
Number of applications received	200	195	200	200
Number of grievances	0	0	0	0
Number of sick hours used per FTE	-	53.46	54.49	53.80
Total number of job postings (Annual)	33	16	27	19
Percentage of positions filled internally	27%	25%	33%	40%
Turnover rate	14.5%	12.1%	8.2%	5%
Average tenure of employees (years)	-	-	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

2018 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 2019 Business Plans (Objectives)

- Continue to provide impartial and courteous case resolution to the public.
- Develop an electronic storage/filing system for hard copies of cases that are 2 or more years old.
- Schedule more opportunities for reaching the youth with powerful messages, speakers and information about distracted and impaired driving.
- Hold successful Amnesty, Warrant Round Up and Municipal Courts Week campaigns.
- Utilize dialer software to create more notifications for client base to keep warrant numbers low and monthly payment plans consistent.

FY 2018 Accomplishments of Prior Year Business Plans

- Researched all outstanding warrants in an effort to clear warrants from defendants that may be uncollectible due to death or imprisonment.
- Conducted a successful 2018 Warrant Round Up.
- Dismissed several warrants, 8-9 years old, with assistance from our City Prosecutor.
- Implemented Dialer software that calls to notify defendants of upcoming court appearances.
- Added a new court clerk making Bay City Municipal Court now bilingual.

Budget Summary

Municipal Court	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	174,625	172,263	183,919	178,074	196,472
Supplies & Materials	6,893	6,497	7,200	6,287	7,200
Other Charges & Services	104,834	100,202	113,900	105,787	111,850
Repairs & Maintenance	1,680	1,799	3,000	1,020	3,000
Capital Expenditures	-	-	-	-	-
Total Municipal Court	288,033	280,761	308,019	291,168	318,522

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
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 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of violations filed	3,728	1,959	3,918	4,100
Number of warrants issued	1,247	578	1,156	1,200
Number of juvenile citations	50	46	92	94
Number of warrants cleared	1,234	657	1,314	1,300
<i>Measuring our Effectiveness</i>				
#of case files created with 24 hrs. of citation receipt	100%	100%	100%	100%
# of warrants cleared through annual Warrant Round-Up	94	156	110	130
Cases waived for Indigency	0	2	45	65
Cases satisfied by Community Service	347	409	300	325
Cases satisfied by Jail Time	805	783	515	550

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

2019 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 2019 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).

FY 2018 Accomplishments of Prior Year Business Plans

- Received the Distinguished Budget Presentation Award for the first time through Government Finance Officers Association (GFOA) for Fiscal Year 2018.
- Received the Comprehensive Annual Financial Report (CAFR) Award through Government Finance Officers Association (GFOA) for Fiscal Year 2017.
- Added 2nd Bank Depository to increase investing options.
- Started digitally archiving Accounts Payable documents using Laser Fiche.
- Finalized a 380 Agreement checklist for existing agreements.
- Assisted City Departments with various grant reporting.
- Developed a new financial & budgetary policy.

Budget Summary

Finance	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	152,240	284,639	304,115	293,337	305,682
Supplies & Materials	7,147	5,632	8,250	7,100	7,500
Other Charges & Services	59,298	15,495	6,380	9,644	9,400
Repairs & Maintenance	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Finance	218,685	305,766	318,745	310,081	322,582

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Finance Director	1	1	1	1
Assistant Finance Director	0	1	0	0
Payroll Administrator	1	1	1	1
Senior Accountant	0	0	0	1
Finance Clerk	1	1	1	0
Accounts Payable Clerk	1	1	1	1
Total	4	5	4	4

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

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of invoices processed	9,729	8,650	8,325	8,750
Number of vendor checks issued	5,078	5,110	4,573	5,000
Number of payroll checks/ACH issued	1,498	1,419	1,525	1,580
Number of manual journal entries	1,477	1,839	1,752	1,545
<i>Measuring our Effectiveness</i>				
GFOA's Distinguished Budget Presentation Award received	N/A	N/A	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	N/A	10	12	10
Average number of working days to issue monthly financial report	N/A	15	18	15

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

2019 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 2019 Business Plans (Objectives)

- Continue to update the Police Department's Policies and Procedures Manual.
- Continue to maintain or increase the number of officers enrolled in higher education courses.
- Increase patrol activities to deter and prevent criminal activity within the City.
- Increase number of Neighborhood Watch groups in the City.
- Revise Code of Ordinances Chapter 22 regarding posting of signs. *
- Lower the number of abatements on abandoned properties.
- Identify and consider implementation of polices that will slow "demolition by neglect" of buildings and properties throughout the city

FY 2018 Accomplishments of Prior Year Business Plans

- Lowered overall UCR statistics from previous year.
- Identified and educated emerging leaders in the Police Department.
- Increased higher education among Police officers.
- Updated the Policies and Procedures manual.
- Hosted Neighborhood Watch meetings and increased Explorer memberships.
- Utilized City Works program to track Code Enforcement violations.
- Continued with abatement of properties relating to tall weeds and grass, junk vehicles and substandard structures.

Budget Summary

Police	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	3,954,536	4,097,615	3,953,030	3,987,227	3,999,767
Supplies & Materials	101,573	105,009	109,500	109,000	108,500
Other Charges & Services	276,406	311,377	240,310	245,585	266,710
Repairs & Maintenance	107,840	42,538	46,000	42,000	46,000
Capital Expenditures	165,628	169,586	318,000	105,000	43,000
Total Police	4,605,984	4,726,125	4,666,840	4,488,812	4,463,977

2019 Major Additions: Patrol Unit, Portable Radios

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Police Chief	1	1	1	1
Police Captain	2	2	1	1
Police Lieutenant	2	2	2	2
Sergeants	8	7	7	7
Corporals	5	5	5	5
Patrol Officers	16	17	15	15
Traffic Officer	1	1	1	1
Detectives	5	5	4	4
Narcotics Officer	0	0	1	1
Warrant Officer	0	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	2	1	2	2
Subtotal Police	55	55	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	59	57	57

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of community programs & events attended by personnel	171	190	210	210
Number of training hours received by personnel	6,854	8,991	9,000	9,000
Total number of calls for service	29,618	30,841	30,850	31,000
Number of traffic contacts	4,168	4,316	4,500	4,600
Number of vehicle accidents patrol worked	521	490	510	500
Number of cases assigned to CID	1,822	2,641	2,500	2,500
Number of cases cleared by arrest	1,411	1,276	1,300	1,350
Number of liens filed- Code Enforcement	265	174	180	180
Number of illegal dumping cases- Code Enforce.	50	91	100	125
Number of substandard building inspections	247	135	140	125
Number of Code Enforcement investigations	992	1,065	1,100	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

2019 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 2019 Business Plans (Objectives)

- Continue to provide professional animal control service to the citizens of Bay City and Matagorda County.
- Work closely with the Police and Inspection Departments to ensure proper enforcement of animal control ordinances and state health regulations.
- Promote citizen compliance with pet registration requirements.
- Repair animal shelter building.

FY 2018 Accomplishments of Prior Year Business Plans

- Partnered with Walmart and Matagorda County Animal Control for donated pet food and other services.
- Increased community education programs.
- Repaired animal kennels inside animal shelter.

Budget Summary

Animal Impound	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	135,311	142,635	142,630	145,081	145,232
Supplies & Materials	2,970	2,923	3,700	3,085	3,750
Other Charges & Services	9,538	11,245	11,500	10,000	11,000
Repairs & Maintenance	1,110	4,064	6,000	1,080	5,500
Capital Expenditures	-	-	-	-	-
Total Animal Control	148,928	160,868	163,830	159,246	165,482

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
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

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Community education programs	2	52	55	50
Number of animals picked up (City)	940	644	680	680
Number of animals picked up (County)	591	596	600	600
Number of dead animals picked up	198	157	160	160
<i>Measuring Our Effectiveness</i>				
Average response time to pick up animals	45 minutes	45 minutes	15 minutes	15 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

2019 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 2019 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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	61,468	54,915	59,648	60,791	61,641
Supplies & Materials	9,606	10,024	12,150	10,265	13,150
Other Charges & Services	74,689	70,990	73,400	74,000	74,600
Repairs & Maintenance	37,699	54,277	40,000	36,850	45,000
Capital Expenditures	-	-	-	60,000	-
Total Fire	183,461	190,205	185,198	241,906	194,391

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Maintenance Tech I	1	1	1	1
Total	1	1	1	1



Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of Man-hours for training	938	822	996	919
Number of Man Hours	1,637	1,890	1,606	1,711
Number of Calls Per Year	168	178	310	219
Motor Vehicle Fires	12	21	8	14
Dwelling Fires	12	13	10	12
Rescue Calls	7	12	14	11
Grass Fires	23	29	62	38
Refuse Fires	7	8	10	9
Structure Fires	5	4	4	4
Business Structure Fires	1	7	0	3
Institutional Fires	1	0	0	1
Mobile Home Fires	1	3	6	3
Mutual Aid Calls	8	12	38	19
Other Calls	99	81	62	80
Calls Outside City Limits	53	72	63	63
<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

2019 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 2019 Business Plans (Objectives)

- Improve infrastructure and livability by establishing a street overlay, repair and maintenance program.
- Continue drainage improvements—cleaning ditches, repairing and upgrading storm drains and inlets.
- Continue to improve efficiency by utilizing CityWorks to track all street repairs, drainage repairs, streets swept, mowing and striping.
- Provide adequate access to the brush site for citizens and contractors working within the city limits.
- Establish a sidewalk program to install two city blocks (approx. 700 LF) of new or replacement sidewalk annually with in-house crews.
- Develop an aggressive sign installation and maintenance program to improve safety and appearance.
- Review the permit fee structure and request fee increases for Building Inspection division.

FY 2018 Accomplishments of Prior Year Business Plans

- Completed several large concrete pavement repairs in the downtown area and on Cottonwood Ave at Cottonwood Creek.
- Accomplished goal to improve efficiency by utilizing CityWorks program to track all street and drainage repairs, street sweeping, mowing and striping.
- Completed curb (100 linear feet) and gutter replacements.
- Cleaned culvert pipes which removes debris that is blocking effective drainage through the ditches. Cleaned out ditches and drainage inlets as well.
- Installed new dead-end barricades, replaced missing or damaged street name signs and repaired and/or replaced traffic signs.
- Completed asphalt pavement repairs, pot hole repairs and road damage from large trucks.
- Completed handicap ramps, pad for dumpster and expansion of roadway for fuel depot at Bay City Regional Airport.
- Reconstructed 3.5 miles of streets- Hamman Road, Thompson Drive, Grace Street, etc.
- Installed 10 blocks new drainage pipe and cleaned 25 blocks of ditches in various locations.
- Overlaid 1,500 linear feet of streets by in-house crews.

Budget Summary

Streets	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	883,646	915,368	976,046	908,000	930,327
Supplies & Materials	104,273	64,252	103,500	102,000	74,000
Other Charges & Services	1,600,670	1,964,804	1,847,500	1,900,000	1,987,000
Repairs & Maintenance	308,386	162,161	250,000	225,000	239,000
Capital Expenditures	288,772	-6,941	-	538,000	-
Total Public Works	3,185,747	3,099,644	3,177,046	3,673,000	3,230,327

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
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	0	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	2	1
Total	16	17	17	16

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Miles of street sweeping	26.4	26.4	26.4	26.4
Tons of litter and debris removed	1,612	1,632	1,632	1,650
Backfill Pavement Edge Work Orders	9	7	22	13
Storm Drain Cleaning Work Orders	77	0	52	65
Ditch Cleaning Work Orders	191	190	138	173
Concrete Pavement Repair Work Orders	49	60	88	66
Culvert Work Orders	31	155	58	81
Sidewalk Work Orders	14	18	6	13
City ROW Mowing Work Orders	55	70	44	56
Sign Work Orders	59	94	114	89
Street Sweeping Work Orders	21	16	38	25
Traffic Control Work Orders	58	55	64	59
Tree Trimming Work Orders	54	46	88	67
Utility Asphalt Repair Work Orders	44	22	106	57
Utility Concrete Repair Work Orders	3	17	84	35
Driveway Culvert Installation	25	20	44	30
Building Inspections Performed	685	727	605	807
Electrical Inspections Performed	591	495	161	499
Mechanical Inspections Performed	175	290	41	202
Plumbing Inspections Performed	687	578	232	599
Other Inspections Performed	129	287	167	234

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 needs to be relocated as per the amended development agreement between the City and SAL Holding, LTD. The City has been awarded an H-GAC grant to build a 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 2019 Business Plans (Objectives)

- Improve efficiency by maintaining a regular schedule for pickup of recyclables at local businesses.
- Design, construct and move into a new Recycling Center so the existing site can be redeveloped as identified in the North Downtown Plan.
- Re-introduce recycling to the community when we announce the move to the new Recycling Center through flyers and utility bill inserts.

FY 2018 Accomplishments of Prior Year Business Plans

- Recycled and diverted 320 tons of waste from the landfill.
- Applied for H-GAC FY 2019 Solid Waste Implementation Grant and was awarded \$239,780 towards the construction of the new Recycling Center.
- Recognized by Central Texas Recycling Association for Outstanding Recycling Efforts.

Budget Summary

Recycling Center	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	126,580	123,843	130,579	130,669	129,125
Supplies & Materials	3,951	3,917	5,150	2,110	4,300
Other Charges and Services	22,203	12,728	12,300	8,171	12,300
Repairs & Maintenance	51,730	1,180	12,000	2,285	9,000
Capital Expenditures	34,000	-	-	-	239,780
Total Recycling Center	238,464	141,667	160,029	143,235	394,505

2019 Major Additions: Relocation of Recycling Center

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
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 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Recycled Plastic - Tons	17	17	30	20
Recycled Cardboard - Tons	227	237	238	200
Recycled Mixed Paper - Tons	76	40	50	50
Recycled Oil - Gallons	2,465	2,000	2,500	2,000

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.

Vision 2040

2019 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 2019 Business Plans (Objectives)

- Replace picnic tables at all parks.
- Continue replacing picnic tables at all parks.
- Continue to implement the Parks Master Plan signage and wayfinding recommendations. *
- Replace playground at LeTulle Park with a special need structure (Dreamscape).

FY 2018 Accomplishments of Prior Year Business Plans

- Installed new pavilions and park furniture at Henderson Park.
- Created a mural program (Hardeman Skate Park/Joe Davis field).
- Adopted and implemented new Parks Master Plan.
- Installed second west side restroom at LeTulle Park.
- Established eligibility for grant funding with Texas Parks and Wildlife.
- Installed flower beds at various locations.
- Awarded \$1,000 grant for LCRA island habitat project.
- Worked with Parks Advisory board to generate support and donations for Dreamscape Project.
- Planted trees along with Southern Pacific Trailway.
- Implemented six new events and programs.

Budget Summary

Parks	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	412,868	502,852	542,237	530,000	540,761
Supplies & Materials	36,099	30,602	44,200	35,000	36,700
Other Charges & Services	124,747	163,663	118,500	100,000	118,500
Repairs & Maintenance	67,723	80,428	131,000	110,000	96,000
Capital Expenditures	182,442	115,389	94,000	94,751	224,000
Other Expenses	50	-	-	-	-
Total Parks	823,928	892,934	929,937	869,751	1,015,961

2019 Major Additions: Mower, Park Equipment, Picnic Tables

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
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	0	2	2
Total	10	10	12	12

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Acres of park grounds maintained	474	474	474	474
Grant applications submitted	6	4	6	6
Parks revenues	\$53,525	\$44,538	\$42,841	\$45,000
Parks expenses	\$823,928	\$892,934	\$869,751	\$1,015,961

Parks Revenues includes revenue made from Recreation Programs



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

2019 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 2019 Business Plans (Objectives)

- Repair / remodel all park structures.
- Replace 50 picnic tables.
- Apply for grant to relocate boat launch and dock.
- Reclaim all Hurricane Harvey damages and reopen the park.

FY 2018 Accomplishments of Prior Year Business Plans

- Established park business plan towards becoming self-supporting.
- Began moving sand and debris from park due to Hurricane Harvey damage.
- Replaced roofs on pavilions and shop.

Budget Summary

Riverside Park	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	115,586	101,422	110,300	104,000	108,817
Supplies & Materials	15,900	11,999	15,000	15,000	15,000
Other Charges & Services	37,774	30,458	35,000	15,500	33,500
Repairs & Maintenance	26,214	12,861	13,000	6,000	66,200
Capital Expenditures	30,081	-	50,000	50,000	50,000
Total Riverside Park	225,555	156,740	223,300	190,500	273,517

2019 Major Additions: New Ranger Station Roof, Picnic Tables

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Park Ranger	1	1	1	1
Park Secretary	1	1	1	1
Temporary Worker	0	0	1	1
Total	2	2	3	3

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Acres of park grounds maintained	100	100	100	100
Annual number of guests	10,224	0	0	40,000
Annual revenue	\$74,183	\$75,785	\$0	\$57,500



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/VVISED 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

2019 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 2019 Business Plans (Objectives)

- Increase the number of Department direct programs and services (Strawberry Moon Festival, Zombie Fun Run, etc.)
- Increase program partners and indirect services (concessions)
- Improve program revenues and reduce costs

FY 2018 Accomplishments of Prior Year Business Plans

- Increased attendance at Sparks in the Park event.
- Created three new programs (Zombie Apocalypse, Strawberry Moon and Kick Ball league).
- Assessed programs to establish need and program viability.
- Worked with Tourism Department to promote new events (Strawberry Moon Festival, etc.).

Budget Summary

Recreation	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	35,968	18,387	12,512	12,535	14,186
Other Charges & Services	12,723	669	-	760	-
Capital Expenditures	-	-	-	-	-
Other Expenses	99,298	78,890	87,500	74,700	80,000
Total Recreation	147,989	97,946	100,012	87,995	94,186

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Temporary Workers	3	3	0	3
Total	3	3	0	3

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
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



Hardeman Skate Park

POOL OPERATIONS

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

2019 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 2019 Business Plans (Objectives)

- Update furniture and equipment at both pools.
- Keep pools open for the public.

FY 2018 Accomplishments of Prior Year Business Plans

- Installed new pool vacuum units.
- Installed air conditioning at Hilliard Pool.
- Hosted competition swim meets for BCISD and VVUSD.

Budget Summary

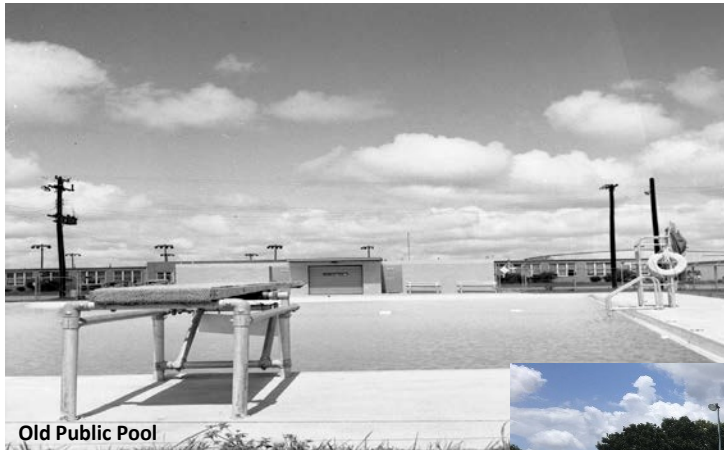
Pool Operations	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	100,237	97,141	160,996	160,000	160,081
Supplies & Materials	54,772	28,770	55,600	45,000	44,100
Other Charges & Services	25,684	33,927	55,500	35,000	33,500
Repairs & Maintenance	43,799	31,449	24,000	26,000	29,000
Capital Expenditures	-	-	-	-	-
Total Pool Operations	224,492	191,286	296,096	266,000	266,681

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
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 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of Pools maintained	2	2	2	2
Operating Hours Available to Public	560	624	700	700
Total Number of Customers	722	938	1,000	1,000



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

2019 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 2019 Business Plans (Objectives)

- Earn the Achievement of Excellence in Libraries Award given by Texas Municipal Library Director's Association (TMLDA).
- Develop a community education lab to become a Pearson Vue testing center.
- Maintain and grow the Library's events and programs for the community.
- Continue to evaluate and redesign library spaces to better serve community.
- Complete long-range plan for library in accordance with accreditation guidelines provided by Texas State Library and Archives Commission (TSLAC).
- Maintain and grow partnerships with local businesses and organizations.
- Evaluate payment processing and available payment options.
- Make necessary changes to move the Library to enhanced and exemplary levels in two areas of Texas Public Library Standards: 2014 Revision per year.

FY 2018 Accomplishments of Prior Year Business Plans

- Earned Achievement of Excellence in Libraries award from the Texas Municipal Library Director's Association.
- Received \$7,000 in grants to fund ESL software and Family Place Library training and equipment.
- Accomplished annual inventory of entire collection.
- Implemented Envisionware software for more efficient and user-friendly computer access and printing.
- Created internal Strategic Planning Committee and conducted Community Assessment Survey.
- Undertook evaluation of TSLAC's Library Standards and Space Needs Assessment.
- Completed assessment and update to Library Policies and Procedures to meet Accreditation's and Library Standard's requirements.

Budget Summary

Library	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted Budget FY 2019
Personnel Services	247,970	244,433	259,050	255,000	267,618
Supplies & Materials	43,249	59,596	53,450	53,619	65,400
Other Charges & Services	135,063	133,414	102,250	100,000	79,950
Repairs & Maintenance	-15,703	9,281	7,000	6,550	10,500
Capital Expenditures	-	-	265,000	103,000	-
Transfers	-	4,351	-	-	-
Total Library	410,578	451,075	686,750	518,169	423,468

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Librarian	1	1	1	1
Specialists	4.5	3.5	3.5	3.5
Assistants	1	2	2	2
Temporary Workers	0	0	0	2
Total	6.5	6.5	6.5	8.5

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Circulation per paid staff member	9,775	10,298	10,300	10,300
Circulation per capita	2.36	2.46	2.47	2.47
Library Visits per capita	1.92	1.86	1.87	1.87
Program attendance per capita	.08	0.09	0.11	0.12
Population per ALA-MLS	26,445	26,755	26,800	26,800
Population per total paid staff	4,132	4,955	4,962	4,393
Total Library Circulation	62,559	65,912	66,000	66,000
Total Library Visits	50,856	49,850	50,000	50,000
Number of programs	131	89	130	140
Attendance of programs	2,361	2,356	3,000	3,250
Collection Turnover Rate	1.37	1.08	1.10	1.10
Use of public computers	6,788	6,465	6,750	6,750
Materials expenditures per capita	\$1.57	\$1.65	\$1.65	\$1.70
Total operating expenditures per capita	\$15.81	\$16.85	\$16.80	\$16.90
Number of Registered Borrowers	13,507	11,960	12,100	12,100
<i>Measuring Our Effectiveness</i>				
Achievement of Excellence in Libraries Award	N/A	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

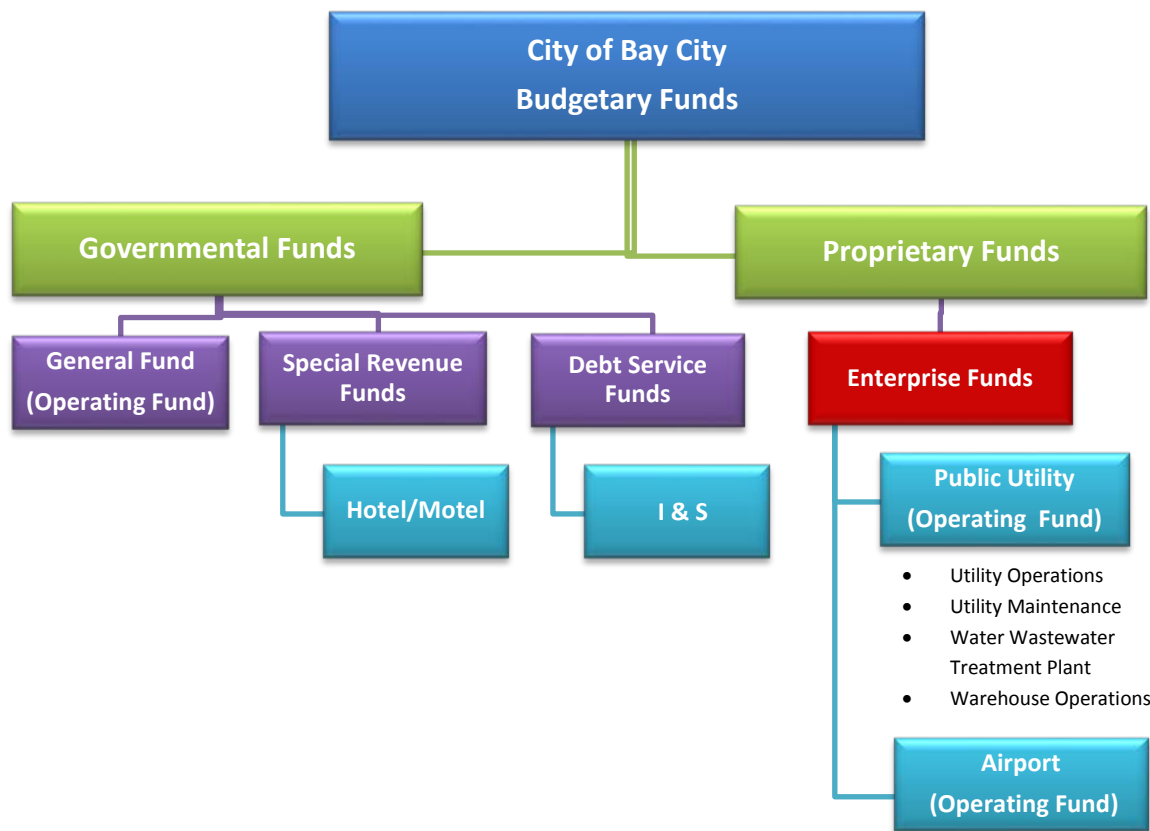
Warehouse Operations

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.



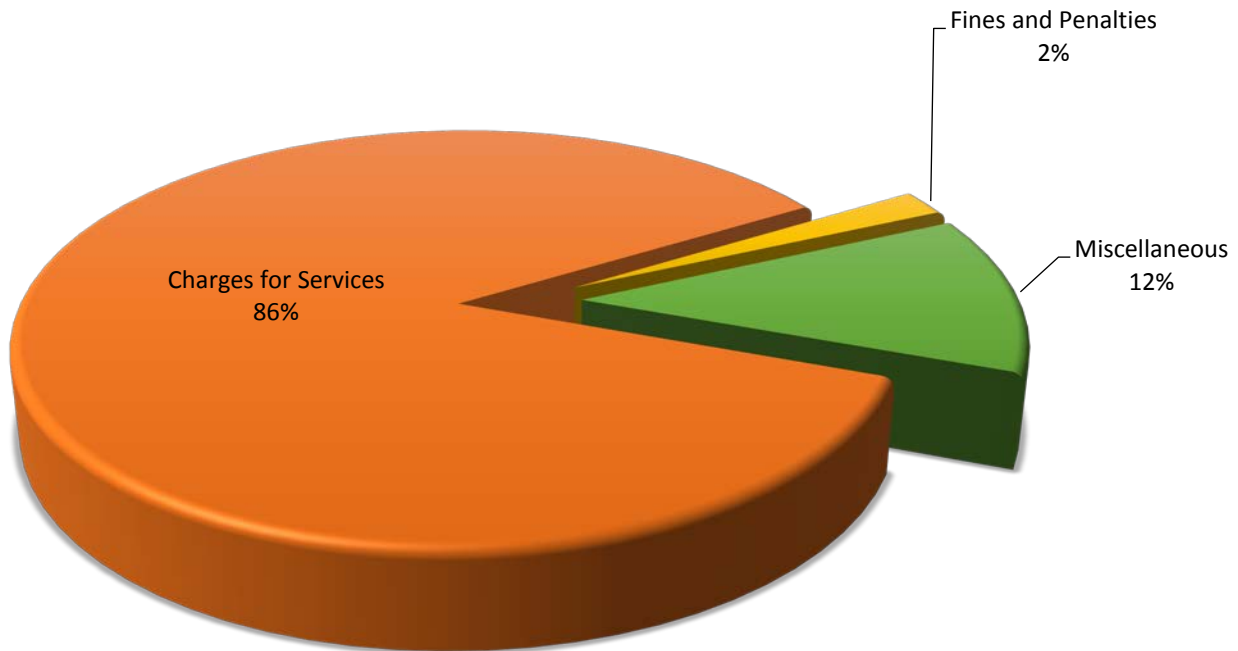
PUBLIC UTILITY FUND

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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	Variance
Charges for Services	6,951,656	7,281,436	7,522,000	7,450,140	7,594,000	72,000
Fines and Penalties	189,172	173,830	190,000	189,235	175,000	-15,000
Miscellaneous	1,112,369	119,989	9,000	28,750	1,086,000	1,077,000
Intergovernmental	1,796,953	482,126	-	-	-	-
Other	-	-	-	-	-	-
Revenues/Sources						
Total Revenues	10,050,149	8,057,381	7,721,000	7,668,125	8,855,000	1,134,000

Public Utility Fund Revenue



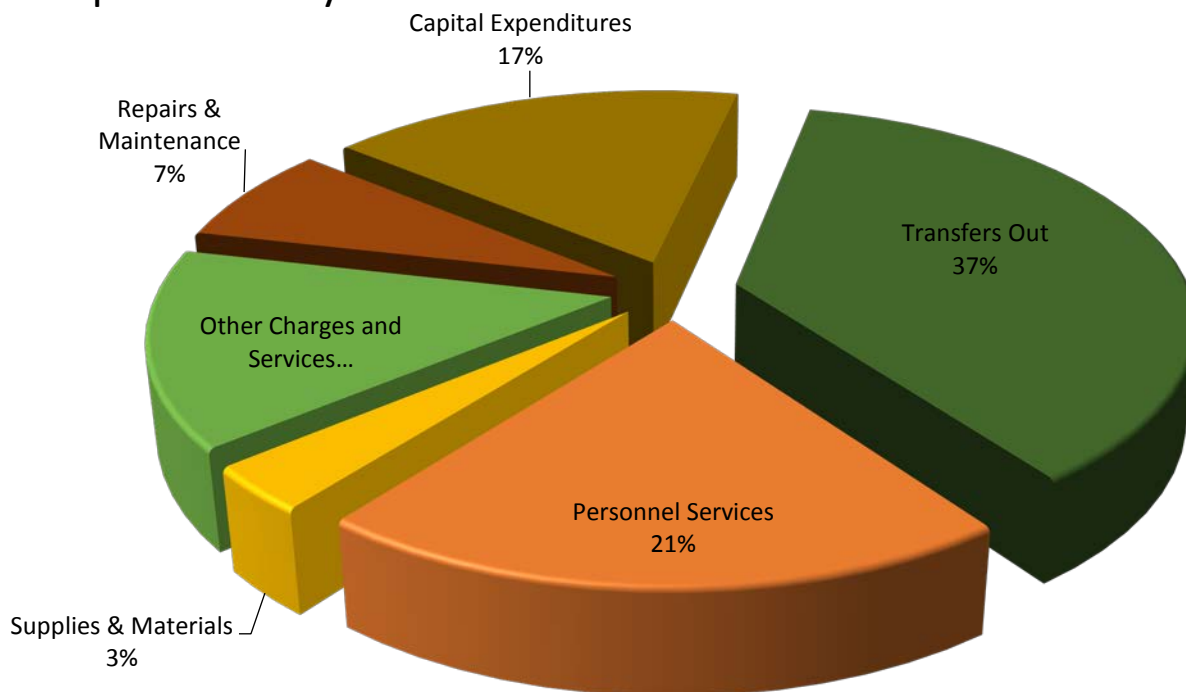
Public Utility Revenue Detail

Public Utility Fund Revenue	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Charges for Services					
Water Receipts	3,284,324	3,362,798	3,500,000	3,414,055	3,550,000
Commercial Water Sales	5,399	2,962	5,000	7,745	5,000
Water Taps	27,106	27,647	22,000	34,675	25,000
Service Charges	44,502	105,423	90,000	142,750	100,000
Sewer Receipts	3,556,887	3,740,013	3,875,000	3,784,970	3,880,000
Sewer Surcharges	19,698	27,274	20,000	32,750	22,000
Sewer Taps	13,740	12,357	10,000	21,675	12,000
Contract Revenue	-	2,961	-	11,520	-
Total Charges for Services	6,951,656	7,281,436	7,522,000	7,450,140	7,594,000
Fines & Forfeitures					
Late Payment Penalties	189,172	173,830	190,000	189,235	175,000
Total Fine & Forfeitures	189,172	173,830	190,000	189,235	175,000
Miscellaneous					
Interest Income	415	4,670	1,000	13,750	5,000
CDBG Grant Revenue	91,554	-	-	-	-
EDA Grant Revenue- Tenaris	1,003,766	10,038	-	-	-
Gain on Disposal of Assets	24,552	8,200	-	-	-
Over/Short	-	-	-	-	-
Other Income	-7,918	97,081	8,000	15,000	5,000
Equity Balance Forward	-	-	-	-	1,076,000
Total Miscellaneous	1,112,369	119,989	9,000	28,750	1,086,000
Intergovernmental					
Capital Transfer In- FD 62	-	-	-	-	-
Transfer In- Other Funds	554,274	68,607	-	-	-
Contributed Capital	1,242,679	413,519	-	-	-
Total Intergovernmental	1,796,953	482,126	-	-	-
Total Public Utility Revenue	10,050,149	8,057,381	7,721,000	7,668,125	8,855,000

Public Utility Expenditures by Function

Expenditures by Function	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	Variance
Personnel Services	1,715,517	1,570,312	1,783,537	1,668,810	1,826,622	43,085
Supplies & Materials	369,675	293,465	301,500	260,120	297,000	-4,500
Other Charges and Services	2,874,731	3,109,376	1,571,387	1,016,345	1,294,200	-102,187
Repairs & Maint.	576,977	454,519	544,500	719,571	652,500	-42,000
Capital Expenditures	26,853	-	838,000	725,562	1,546,000	678,000
Transfers Out	3,262,996	2,624,479	2,682,076	2,682,076	3,238,678	556,602
Total Expenditures	8,826,749	8,052,151	7,721,000	7,072,484	8,855,000	1,134,000

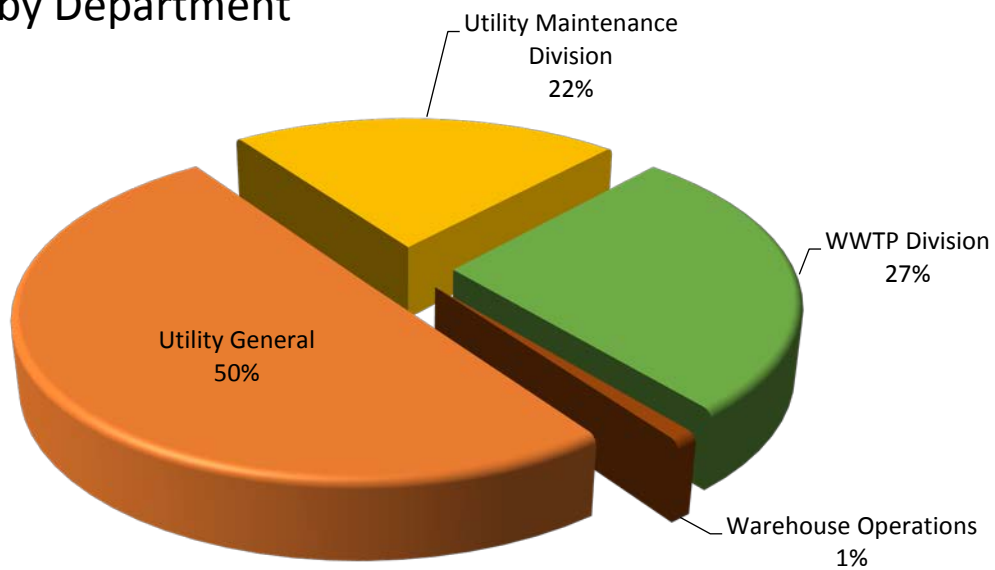
Expenditure by Function



Public Utility Expenditures by Department

Expenditures by Department	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	Variance
Utility Operations	5,763,500	5,449,440	3,853,885	3,714,753	4,448,218	644,333
Utility Maintenance	1,515,573	1,171,938	2,139,829	1,231,136	1,920,076	-269,753
WWTP	1,481,140	1,311,070	1,640,786	2,043,800	2,400,206	759,420
Warehouse Operations	66,537	119,703	86,500	82,795	86,500	-
Total Expenses	8,826,749	8,052,151	7,721,000	7,072,484	8,855,000	1,134,000

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

2019 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 2019 Business Plans (Objectives)

- Reduce the need for manual meter reading by improving the efficiency of the City's Advanced Metering Infrastructure (AMI) water meter system.
- Respond within twenty-four hours to complaints regarding water leaks to reduce water loss.
- Reduce manual filing by digitally archiving application forms and other documents.
- Educate residents on water conservation and the harmful effects of fats, oils and grease in the City's wastewater collection system through billing mailers.
- Educate residents on water conservation.
- Partner with Code Enforcement and the Building Department to review and revise the grease ordinance and ensure proper enforcement.
- Work 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.
- Revise the Utility Ordinance and make it available online.
- Begin digitally archiving application forms and other documents to reduce manual filing.
- Continue to encourage customers to sign up for auto-draft and/or register for an account on the City's online payment website.

FY 2018 Accomplishments of Prior Year Business Plans

- Developed streamlined maintenance plan with water meter supplier for the life of the AMI system to address failing Meter Interface Units (MIUs).
- Reduced costs of shipping and handling charges of MIUs returned for warranty by implementing return plan with meter supplier.
- Provided additional hands-on training to Customer Service employees to increase experience repairing water leaks.
- Improved response time and increased efficiency on sewer complaints.
- Trained employees on Neptune software which covered the operation and maintenance of Neptune and ARB-N-SIGHT software (AMI system software).
- Continued use of utility bills as an avenue to share city information.

Budget Summary

Utility General	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	595,805	609,313	594,422	650,000	656,840
Supplies & Materials	74,303	62,852	70,200	63,115	72,700
Other Charges & Services	1,822,046	2,150,016	456,687	275,000	366,500
Repairs & Maintenance	8,349	2,779	12,500	7,000	15,500
Capital Expenditures	-	-	38,000	37,562	98,000
Transfers Out	3,262,996	2,624,479	2,682,076	2,682,076	3,238,678
Total Utility General	5,763,500	5,449,440	3,853,885	3,714,753	4,448,218

2019 Major Additions: 2 Vehicles, Air Compressor

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Assistant Finance Director	0.5	0	0	0
Utility Billing Supervisor	0.5	0	0	0
Utility Billing Clerk	2	3	3	3
Director of Public Works	1	1	1	1
Assistant Director of Public Works	1	1	1	1
Secretary	1	1	1	0
Construction Inspector	1	1	1	1
Customer Service Supervisor	1	1	1	1
Customer Service Technician	2	1	1	3
Total	10	9	9	10

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of meter leaks	97	209	244	240
Number of service orders completed	3,333	6,509	6,600	6,600
Number of connects with service change	967	891	890	900
Number of disconnects	936	979	980	980
Number of re-connects (from non-payments) and miscellaneous requests	866	1,923	1,420	1,000
Number of meter swap orders	1,733	1,634	1,600	1,700
Number of sewer stops	548	346	1,112	950
Annual average of active accounts	6,919	6,930	6,925	6,930
Number of utility account bills generated	96,097	85,172	89,184	89,000
Number of utility payments received	79,351	80,082	80,000	80,000
Number of adjustments processed	5,588	5,426	8,376	5,300
Number of Service Orders generated	5,427	7,236	6,400	6,400
Number of delinquent notices sent	15,268	15,989	15,000	15,000
<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	5.8%	6.3%	9.3%	5.9%
Annual average –Percentage of overall AMI effectiveness (good reads/total AMI reads)	92%	94%	95%	96%
% of new accounts connected within 24 hrs.	100%	100%	100%	100%
% of customers delinquent/total customers	18%	18.7%	16.8%	16.8%



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

2019 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 2019 Business Plans (Objectives)

- 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.
- Expand on the grease trap inspection program using City Works to document and schedule inspections. Review and update City Ordinance related to grease traps. Partner with Code Enforcement to ensure proper enforcement.
- Utilize City Works to record and document all repairs and projects as well as related costs.
- Develop and implement inventory control program using CityWorks.
- Increase effectiveness by developing and implementing a backflow prevention program. Review City Ordinance related to backflow prevention, make necessary changes and partner with Code Enforcement to ensure proper enforcement. Utilize CityWorks to track those inspections.
- Implement Customer Service Inspector for all new water turn-ons. Phase in duties to become compliant with state laws (TCEQ). Currently City is non-compliant.
- Establish a two-man crew; duties will include manhole ID's and fire hydrant preventative maintenance.

FY 2018 Accomplishments of Prior Year Business Plans

- Completed aging water and sewer line improvements.
- Identified water mains less than two inches.
- Developed scopes of work to upsize lines to meet water supply demand.
- Conducted monthly safety meetings to ensure safety of employees and the public.
- Provided "Friendly Certified Customer Service Training" through the Victoria Chamber of commerce to several employees each month.

Budget Summary

Utility Maintenance Division	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	728,530	607,941	731,029	625,000	664,276
Supplies & Materials	133,526	117,782	91,800	47,365	48,800
Other Charges & Services	224,404	206,692	279,000	125,000	189,000
Repairs & Maintenance	402,332	241,073	238,000	433,771	268,000
Capital Expenditures	26,780	-1,550	800,000	-	750,000
Total Utility Maintenance	1,515,573	1,171,938	2,139,829	1,231,136	1,920,076

2019 Major Additions: Waterline Rehabilitation Projects at Multiple Locations

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Utility Foreman	1	1	1	1
Customer Service Coordinator	1	0	0	0
Crew Leader	2	3	3	3
MSB Secretary	0	0	0	1
Equipment Operator	1	1	1	0
Maintenance Technician II	4	5	5	4
Maintenance Technician I	5	4	4	4
Total	14	14	14	13

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Total length of water mains (miles)	111	113	115	115
Total length of sewer mains (miles)	108	108	110	110
Total number of fire hydrants	360	360	360	365
Number of water leaks	500	531	546	550
Number of new water taps	66	56	80	80
Number of new sewer taps	27	58	86	86
Number of water lines located	73	76	108	108
Number of sewer lines located	73	88	108	108
Linear feet (LF) water line replaced or installed	1,000	1,100	2,000	3,000
Linear feet (LF) sewer line replaced or installed	1,800	8,500	5,000	3,000
Estimated gallons of water loss associated with reported water leaks	82,565,965	124,600,000	123,735,000	120,000,000
Number of sewer overflows per year	0	0	0	0
Measuring Our Effectiveness				
Annual Water Loss	12.28%	23.92%	23.05%	22.00%

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

2019 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 2019 Business Plans (Objectives)

- Implement Capital Improvement Projects identified in the Sanitary Sewer Analysis and Master Plan as well as the Water Wastewater Treatment Plant Evaluation.
- Maintain facilities by continuing the consistent Preventative Maintenance plan on water well equipment, lift station equipment and Wastewater Treatment Plant equipment; begin 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 Manual for the WWTP.
- Improve efficiency and demand at the WWTP by reducing 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
- Maintain infrastructure and effectiveness to ensure that operations are in accordance with TCEQ and other regulatory agencies.

FY 2018 Accomplishments of Prior Year Business Plans

WATER

- Rebuilt aging booster pumps at Mockingbird Water Plant.
- Began Grace St. Water Plant Rehabilitation.
- Began enhancement of North Highway 60's waterline upgrade and upsize.

WASTEWATER

- Installed SCADA application on Operator's smartphones to remotely monitor SCADA.
- Implemented preventative maintenance on water well, lift stations and Wastewater Treatment Plant equipment.
- Completed Class 1 inspection and repair of Blower #1 and brought back in to service at Wastewater Treatment Plant.
- Replaced submersible pumps at Del Norte, Highway 35, Elliott, Ross and FM 457 lift stations.
- Replaced discharge piping at Cottonwood Lift Station.
- Continued inspections of lift stations, water wells daily adding screens and enzymes and de-ragging pumps as needed.
- Promoted one Operator Level II to Operator Level III.

Budget Summary

Water and Wastewater Treatment Plant Division	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	391,181	353,058	458,086	393,810	505,506
Supplies & Materials	146,486	100,705	124,500	136,990	160,500
Other Charges & Services	792,644	688,891	772,200	550,000	675,200
Repairs & Maintenance	150,755	166,867	286,000	275,000	361,000
Capital Expenditures	73	1,550	-	688,000	698,000
Total WWTP	1,481,140	1,311,070	1,640,786	2,043,800	2,400,206

2019 Major Additions: Katy Water Plant Rehabilitation

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Utility Superintendent	1	1	1	1
Lead Plant Operator	0	1	1	0
Plant Operator III	0	2	2	3
Plant Operator II	2	1	1	1
Plant Operator I	2	1	1	1
MSB Secretary	0	0	0	1
Total	5	6	6	7

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of water samples collected for bacteriological testing	405	390	390	390
Number of fire hydrants flushed	576	576	576	576
Estimated gallons of water loss associated with routine fire hydrant flushing	5,867,850	4,597,510	4,500,000	4,200,000
Cubic Yards of sludge removed/number of loads hauled	3,745 cu yd. 321 loads	3,634 cu yd 252 loads	3,000 cu yd 272 loads	3,000 cu yd 272 loads
<i>Measuring our Effectiveness</i>				
Number of TCEQ violations – groundwater	0	0	0	1
Gallons of water produced per year	841,900,000	845,000,000	850,000,000	812,961,000
Number of TCEQ violations – wastewater	0	0	0	0
Total gallons of wastewater treated per year	713,200,000	698,900,000	714,000,000	581,611,000

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 (2019 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 2019 Business Plans (Objectives)

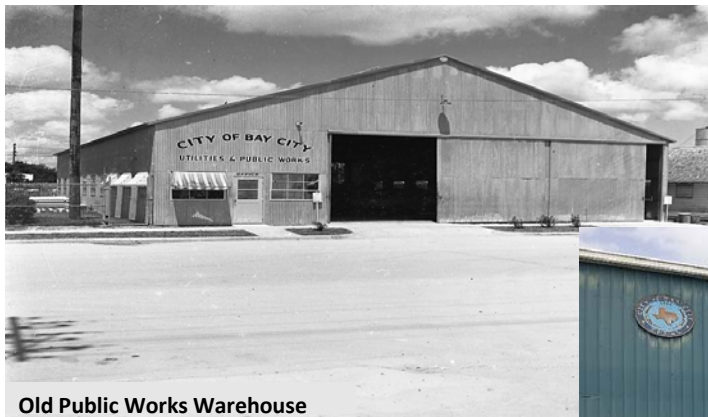
- Continue to learn and implement all features on the Time Clock Manager and CityWorks programs.
- Continue "Friendly Certified Customer Service Training" through Victoria Chamber of Commerce.

FY 2018 Accomplishments of Prior Year Business Plans

- Reached goal of going paperless with time entry and time sheets.
- Reached goal of capturing cost of doing business for each service and work order performed using CityWorks software.
- Utilized CityWorks software to establish maintenance schedules for equipment and city facilities.
- Implemented monthly “Friendly Certified Customer Service Training” available to all City employees.

Budget Summary

Warehouse Operations	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	-	-	-	-	-
Supplies & Materials	15,360	12,126	15,000	12,650	15,000
Other Charges & Services	35,636	63,777	63,500	66,345	63,500
Repairs & Maintenance	15,541	43,800	8,000	3,800	8,000
Capital Expenditures	-	-	-	-	-
Total Warehouse Ops.	66,537	119,703	86,500	82,795	86,500



Old Public Works Warehouse



Current Public Works Warehouse



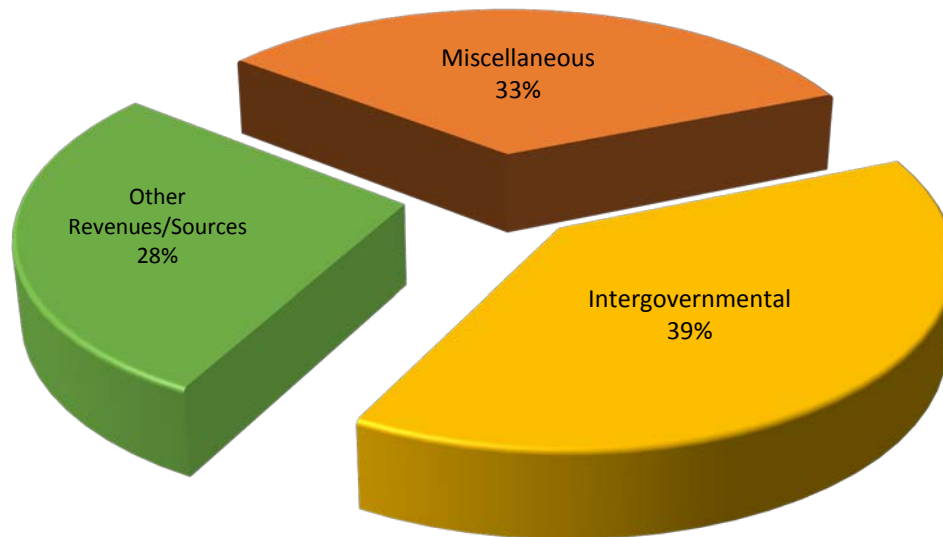
AIRPORT FUND

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

Airport Fund Revenue

Revenue Summary	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	Variance
Charges for Services	275	375	-	500	-	-
Miscellaneous	179,273	167,353	195,000	164,850	213,500	18,500
Transfers In	120,464	200,000	150,000	150,000	250,000	100,000
Other Revenues/Sources	1,211,732	185,725	160,500	160,500	178,500	18,000
Total Revenues	1,511,744	553,452	505,500	475,850	642,000	136,500

Revenue by Receipt Type



Airport Revenue Detail

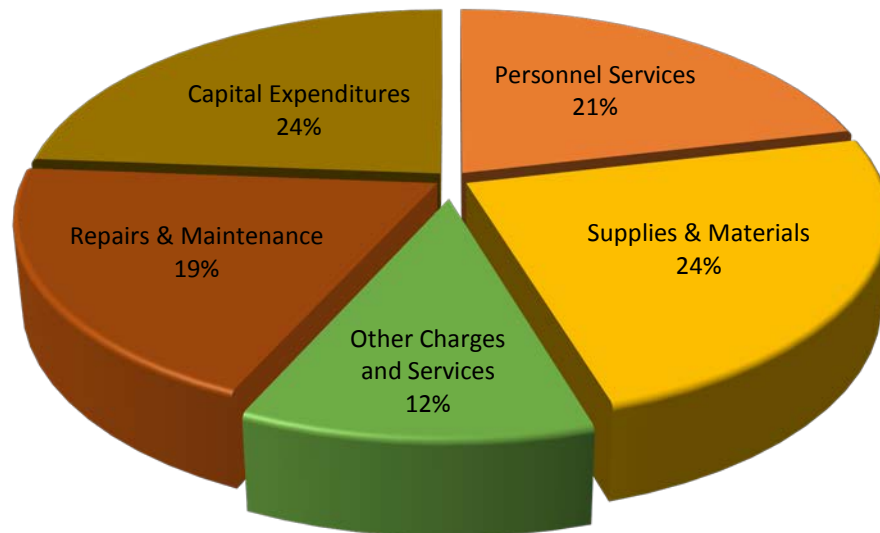
Airport Fund Revenue	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Charges for Services					
Late Fees	275	375	-	500	-
Total Charges for Services	275	375	-	500	-
Miscellaneous					
Interest Income	70	28	-	250	-
T-Hanger Rental Fees	94,436	102,792	95,000	105,075	95,000
Tie Down Fees	3,397	4,205	3,000	2,200	3,000
Tx Dept. of Transportation	42,894	48,351	50,000	50,000	50,000
Grant- Williams Energy	25,303	-	-	-	-
Gain on Disposal of Assets	-	-	-	-	-
Other Income	13,173	11,977	10,000	7,325	8,000
Prior Year Fund Balance	-	-	37,000	-	57,500
Total Miscellaneous	179,273	167,353	195,000	164,850	213,500
Intergovernmental					
Transfer from General FD	120,464	200,000	150,000	150,000	250,000
Total Intergovernmental	120,464	200,000	150,000	150,000	250,000
Other Revenues/Sources					
Contributed Capital	1,046,480	-	-	-	-
Jet Fuel	108,651	103,305	95,000	95,000	98,000
Aviation Fuel	56,336	81,998	65,000	65,000	80,000
Aviation Oil	265	422	500	500	500
Total Other Revenue	1,211,732	185,725	160,500	160,500	178,500
Total Airport Revenue	1,511,744	553,452	505,500	475,850	642,000

Airport Expenditures by Function

Expenditures by Function	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019	Variance
Personnel Services	101,228	115,130	133,046	115,369	136,850	3,804
Supplies & Materials	131,479	150,024	119,500	150,000	154,000	34,500
Other Charges and Services	256,907	281,455	82,104	76,483	73,700	-8,404
Repairs & Maint.	98,924	161,259	149,400	131,330	124,900	-24,500
Capital Expenditures	-	-	21,450	32,181	152,550	131,100
Transfers Out	-	-	-	-	-	-
Total Expenditures	588,538	707,869	505,500	505,363	642,000	136,500

2019 Major Additions: Aircraft Tug, Rebuild T-Hangar A, Lighting on Runways

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*

2019 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 (2019 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 2019 Business Plans (Objectives)

- Promote Airport as a destination for business and general aviation
- Upgrading terminal building, t-hangars & main hangar
- Upgrade electrical on t-hangars in rows C & D
- Relocate & upgrade the avgas fuel system
- Complete engineering to relocate and repair drainage
- Complete installation of airfield lighting system replacement
- Implement emergency generator grant for landing rights, fuel system & terminal building
- Add additional parking for terminal building

FY 2018 Accomplishments of Prior Year Business Plans

- Installed security fencing and access gates
- Installed handicap ramps and sidewalks
- Constructed website, www.FlyBayCity.com, for airport
- Certified aircraft landing approach lights & REIL lights with FAA
- Replaced REIL lights on runway
- Completed engineering and construction for Avgas relocation
- Completed engineering to replace airfield lighting
- Completed Airport Emergency Plan
- Completed upgrade of Jet-A fuel system

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Airport Manager	1	1	1	1
Lineman	1	1	1	1
Temporary Worker	0	0	1	1
Total	2	2	3	3

1995.02.170C.2

Air Show

Landing - South of Bay City Municipal Airport
Matagorda County



Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Number of daily airfield inspections	247	247	247	247
Number of airfield lighting repairs	80	100	100	100
Number of airfield fence repairs	10	10	2	5
Number of aircraft fueled	56	1,116	517	1,000
Acres of airport grounds mowed / maintained	70	180	181	181
Number of courtesy car rentals / usage	72	110	200	200
Estimated number of take offs & landings	14,000	14,500	14,500	14,800
Number of visits to Airport web site	N/A	10	100	100
Usage / inquires to paid websites for Airport information	1,119	2,000	2,000	2,000
<i>Measuring Our Effectiveness</i>				
T-hangar tenant occupancy	96%	96%	96%	87%
% of time airfield operational	92%	99%	99%	99%
Value of FAA / TxDOT Aviation funding obtained	\$334,000	\$500,000	\$54,900	\$1,046,500
Value of TxDOT Aviation RAMP funding obtained	\$42,893	\$50,000	\$50,000	\$50,000
Funding obtained from other sources	\$120,464	\$200,000	\$150,000	\$150,000

**Number of Visits to Airport website not applicable before FY 2017 as it was just launched. **





SPECIAL REVENUE FUNDS



Hotel / Motel Fund

TIRZ Fund

Donation 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, Donation, 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.

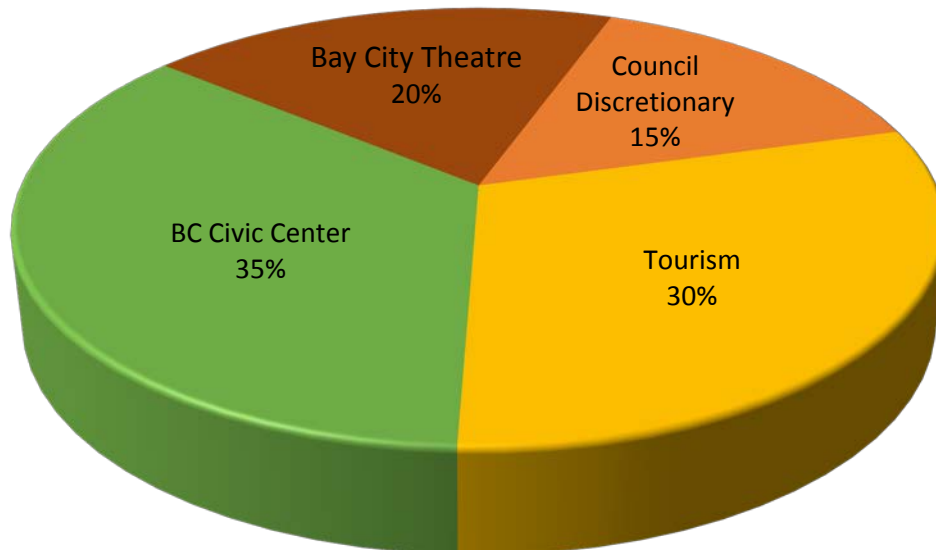
Hotel / Motel Revenue

Revenue Summary	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Hotel Occupancy Tax	654,420	806,471	725,000	800,000	800,000
Miscellaneous	79,954	68,681	842,000	98,945	79,000
Total Revenue	734,374	875,152	1,567,000	898,945	879,000

Hotel / Motel Expenditures

Hotel/Motel Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Council Discretionary	120,866	141,673	173,545	120,800	133,000
Tourism	190,586	203,046	219,955	215,520	263,000
Civic Center	282,342	270,845	843,500	465,000	311,000
Bay City Theatre	64,031	140,683	330,000	275,000	172,000
Total Hotel/Motel	657,825	756,247	1,567,000	1,076,320	879,000

Expenditures by Function



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

(2019 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.



One of two new murals by local artist group

FY 2019 Business Plans (Objectives)

- Provide destination awareness to large Texas cities within driving distance to Bay City.
- Create destination materials: Birding map, Key map of Bay City/Matagorda County with fishing spots, bait camps, boat ramps, fishing piers, sample itineraries, camping locations and historic Driving Tour.
- Represent hotels, facilities, attractions, restaurants, retail areas and others who serve visitors.
- Provide an array of services to tour planners in developing tours into Matagorda County, including suggested itineraries and overnight accommodations.
- Design press packages and build journalism contact list to attract travel writers.
- Recruit and build volunteer list to support Bay City Tourism Council committees and special events.
- Work with regional partners in promoting Matagorda County as an ideal location to visit and spend the night.
- Continue to improve and support key signature events that promote and highlight our community and increase hotel night stays.

FY 2018 Accomplishments of Prior Year Business Plans

- Created the Bay City Tourism Advisory Council, wrote and implemented bylaws to govern the Tourism Council and appoint new members.
- Established a Strategic Plan for the Bay City Tourism Council.
- Generated an SWOT Analysis of the Bay City Tourism Council and action plan for goals.
- Designed a new logo for Visit Bay City and developed clear messaging through branding.
- Drove Destination Bay City to meeting professionals, business travelers, tour operators and individual visitors through advertisements and the State of Texas Visitor Centers.
- Commissioned local artist group to paint first murals in Bay City.
- Managed three concert events in downtown Bay City of the Full Moon Concert series; Wolf, Flower and Strawberry Moon.
- Provided an array of services to professional writer's and tour planners by developing tours into Matagorda County, including suggested itineraries and overnight accommodations.
- Designed new website using Word Press backed by Google Analytics to access data from travelers to the website.
- Developed several training initiatives for hospitality employees in our region including Hotel Motel Tax training.
- Represented hotels, facilities, attractions, restaurants, retail areas and other with our Website and membership with the Texas Association of Convention and Visitors Bureau's and the Texas Hotel & Lodging Association.

Budget Summary

Convention and Visitors Bureau	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	5,338	9,280	6,000	43,506	64,770
Supplies & Materials	8,770	2,434	8,700	8,000	8,230
Other Charges and Services	176,479	191,332	205,255	164,014	185,000
Repairs & Maintenance	-	-	-	-	5,000
Capital Expenditures	-	-	-	-	-
Total Convention & Visitors	190,587	203,046	219,955	215,520	263,000

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Tourism Director	0	0	1	1
Total	0	0	1	1



One of two new murals by local artist group

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

2019 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 2019 Business Plans (Objectives)

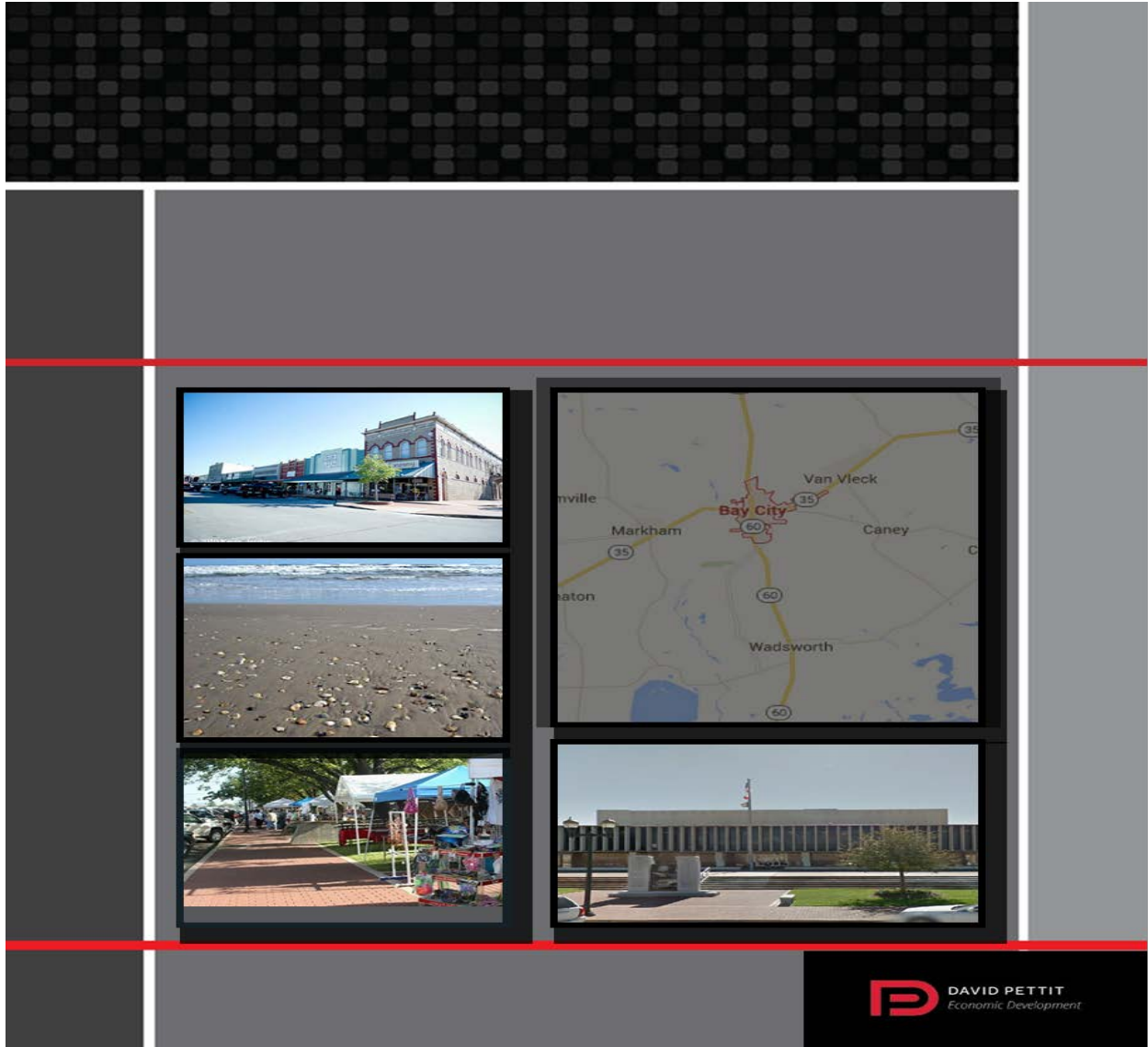
- Ensure the customers and community maximizes the use of the Bay City Civic Center.
- Provide staff to set-up, supervise, and maintain a presence at the center, and ensure every service is afforded the Customer.
- Conduct routine repair and preventative maintenance to the facility and parking lot and 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-stripping 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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	-	-	-	-	-
Supplies and Materials	7,579	7,974	7,500	8,725	8,500
Other Charges and Services	223,657	219,977	226,000	243,275	267,500
Repairs and Maintenance	31,255	42,893	25,000	30,000	35,000
Capital Expenditures	19,850	-	585,000	183,000	-
Total Civic Center	282,341	270,844	843,500	465,000	311,000



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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
TIRZ #1	-	8,065	-	32,682	-
TIRZ #2	-	-	10,800	11,919	-
TIRZ #3	-	-	-	-	-
Total Revenue	-	8,065	10,800	44,601	-

TIRZ Fund Expenditures

TIRZ Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
TIRZ #1	-	-	-	32,682	-
TIRZ #2	-	-	10,800	11,919	-
TIRZ #3	-	-	-	-	-
Total TIRZ	-	-	10,800	44,601	-

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

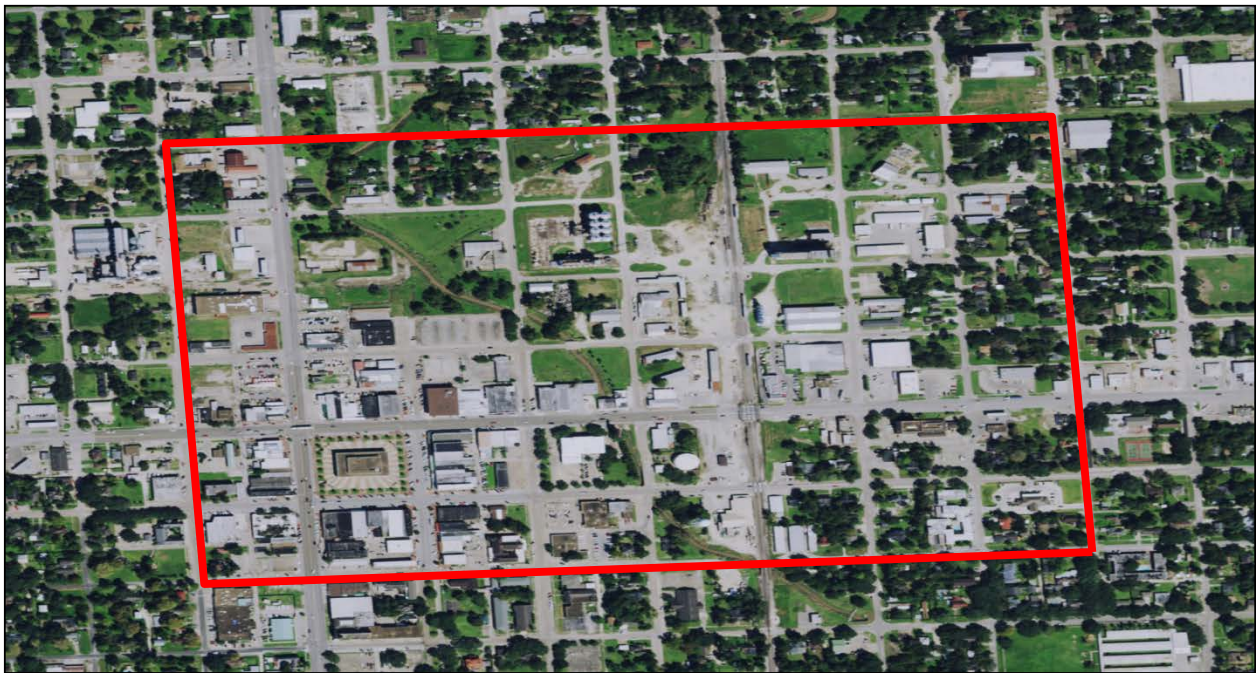
The City of Bay City Tax Increment Reinvestment Zone (TIRZ) Number One (TIRZ #1) was established in 2015 and consisted of 219 acres of land located in the City's central core encompassing approximately 160 acres. Bay City TIRZ #1 is bounded by 11th Street to the north, Avenue E to the west, 5th Street 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	2018 Taxable	Increment
TIRZ 1	23,875,760	28,400,171	4,524,411



*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	2018 Taxable	Increment
TIRZ 2	2,099,193	13,021,768	10,922,575



*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	2018 Taxable	Increment
TIRZ 3	349,100	178,120	(170,980)



*TIRZ 3 Boundary



Old USO (Service Center)



USO (Service Center) Today

DONATION FUND

This fund accounts for public and private donations. Proceeds from this fund will be used for USO Restoration Project(s), Dreamscape Fundraiser and Library Summer Reading Program(s).

Donation Fund Revenue

Revenue Summary	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Miscellaneous	4,140	5,822	-	22,320	-
Total Revenue	4,140	5,822	-	22,320	-

Donation Expenditures

Donation Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	-	-	-	-	-
Supplies & Materials	1,769	151	-	85	-
Other Charges & Services	-	100	-	-	-
Repairs & Maintenance	-	-	-	-	-
Capital Expenditures	-	4,163	-	-	-
Transfers Out	98,568	-	-	-	-
Total Donation	100,337	4,415	-	85	-



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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Miscellaneous	1,934	884	10,000	5,240	-
Transfers In	-	27,856	-	-	-
Prior Year Fund Balance	-	-	-	-	10,000
Total Revenue	1,934	28,740	10,000	5,240	10,000

Forfeiture Fund Expenditures

Police Forfeiture Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	1,699	759	-	-	-
Supplies & Materials	80	196	10,000	-	10,000
Other Charges & Services	421	7,712	-	4,110	-
Repairs & Maintenance	2,905	108	-	5,193	-
Capital Expenditures	-	-	-	-	-
Total Forfeiture	5,104	8,775	10,000	9,303	10,000

Pending Forfeiture Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	-	-	-	-	-
Supplies & Materials	-	-	-	-	-
Other Charges & Services	-794	-	-	-	-
Repairs & Maintenance	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Pending	-794	-	-	-	-



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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Fines & Penalties	4,979	4,158	4,000	3,725	4,000
Miscellaneous	25	10	1,000	105	1,000
Transfers In	-	-	-	-	-
Total Revenue	5,004	4,168	5,000	3,830	5,000

Building Security Expenditures

Building Security Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	2,512	3,583	4,900	796	4,900
Supplies & Materials	105	135	100	150	100
Other Charges & Services	-	9,375	-	-	-
Repairs & Maintenance	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Expense	2,617	13,093	5,000	946	5,000



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

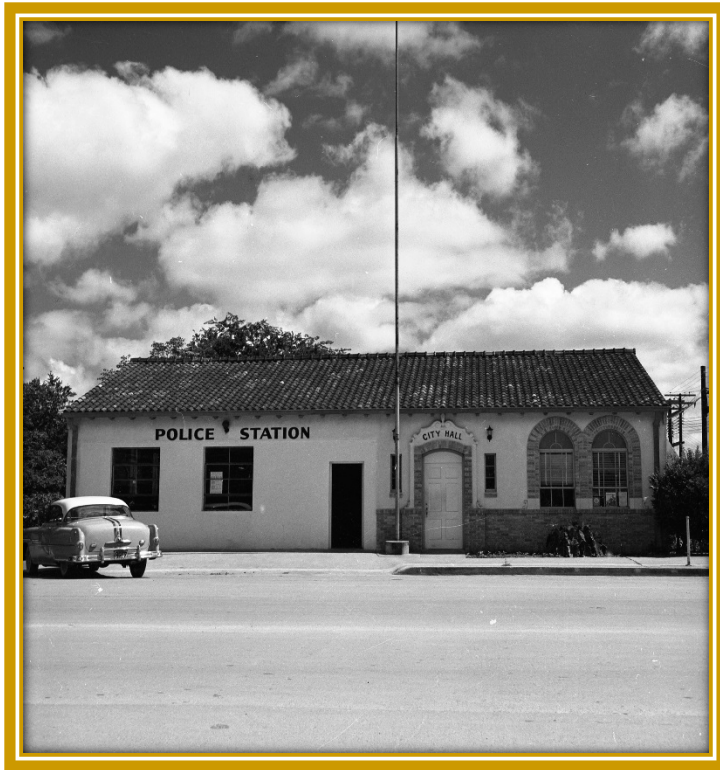
Revenue Summary	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Fines & Penalties	5,556	5,435	5,000	4,860	5,000
Miscellaneous	26	8	5,000	90	-
Prior Year Fund Balance	-	-	-	-	5,000
Total Revenue	5,582	5,443	10,000	4,950	10,000

Court Technology Expenditures

Court Technology Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	-	-	-	-	-
Supplies & Materials	125	150	100	125	100
Other Charges & Services	22,256	8,063	9,900	5,250	9,900
Repairs & Maintenance	5,385	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Court Tech.	27,766	8,213	10,000	5,375	10,000



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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Miscellaneous	487	13	-	40	-
Transfers In	749,034	624,530	600,000	566,663	590,000
Total Revenue	749,520	624,543	600,000	566,703	590,000

Information Technology Fund Expenditures

Information Technology Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	238,616	245,851	252,700	194,900	196,907
Supplies & Materials	17,531	7,131	8,900	6,593	8,600
Other Charges & Services	329,548	409,400	316,400	358,500	364,000
Repairs & Maintenance	80,710	21,160	22,000	6,710	20,493
Capital Expenditures	-	-	-	-	-
Debt Service	5,043	3,049	-	-	-
Total IT	671,448	686,590	600,000	566,703	590,000

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
- 45 Printers
- 30 Servers
- 15 Patrol Cars with I.T. equipment installed

FY 2019 Business Plans (Objectives)

- Evaluate technology-based contracts for cost savings.
- Research cost effective ways to streamline processes.
- Establish monthly meetings with staff to discuss future technology needs.
- Improve work order documentation/process.
- Update technology inventory.
- Continue to provide fast & reliable access to all information systems.
- Continue to facilitate the collection, storage, and security of electronic data.
- Promote computer related training.
- Increase productivity while minimizing efforts from our staff.

FY 2018 Accomplishments of Prior Year Business Plans

- Upgraded video equipment in Council Chambers for video enhancement.
- Assisted Police Department with interview room upgrades and securing digital evidence.
- Implemented Cloud backups city-wide to protect integrity of City's data.
- Additional software to ensure security and deployed city-wide.
- Assisted Matagorda County with ongoing expansion of radio system for First Responders.
- Upgraded Wi-Fi access points city-wide.

Budget Summary

Information Technology	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	238,616	245,851	252,700	194,900	196,907
Supplies & Materials	17,531	7,131	8,900	6,593	8,600
Other Charges & Services	329,548	409,400	316,400	358,500	364,000
Repairs & Maintenance	80,710	21,160	22,000	6,710	20,493
Capital Expenditures	-	-	-	-	-
Debt Service	5,043	3,049	-	-	-
Total IT	671,448	686,590	600,000	566,703	590,000

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Information Technology Manager	1	1	1	1
Network Administrator	0	1	1	1
Information Technology Technician	1	1	1	0
Total	2	3	3	2

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
# of documented work orders completed	1,515	678	700	800





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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Miscellaneous	1,835	21	-	95	-
Transfers In	637,531	543,841	620,000	521,087	600,000
Total Revenue	639,366	543,862	620,000	521,182	600,000

Maintenance Fund Expenditures by Department

Total Expenditures	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Equipment Maintenance	322,839	310,818	272,412	256,634	263,592
Facility Maintenance	404,349	315,705	347,588	264,548	336,408
Total Expenditures	727,188	626,523	620,000	521,182	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 2019 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 2018 Accomplishments of Prior Year Business Plans

- Utilized CityWorks program to service over 50 vehicles.
- 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.
- Installed the Challenger Versalift and completed 15 complex automotive repairs using such lift.

Budget Summary

Equipment Maintenance	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	216,014	214,578	228,912	218,837	240,992
Supplies & Materials	16,585	6,178	11,100	9,670	10,200
Other Charges & Services	88,358	88,881	7,400	7,385	7,400
Repairs & Maintenance	1,882	1,180	5,000	2,342	5,000
Capital Expenditures	-	-	20,000	18,400	-
Total Maintenance	322,839	310,818	272,412	256,634	263,592

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Lead Mechanic	1	1	1	1
Mechanic	2	2	2	2
Total	3	3	3	3

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Trailer repairs completed	70	40	40	40
Tire repair/replacement	65	60	60	60
Service engine, transmission, differential, etc.	86	90	90	90
Welding, metal saw cutting, metal frames, torch cutting	70	60	60	60
Large Truck Repairs	3	2	4	4
Tractor repair	95	30	30	30
Shredder repair & parts replacement	37	40	40	40
Small equipment/tools repairs	145	150	150	150
Light Equipment Repairs	150	100	100	100
Heavy Equipment Repairs	95	60	60	60
Vehicle Minor Repairs	440	375	375	380

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 2019 Business Plans (Objectives)

- Keep track of the weekly and monthly filter changes, facility inspections and work orders associated with our city facilities using CityWorks software.
- Continue to investigate and implement energy conservation.
- Perform annual on-site inspections of all City facilities, diagnose problems, and execute repairs and upgrades, as approved by the Director
- Compile a list of all repairs and upgrades needed for all city facilities
- Initiate and prioritize work orders as needed for facilities
- Oversight of all City generators through on-site inspections, maintaining a list of the generators (model/serial #'s, age), initiate and oversee preventative maintenance program, ensure repairs are completed in a timely manner, and make recommendations for replacement of generators, as needed
- Continue to empower employees by training
- Secure funding for roofs on city buildings (library, city hall, PD, civic center)
- Utilize CityWorks for annual on-site inspections

FY 2018 Accomplishments of Prior Year Business Plans

- Removed old air conditioning system at Mayor's office and Fire Department and installed a new high efficiency unit.
- Relocated power supply for new fuel system components at Airport.
- Installed outdoor receptacle for new security camera to be installed by the front door at the Animal Impound.
- Installed conduit and wire for new car lift in mechanic's shop at the warehouse.
- Conducted weekly inspections on SCADA board at WWTP, lift stations and generators.
- Built underground electrical service and installed rack with new meter, panel, breakers and contactor so AEP could install smart meter at city softball fields.

Budget Summary

Facility Maintenance	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Personnel Services	283,483	280,938	259,538	225,993	247,029
Supplies & Materials	10,619	9,788	12,150	10,315	12,150
Other Charges and Services	44,472	11,168	48,400	1,332	23,000
Repairs & Maintenance	62,025	13,811	27,500	26,908	54,229
Capital Expenditures	3,750	-	-	-	-
Total Facility Maintenance	404,349	315,705	347,588	264,548	336,408

Budgeted Personnel

Position	Actual FY 2016	Actual FY 2017	Actual FY 2018	Budgeted FY 2019
Facilities Maintenance Supervisor	1	1	1	0
Master Electrician	1	1	1	1
Journeyman Electrician	0	0	0	1
Electrician Helper	1	1	1	0
Carpenter	0	0	0	0
Carpenter Helper	1	0	0	0
Facilities Maintenance Tech II	0	1	1	2
Facilities Maintenance Tech I	1	1	0	0
Total	5	5	4	4

Performance Measures

<i>Our Workload</i>	Actual FY 2016	Actual FY 2017	Projected FY 2018	Estimated FY 2019
Electrical work orders	809	736	736	740
Plumbing work orders	2	0	22	25
Air Conditioner repair work orders	11	34	94	80
Carpenter work orders	14	0	0	0
Street Light work orders	0	10	10	10
Trim Tree Limb work orders	0	52	52	30
Number of total work orders completed	836	832	832	885





CAPITAL



Five Year Capital Improvement Program

2019 Project Details

Operating Capital Outlay

**Five Year Capital Improvement Program
Plan (2019-2023)**



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

A **capital improvement project** includes improvements to public facilities, parks and opens spaces, drainage systems, streets and right of ways and utility systems. More information can be found in the City's capital asset policy located in the appendix of this book.

Capital Improvement Plan

Presented herewith is the adopted FY 2019 Capital Improvement Plan (CIP) as approved on September 13, 2018. This document reflects input from City Staff, City Council and City Advisory Boards. This document serves as both a budget for FY 2019 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 2019 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 2019 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, 2019 is a street year so less focus on parks unless grants are involved.

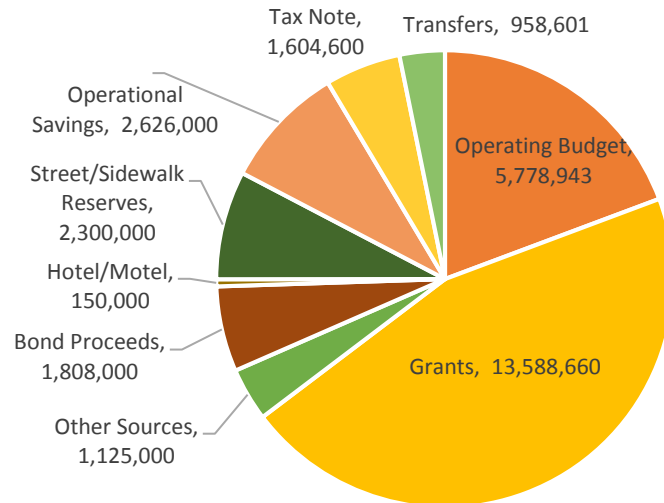
The CIP for Utility Fund projects take into consideration upcoming street projects. Water and sewer infrastructure are replaced prior to any major street project. Other priorities are given to subdivisions where utility systems have been partially completed.

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

Capital Improvement Program Project Financing

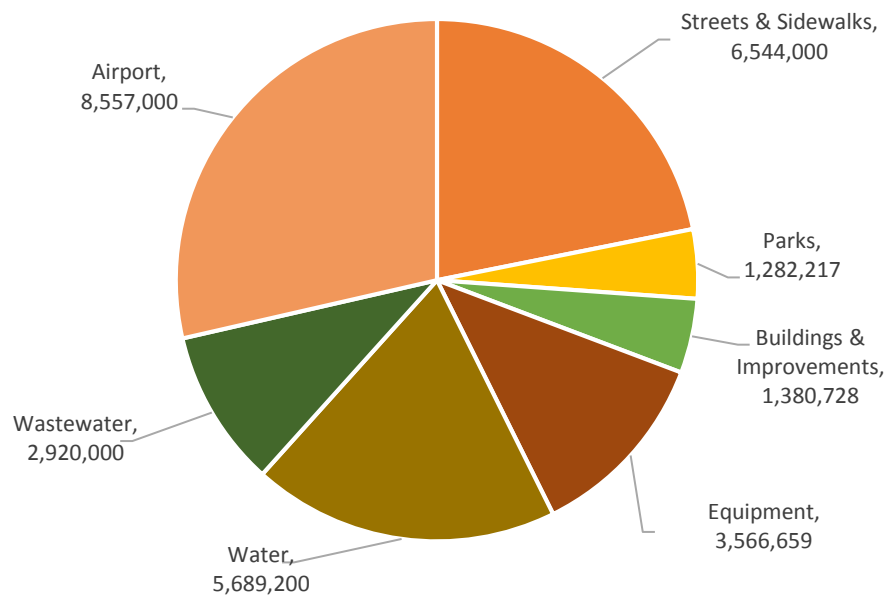
Where the City of Bay City CIP Dollars Come From

All Funds 2019-2023 Adopted CIP (\$29,939,804)



Where the City of Bay City CIP Dollars Go

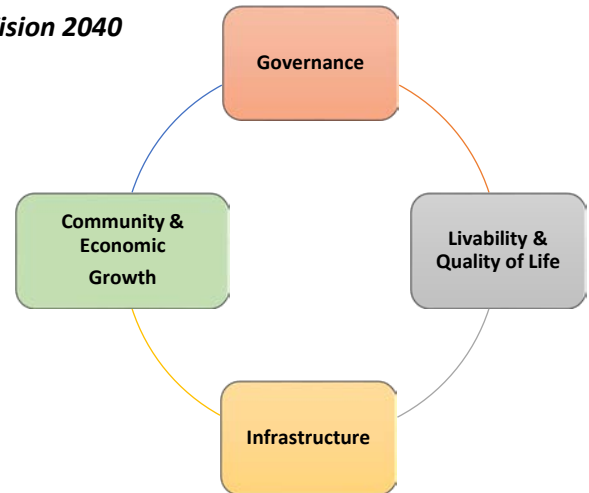
All Funds 2019-2023 Adopted CIP (\$29,939,804)



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 2019 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 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023
General Fund					
Streets	\$ 2,419,000	\$ 200,000	\$ 100,000	\$ 2,250,000	\$ 1,575,000
Parks	200,000	432,217	200,000	250,000	200,000
Buildings & Improvements	530,728	0.00	0.00	80,000	0.00
Equipment	0	984,600	300,000	0	0
Total General Fund	\$ 3,149,728	\$ 1,616,817	\$ 600,000	\$ 2,580,000	\$ 1,775,000
Utility Fund					
Water	\$ 2,406,000	\$ 400,000	\$ 1,100,000	\$ 690,200	\$ 1,093,000
Wastewater	1,000,000	860,000	0	260,000	800,000
Buildings & Improvements	0	100,000	0	50,000	0
Equipment	350,000	1,286,856	0	0	0
Total Utility Fund	\$ 3,756,000	\$ 2,646,856	\$ 1,100,000	\$ 1,000,200	\$ 1,893,000
Airport Fund	\$ 1,243,000	\$ 1,775,203	\$ 3,517,000	\$ 2,857,000	\$ 430,000
Total	\$ 8,148,728	\$ 6,038,876	\$ 5,217,000	\$ 6,437,200	\$ 4,098,000
				Five Year Total	\$ 29,939,804

FIVE-YEAR CAPITAL IMPROVEMENT- BY FUND

General Fund

Project Description	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023
Streets & Sidewalks					
Street Reconstruction Projects	\$ 1,500,000	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000
Street Seal Coat Projects	\$ -	\$ 200,000	\$ -	\$ -	\$ -
Sidewalk New/Replace Project	\$ 894,000	\$ -	\$ 100,000	\$ -	\$ 325,000
Nile Valley Road- Phase I	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -
Railroad Project	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Street & Sidewalks Subtotals	\$ 2,419,000	\$ 200,000	\$ 100,000	\$ 2,250,000	\$ 1,575,000
Parks					
Southern Pacific Trailway-TXDOT	\$ -	\$ 182,217	\$ -	\$ -	\$ -
Park Improvements	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ 200,000
Ball Field Lighting	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ -
Parks Subtotals	\$ 200,000	\$ 432,217	\$ 200,000	\$ 250,000	\$ 200,000
Building & Improvements					
Riverside Roof & Painting	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Pedestrian Ramps	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Replace Roof- Armory (Parks)	\$ -	\$ -	\$ -	\$ 30,000	\$ -
Renovation- Old Texas Theatre	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Relocate Recycling Center Bldg.	\$ 330,728	\$ -	\$ -	\$ -	\$ -
Bldgs. & Improvements Subtotals	\$ 530,728	\$ -	\$ -	\$ 80,000	\$ -
Equipment Subtotals	\$ -	\$ 984,600	\$ 300,000	\$ -	\$ -
General Fund CIP Fund Totals	\$ 3,149,728	\$ 1,686,817	\$ 600,000	\$ 2,580,000	\$ 1,775,000
Funding Source:					
Operating Budget	\$ 314,948	\$ 375,531	\$ 150,000	\$ 230,000	\$ 325,000
Grants(EDA,TDA,H-GAC,LCRA,ETC.)	\$ 1,009,780	\$ 156,686	\$ 50,000	\$ 500,000	\$ 250,000
Other Sources (BCCDC,Interlocals)	\$ 175,000	\$ 100,000	\$ 100,000	\$ 600,000	\$ 150,000
Bond Proceeds	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -
Hotel/Motel	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Street/Sidewalk Reserves-FD 28	\$ -	\$ -	\$ -	\$ 1,250,000	\$ 1,050,000
Operational Savings (Reserves)	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Tax Note	\$ -	\$ 984,600	\$ -	\$ -	\$ -
Total Resources Planned	\$ 3,149,728	\$ 1,616,817	\$ 600,000	\$ 2,580,000	\$ 1,775,000
Transfer to Street Reserve	\$ 225,000	\$ 450,000	\$ 450,000	\$ 500,000	\$ 500,000
Street Reserve Balance	\$ 450,000	\$ 900,000	\$ 1,350,000	\$ 600,000	\$ 50,000

Utility Fund

Project Description	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023
Utility Water					
Fire Hydrant & Valve Rehab Program	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
New Waterline Extension-SH60 N	\$ 308,000	\$ -	\$ -	\$ -	\$ -
New Waterline Extension-SH35 E	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Waterline Replacement- 5 th Street	\$ 400,000	\$ -	\$ 750,000	\$ -	\$ 675,000
Replace Waterlines- NW Quadrant	\$ -	\$ 350,000	\$ -	\$ -	\$ -
Katy Water Plant #3	\$ 698,000	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ 350,000	\$ 337,200	\$ -
Utility Water Subtotals	\$ 2,406,000	\$ 400,000	\$ 1,100,000	\$ 690,200	\$ 1,093,000
Wastewater System					
Manhole Rehab Program	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ -
Lift Station Rehab Program	\$ -	\$ -	\$ -	\$ 50,000	\$ -
New Sewerline Extension-SH35 E	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
WWTP Rehab- Phase I	\$ -	\$ 200,000	\$ -	\$ 150,000	\$ -
Lift Station 1-WWTP Rehab	\$ -	\$ 600,000	\$ -	\$ -	\$ 800,000
Wastewater Subtotals	\$ 1,000,000	\$ 860,000	\$ -	\$ 260,000	\$ 800,000
Building & Improvements					
MSB- New Lobby Restrooms	\$ -	\$ 100,000	\$ -	\$ -	\$ -
MSN- Remodel Women's Restroom	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Bldg. & Improvements Subtotals	\$ -	\$ 100,000	\$ -	\$ 50,000	\$ -
Equipment Subtotals	\$ 350,000	\$ 1,286,856	\$ -	\$ -	\$ -
Utility System CIP Fund Totals	\$ 3,756,000	\$ 2,646,856	\$ 1,100,000	\$ 1,000,200	\$ 1,893,000
Funding Source:					
Operating Budget	\$ 772,000	\$ 819,214	\$ 850,000	\$ 850,200	\$ 773,000
Grants	\$ 1,600,000	\$ 1,227,642	\$ -	\$ -	\$ 870,000
Bond Proceeds	\$ 308,000	\$ -	\$ -	\$ -	\$ -
Operational Savings (Reserves)	\$ 1,076,000	\$ 600,000	\$ 250,000	\$ 150,000	\$ 250,000
Total Resources Planned	\$ 3,756,000	\$ 2,646,856	\$ 1,100,000	\$ 1,000,200	\$ 1,893,000

Airport Fund- TXDOT Entitlement Grant: Renovation Project

Project Description	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Budget FY 2023
Engineering & Design- Drainage	\$ 155,000	\$ -	\$ -	\$ -	\$ -
Construction (LED Lighting on Runways)	\$ 768,000	\$ -	\$ -	\$ -	\$ -
Engineering & Design- Taxiway A Realignment Phase I	\$ -	\$ 390,000	\$ -	\$ -	\$ -
Construction-Drainage Project	\$ -	\$ 1,040,000	\$ -	\$ -	\$ -
Engineering & Design-Taxiway A Realignment Phase II	\$ -	\$ -	\$ 30,000	\$ -	\$ -
Construction- Taxiway A Realignment (Phase I)	\$ -	\$ -	\$ 3,187,000	\$ -	\$ -
Construction-Taxiway A Realignment (Phase II)	\$ -	\$ -	\$ -	\$ 2,707,000	\$ -
Engineering & Design- Main Apron Strengthening	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Airport Master Plan	\$ -	\$ -	\$ -	\$ -	\$ 180,000
Airport Projects Subtotals	\$ 923,000	\$ 1,430,000	\$ 3,217,000	\$ 2,707,000	\$ 280,000
Buildings & Improvements					
Repair T-Hangar Row A	\$ 320,000	\$ -	\$ -	\$ -	\$ -
Repair T-Hangar Row B	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000
Buildings & Improvements Subtotals	\$ 320,000	\$ -	\$ -	\$ 150,000	\$ 150,000
Equipment Subtotals	\$ -	\$ 345,203	\$ 300,000	\$ -	\$ -
Airport CIP Fund Totals	\$ 1,243,000	\$ 1,775,203	\$ 3,517,000	\$ 2,857,000	\$ 430,000
Funding Source:					
Operating Budget	\$ 41,550	\$ 42,500	\$ 45,000	\$ 95,000	\$ 95,000
Grants	\$ 781,450	\$ 1,517,102	\$ 2,866,500	\$ 2,457,500	\$ 302,000
Transfers	\$ 100,000	\$ 215,601	\$ 305,500	\$ 304,500	\$ 33,000
Tax Note	\$ 320,000	\$ -	\$ 300,000	\$ -	\$ -
Total Resources Planned	\$ 1,243,000	\$ 1,775,203	\$ 3,517,000	\$ 2,857,000	\$ 430,000

OPERATING CAPITAL OUTLAY BY FUND

Fiscal Year 2019 Capital Expenditures

GOVERNMENTAL FUNDS

GENERAL FUND

Vehicles and Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
450	Police	Vehicle (Patrol Unit)	1	43,000
480	Parks	Mower	1	24,000
480	Parks	Park Equipment (LeTulle)	1	200,000*
		Total General Fund Equipment		267,000

Supported by Current Revenues- \$117,000; Operational Reserves- \$0

**Funded by Grant - \$75,000 & Funded by Bay City Community Development Corporation- \$75,000*

Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
481	Riverside	New Roofs (Ranger Station)	1	50,000
475	Streets	Phase III Street Project	1	1,500,000**
475	Streets	Sidewalk – Avenue H	1	325,000*
475	Streets	Sidewalk- Hwy 60S	1	569,000*
479	Recycling	Relocate Recycling Center	1	330,728*
		Total General Fund Projects		2,774,728

Supported by Grant- \$934,780; Current Revenues- \$339,948

***Funded by 2016 Bond Proceeds- \$1,500,000*

HOTEL/MOTEL FUND

Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
25-430	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	38,000
405	Utility Operations	Vehicle	1	30,000
405	Utility Operations	Air Compressor	1	30,000
410	Utility Maintenance	Vactor Truck	1	350,000
		Total Utility Equipment		448,000

Supported by Current Revenues- \$ 448,000

Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
410	Utility Maintenance	SH60 N Phase I Waterline	1	308,000**
410	Utility Maintenance	12" 5 th Street Waterline	1	400,000
410	Utility Maintenance	12" East Hwy 35 Sewerline	1	1,200,000*
410	Utility Maintenance	12" East Hwy 35 Waterline	1	1,200,000*
415	Water & WWTP	Katy Water Plant Rehab	1	698,000
		Total Utility Projects		3,806,000

Supported by Current Revenues- \$ 422,000, Operational Reserves- \$ 1,076,000

*Supported by Grant- \$ 2,000,000

**Funded by Other Financing Sources (2016 Bond Proceeds)- \$308,000

AIRPORT

Vehicles & Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
405	Airport	Aircraft Tug		11,000
		Total Airport Equipment		11,000

Supported by Current Revenues- \$0, Airport Reserves- \$ 11,000

Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
405	Airport	Airfield Lighting on Runways	1	923,000*
405	Airport	T-Hanger A Rebuild	1	320,000
		Total Airport Projects		1,243,000

*Funded by Grant \$ 781,450; Airport Reserves- \$ 41,550

**Funded by Other Financing Sources (2018 Tax Note)- \$320,000

Capital Improvement Plan
FY 2020-2023 Project Outlook

General Fund

Street Seal Coat Projects (\$ 200,000)
 Sidewalk New/Replace Project (\$ 100,000)
 Street Reconstruction Projects (\$ 2,500,000) **See attached page 167, 169**
 Nile Valley Road- Phase I (\$ 1,000,000) **See attached page 168**
 Sidewalk/New Replace Project (TXDOT, TCF) (\$ 1,000,000)
 Southern Pacific Trailway-TXDOT Grant (\$ 182,217) **See attached page 170**
 Ball Field Lighting (\$ 500,000) **See attached page 171**
 Park Improvements (\$ 400,000)
 Pedestrian Ramp @ City Facilities (\$ 50,000)
 Replace Roof-Armory (Parks & Recreation) (\$ 30,000)

Utility Fund

Water

Fire Hydrant & Valve Rehab Program (\$ 100,000)
 12" Waterline Replacement, 7,000 LF, 5th St, Phase II (\$ 750,000) **See attached page 177**
 12" Waterline Replacement, 7,000 LF, 5th St, Phase III (\$ 675,000) **See attached page 177**
 Replace Waterlines Northwest Quadrant (\$ 350,000) **See attached page 178**
 Reword Mockingbird Water Well No. 7 (\$ 353,000)
 Reword 6th St. & Avenue I Water Well No. 9 (\$ 368,000)
 Water Plant Recoating's (\$ 687,200)

Wastewater

Manhole Rehab Program (\$ 120,000)
 Lift Station Rehab Program (\$ 50,000)
 WWTP Rehabilitation-Phase I (\$ 350,000)
 WWTP Rehabilitation- Lift Station (\$ 1,400,000)

Building & Improvements

Municipal Services Building Renovations-New Lobby Restrooms (\$ 100,000)
 Municipal Services Building-Remodel Women's Restrooms (\$ 50,000)

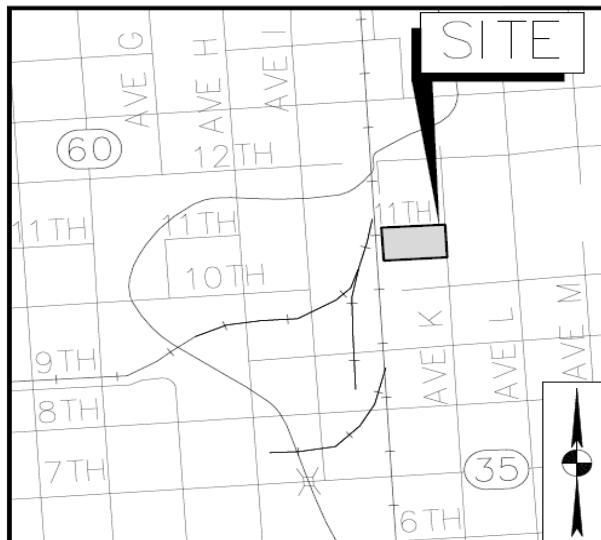
Airport Fund

Engineering & Design-Taxiway A Realignment (\$ 420,000)
 Construction-Drainage Project (\$ 1,040,000)
 Construction- Taxiway A Realignment (\$ 5,894,000)
 Engineering & Design-Main Apron Strengthening (\$ 100,000)
 Airport Master Plan (\$ 180,000)
 Repair T-Hangar Row B (\$ 300,000)

General Fund – New Recycling Center FY 2019

Infrastructure (Strategic Focus)

Project Scope	
This project will consist of designing and constructing a new recycling facility and relocating the existing operations to the new location (City owned vacant property with PID # 25571.) The project is partially funded by a grant from H-GAC which will cover construction of the new building, relocation of the existing equipment, a portable loading ramp, fencing around the yard, security cameras and a sign for the facility. The city is responsible for funding design and concrete for the yard adjacent to the building. Stantec will perform the design services for the facility. H-GAC funds must be used by the end of June 2019.	
Project Name:	New Recycling Center
Construction Start:	February 2019
Project Completion:	June 2019
Current Phase:	NA
Project Contact Information	
Project Manager:	Marla Jasek
Phone Number:	(979) 429-0675
Email Address:	mjasek@cityofbaycity.org
Grant Administrator:	N/A
Engineer:	Robert Moser, Stantec
General Contractor:	TBD



VICINITY MAP
SCALE: N.T.S.
BAY CITY, TEXAS

Approved Project Funding	
Funding Source	Fiscal Year 2019
Grant Funds	\$239,780
Transfer from General Fund	N/A
Project Budget & Expenditures	
Project Budget:	\$330,728
Expended to Date:	\$40,941
Operational Impact	
The recycling operations will continue as normal with only a minor impact during the move. The existing facility is 5500 sf enclosed with a 920 sf canopy. The new facility will be slightly larger with 6000 sf enclosed and a 960 sf canopy. The new facility will be designed with an improved layout to provide better customer service and more efficient handling of materials. A new facility will have a life expectancy of 30-50 years with routine maintenance.	
Current Activity	
Pre-Bid Conference: NA	
Bid Opening: December 13, 2018	
Award Bid: December 20, 2018	
Pre-Construction Conference: TBD	
Target Construction Start: February 2019	
Target Construction End: June 2019	

General Fund – Street Reconstruction Project FY 2019

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
<p>This project will consist of reconstructing approximately 2.1 miles of roadway and intersections throughout the City. Including removing the existing pavement, adjusting street widths if necessary, embanking new dirt, if necessary, reshaping drainage ditches and/or replacing storm drain systems, removing and/or replacing curb and/or sidewalks, reconstructing driveways and culverts, stabilizing the underlying soils, placing new base material, and paving the surface of the roadway with hotmix asphalt and/or concrete paving.</p> <p>Project Name: Street Rehab Project</p> <p>Construction Start: February 12, 2018</p> <p>Project Completion: March 2019</p> <p>Current Phase: 3</p>		Funding Source	Fiscal Year 2019
		Grant Funds	N/A
		Bond Proceeds	\$1,500,000
		Project Budget & Expenditures	
		Project Budget:	\$2,775,856.52
		Expended to Date:	\$1,542,328.90
		Operational Impact	
		Reduced maintenance demand and related personnel expenses of approx. \$2,700 per block per year on road repairs. A reconstructed street will have a life expectancy of 20 years with routine maintenance.	
		Current Activity	
		Pre-Bid Conference: August 16, 2017	
		Bid Opening: August 24, 2017	
		Award Bid: September 14, 2017 (Actual 9/28/2017)	
		Pre-Construction Conference: TBD	
		Target Construction Start: January 2018 (Actual Feb 2018)	
		Target Construction End: March 2019	



General Fund – Railroad Project FY 2019

Infrastructure (Strategic Focus)

Project Scope	
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.	
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.	
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.	
Project Name:	Railroad Project
Construction Start:	NA
Project Completion:	NA
Current Phase:	Preliminary
Project Contact Information	
Project Manager:	Marla Jasek
Phone Number:	(979) 429-0675
Email Address:	mjasek@cityofbaycity.org
Grant Administrator:	N/A
Engineer:	TBD
General Contractor:	NA

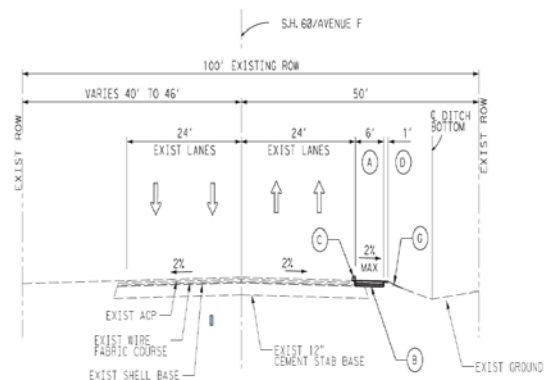
Approved Project Funding	
Funding Source	Fiscal Year 2019
Grant Funds	N/A
Transfer from General Fund	\$25,000
Project Budget & Expenditures	
Project Budget:	\$25,000
Expended to Date:	\$0
Operational Impact	
The alternatives being evaluated have the potential to enhance the quality of life for citizens and to reduce traffic delays due to railroad operations within the city. This would have a positive impact on economic activity within the city.	
Current Activity	
Pre-Bid Conference: NA	
Bid Opening: NA	
Award Bid: NA	
Pre-Construction Conference: NA	
Target Construction Start: NA	
Target Construction End: NA	

General Fund – Street Reconstruction Project FY 2019

Infrastructure (Strategic Focus)

Project Scope	
<p>This TxDOT project will consist of constructing approximately 3,210 LF of 6' sidewalk on the East side of SH60S from Nile Valley Dr. to Hammon Rd. The purpose of the project is to create a safe, congestion free path for pedestrians and bicyclists. This project is proposed in a corridor that includes many apartment complexes, single family residences, a park, an educational center, retail shops, and restaurants. The main goal of this project is to provide a safe connection for pedestrians and bicyclists by filling a network gap between the residences and amenities. This project would also create a safe and needed crossing of two existing barriers: SH60 and a drainage canal. This project will also increase the mobility and safety of this area, which currently has a high volume of pedestrian traffic. It is evident that this area has a high volume of pedestrian traffic due to the presence of dirt paths that have been worn from pedestrian use along the roadway where there are not sidewalks. This project will add to the current facilities and better connect two sides of a drainage canal for pedestrians that must use unprotected crossing facilities today. There are existing sidewalk facilities along SH60 within privately owned property that are not maintained by the property owners. While the sidewalks encourage pedestrian traffic, they do not connect properly across roadway intersections and leave gaps in many areas where pedestrians must walk along dirt paths or along the shoulder of the road. This project will provide crosswalks where necessary and provide a more appropriate and safer route for pedestrian traffic.</p> <p>TxDOT is responsible for design and construction. The City is responsible for a local match of \$57,684 (20% minus the Economically Disadvantaged Counties Program Reduction.)</p>	
Project Name:	Street Rehab Project
Construction Start:	April 2019
Project Completion:	October 2019
Current Phase:	N/A
Project Contact Information	
Project Manager:	Ryan Simper, PE
Phone Number:	(979) 532-3141
Email Address:	Ryan.simper@txdot.gov
Grant Administrator:	TxDOT
Engineer:	Jones Carter
General Contractor:	TBD

Approved Project Funding	
Funding Source	Fiscal Year 2019
Grant Funds	N/A
Transfer from General Fund	N/A
Project Budget & Expenditures	
Project Budget:	\$569,000
Expended to Date:	\$57,684
Operational Impact	
None expected in the next 10 years. A newly constructed sidewalk will have a life expectancy of 25 years with routine maintenance.	
Current Activity	
<p>TxDOT Advanced Funding Agreement: June 2018 Local Match Applied: November 2018 TxDOT Target Letting Date: January 2019 Target Construction Start: April 2019 Target Construction End: October 2019</p>	



S.H. 60/AVENUE F
 PROPOSED TYPICAL SECTION WITH OPEN DITCH
 STA 80+00 TO STA 90+79.46 (SECTION 1)
 STA 96+94.17 TO STA 118+06.70 (SECTION 2)

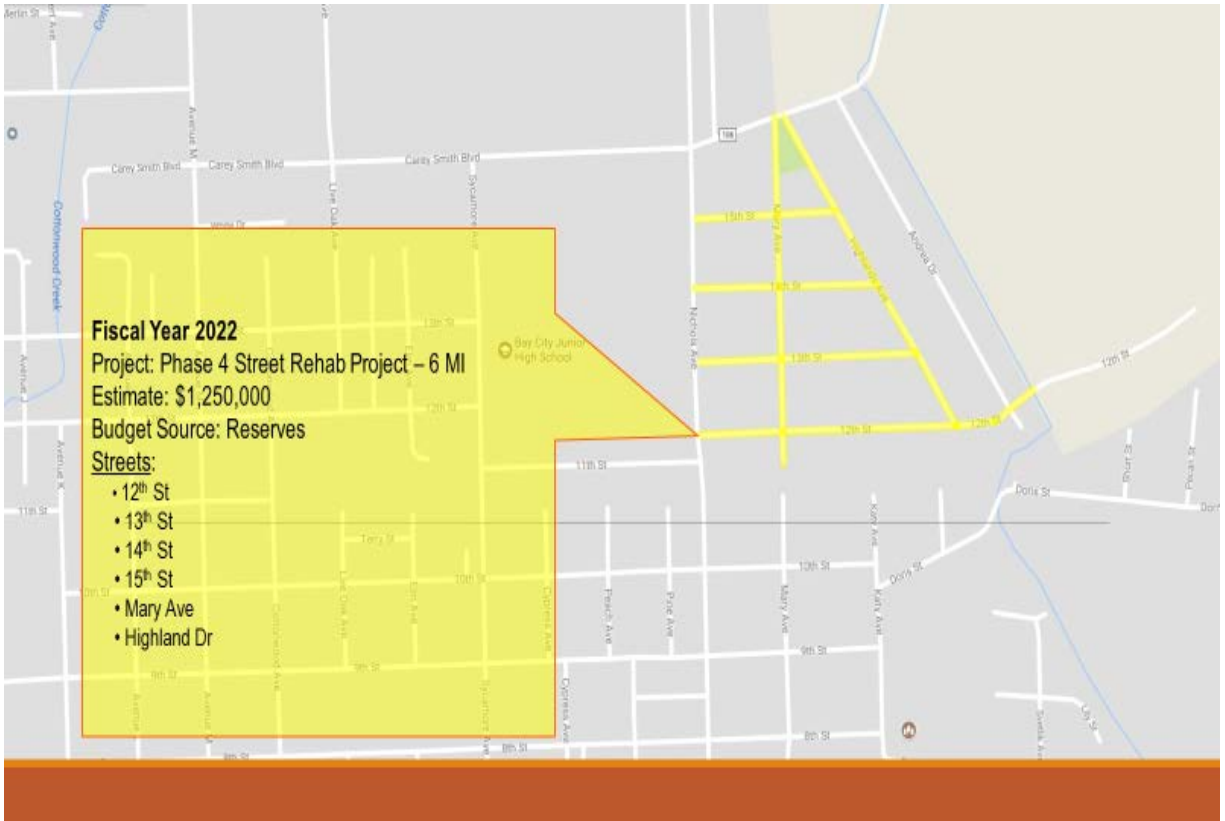
General Fund – Downtown Texas Theater Renovations Project FY 2019

Infrastructure (Strategic Focus)

Project Scope	
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.	
Project Name:	Texas Theater Renovations Project
Construction Start:	October 2018
Project Completion:	January 2024
Current Phase:	N/A
Project Contact Information	
Project Manager:	Barry Calhoun
Phone Number:	(979) 245-7236
Email Address:	bcalhoun@cityofbaycity.org
Grant Administrator:	N/A
Engineer:	Chelsea Place Design, Inc.
General Contractor:	TBD

Approved Project Funding	
Funding Source	Fiscal Year 2019
Grant Funds	N/A
Transfer from General Fund	N/A
Project Budget & Expenditures	
Project Budget:	\$150,000
Expended to Date:	\$0.00
Operational Impact	
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.	
Current Activity	
This project is ongoing and will take several years to complete.	













5-Year CIP – Parks Projects

Fiscal Year 2020

Project: Ball Field Lighting Improvements

Estimate: \$250,000

- \$150,000 – Operating Budget
- \$100,000 – BCCDC & Other

Sources



Utility Fund – 12" Sewer Line SH35East FY 2019

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
This project consists of the installation of 7,500 linear feet of 12-inch gravity sewer line that connects to the Tenaris Lift Station on SH35E. This new sewer line will serve new and existing customers along SH35E up to VanVleck.		Funding Source	Fiscal Year 2019
Project Name: 12" Sewer Line SH60N Project		Grant Funds	\$1,000,000
Construction Start: Unknown		City Match	\$250,000
Project Completion: Unknown		Project Budget & Expenditures	
Current Phase: N/A		Project Budget:	\$1,250,000
		Expended to Date:	\$0.00
Project Contact Information		Operational Impact	
Project Manager:	Louis Rodriguez	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.	
Phone Number:	(979) 943-2149		
Email Address:	lrodriguez@cityofbaycity.org		
Grant Administrator:	GrantWorks		
Engineer:	Jones Carter		
General Contractor:	TBD	Current Activity	
		The City is currently in the process of applying for a EDA grant to help fund this project.	

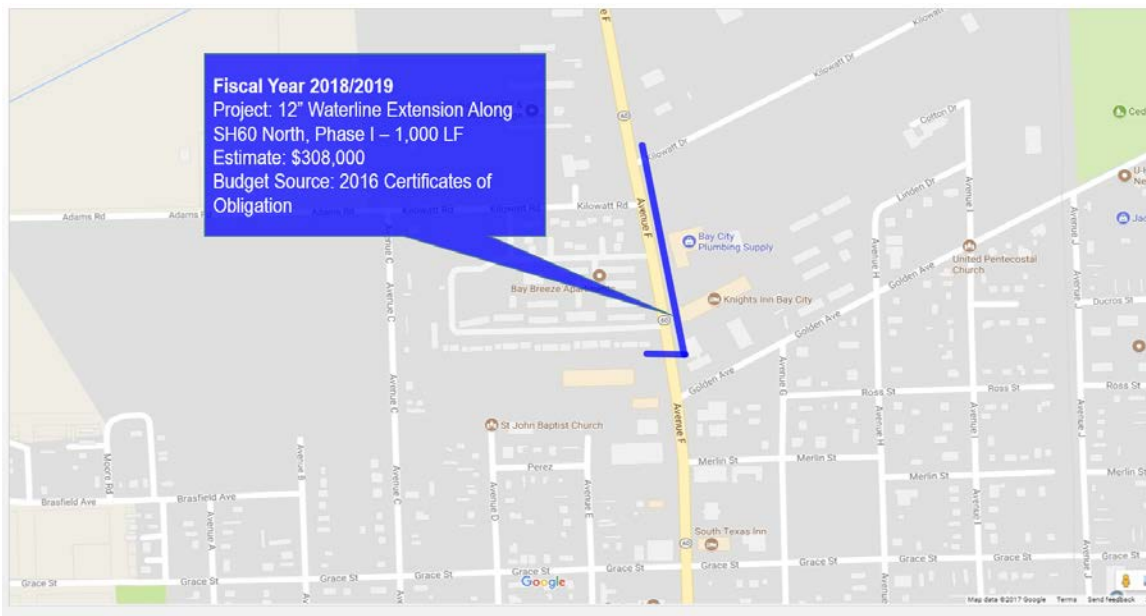


Utility Fund – 12" Water Line SH60North Project FY 2019

Infrastructure (Strategic Focus)

Project Scope	
This project consists of the installation of 1,000 linear feet of 12-inch waterline from a 12-inch waterline that ends on the west side of SH 60, south of Kilowatt Road, across SH 60, and along SH 60 north to the existing 8-inch at Kilowatt Drive.	
Project Name:	12" Water Line SH60N Project
Construction Start:	September 2018
Project Completion:	February 2019
Current Phase:	1
Project Contact Information	
Project Manager:	Louis Rodriguez
Phone Number:	(979) 943-2149
Email Address:	lrodriguez@cityofbaycity.org
Grant Administrator:	N/A
Engineer:	Urban Engineering
General Contractor:	TBD

Approved Project Funding	
Funding Source	Fiscal Year 2019
Grant Funds	N/A
Transfer from General Fund	N/A
Project Budget & Expenditures	
Project Budget:	\$308,000.00
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 northern areas of the City's water system.	
Current Activity	
This project is scheduled to begin September 2018. This project is scheduled to end February 2019.	



Utility Fund – Kathy Water Plant Electrical Improvements Project - NW Quadrant FY 2019

Infrastructure (Strategic Focus)

Project Scope	
This project consists of improvements to the Katy Water Plant. Electrical components for this plant is currently exposed to weather elements and is not favorable to TCEQ regulations.	
Project Name:	Katy Water Electrical Improvements Project
Construction Start:	October 2018
Project Completion:	September 2019
Current Phase:	N/A
Project Contact Information	
Project Manager:	Louis Rodriguez
Phone Number:	(979) 943-2149
Email Address:	lrodriguez@cityofbaycity.org
Grant Administrator:	TBD
Engineer:	TBD
General Contractor:	TBD

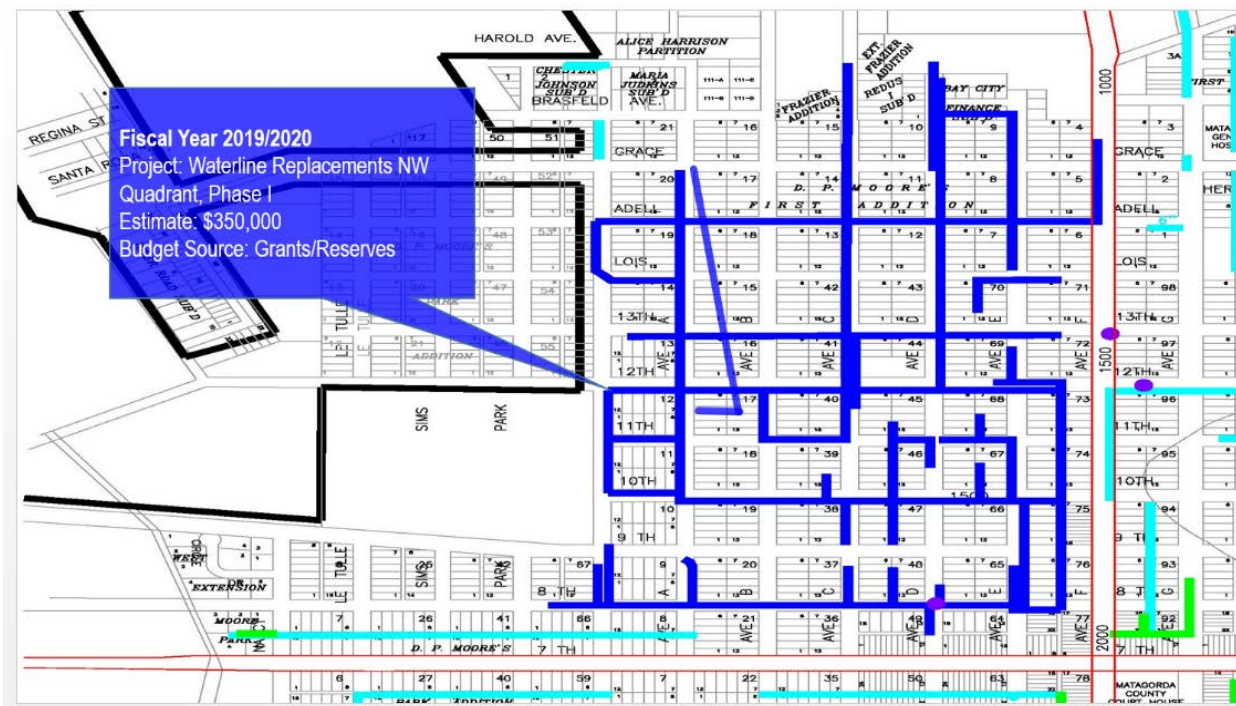
Approved Project Funding	
Funding Source	Fiscal Year 2019
Grant Funds	N/A
Transfer from General Fund	N/A
Project Budget & Expenditures	
Project Budget:	\$698,000
Expended to Date:	\$0
Operational Impact	
Reduced labor and equipment cost from making manual adjustments to maintain pressure during high demand peaks. Improvement to the electrical components to provide stability and efficient operations to this water plant and the City's water system.	
Current Activity	
This project is scheduled to begin October 2018. This project is scheduled to end September 2019.	



Utility Fund – Water Line Rehab Project - NW Quadrant FY 2019

Infrastructure (Strategic Focus)

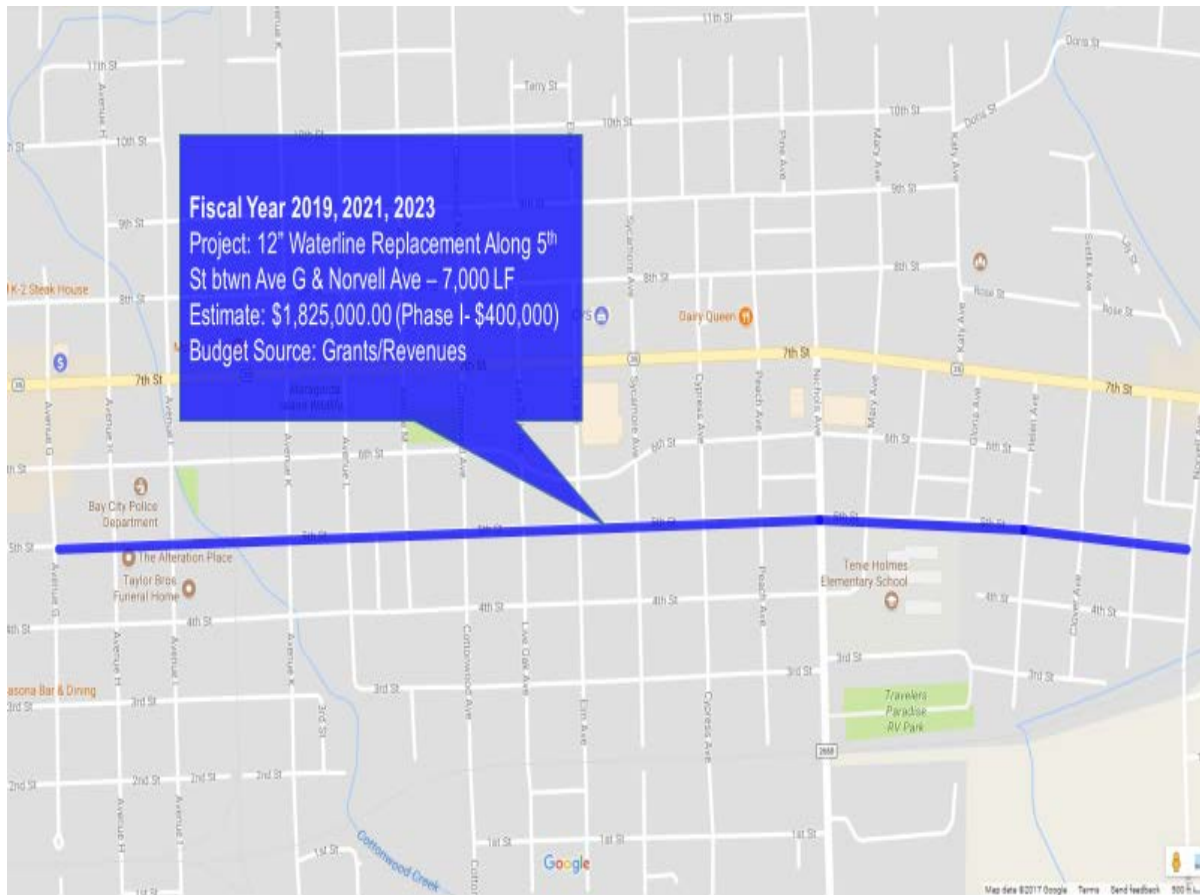
Project Scope		Approved Project Funding	
This project consists of the installation of 1,000 linear feet of 12-inch waterline from a 12-inch waterline that ends on the west side of SH 60, south of Kilowatt Road, across SH 60, and along SH 60 north to the existing 8-inch at Kilowatt Drive.		Funding Source	Fiscal Year 2019
Project Name:	Water Line Rehab Project	Grant Funds	\$350,000
Construction Start:	October 2019	Transfer from General Fund	N/A
Project Completion:	June 2020	Project Budget & Expenditures	
Current Phase:	1	Project Budget:	\$350,000
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 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.	
Email Address:	lrodriguez@cityofbaycity.org	Current Activity	
Grant Administrator:	TBD	This project is scheduled to begin October 2019. This project is scheduled to end June 2020.	
Engineer:	TBD		
General Contractor:	TBD		



Utility Fund – Cottonwood Sewer Lift Station Rehab Project FY 2019

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
This project consists of the complete rehabilitation of the Cottonwood Sewer Lift Station to address accessibility issues, pumps, pump discharge piping, wet well piping, and structural integrity.		Funding Source	Fiscal Year 2019
Project Name: Cottonwood LS Rehab Project		Grant Funds	N/A
Construction Start: January 2018		Transfer from General Fund	N/A
Project Completion: August 2018		Project Budget & Expenditures	
Current Phase: N/A		Project Budget:	\$650,000.00
Project Contract Information		Expended to Date:	\$0.00
Project Manager:	Louis Rodriguez	Operational Impact	
Phone Number:	(979) 943-2149	Reduced labor and equipment cost from making constant repairs especially during high flows. Improvement efficiency and pumping capacity during high flows. Increase the life expectancy of this critical facility.	
Email Address:	lrodriguez@cityofbaycity.org	Current Activity	
Grant Administrator:	N/A	This project is scheduled to begin January 2018. This project is scheduled to end August 2018.	
Engineer:	Garver		
General Contractor:	TBD		





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 used to finance a variety of public projects and require voter approval. 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.

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 \$.1446 of the current property tax rate of \$.6550. The City has eight 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 no plans to issue debt within the next 12 months.** More information on these projects can be found in the capital section of this book.

Assessed value, 2018 tax roll	\$857,099,643	Actual amount of tax-secured debt service - Year ended September 30, 2019	\$2,815,129
Limit on amount designated for debt service per \$100 assessed valuation	x \$ 1.50		
Legal Debt Service Limit	12,856,495	Legal Debt Margin	\$10,041,366

Fiscal year end 2019, outstanding general obligation bond and certificates of obligation bonds will be \$18,540,000 however only \$10,598,083 is currently supported by property taxes. The debt policy along with the history of tax rates can be found in the appendix section of this book.

Property Tax Supported Debt

2009 Tax and Revenue Certificates of Obligation (CO)

\$5,000,000 – 2009 Tax and Revenue Certificate of Obligation Bond was issued for the acquisition of vehicles and equipment for the sanitations system. The payments are secured by property taxes due in annual installments ranging from \$435,000 to \$575,000 through September 1, 2019; interest varying between 3.00% and 3.50%. *General Fund Maintenance & Operational (M & O) is paying this debt from sanitation revenue.*

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 Tax Note

\$642,000 – 2013 Tax Note was issued for the acquisition of a fire rescue truck. The payments are secured by property taxes due in annual installments for approximately \$102,000 through September 1, 2019; interest fixed at 1.37%.

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 a r. 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 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Taxes					
Property Taxes- Current	797,443	854,361	1,167,501	1,156,709	1,234,126
Property Taxes- Delinquent	12,168	14,740	13,000	20,280	1,000
Property Taxes- P & I Fees	11,374	13,242	8,742	15,830	1,000
Total Taxes	820,985	882,343	1,189,243	1,192,819	1,236,126
Other Revenue					
Interest Income	600	155	207	9,596	749
Total Other Revenue	600	155	207	9,596	749
Intergovernmental					
Transfer In- General Fund	803,908	869,704	594,550	594,550	595,125
Transfer In- Utility Fund	405,831	-	-	-	-
Total Intergovernmental	1,209,739	869,704	594,550	594,550	595,125
Total I & S Revenue	2,031,323	1,752,202	1,784,000	1,796,965	1,832,000
Debt Service					
Debt Service Principal	1,489,500	1,380,508	1,419,841	1,419,841	1,465,175
Debt Service Interest	334,368	400,694	361,952	361,952	364,076
Debt Service Admin. Fee	2,300	2,700	2,207	2,200	2,000
Bank Charges	2,635	2,796	-	2,942	749
Total Debt Service	1,828,803	1,786,697	1,784,000	1,786,935	1,832,000
Total I & S Expenditures	1,828,803	1,786,697	1,784,000	1,786,935	1,832,000

FY 2019 Requirements:			
<u>Issue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2009 CO	575,000	20,125	595,125
Series 2010 CO	150,000	94,560	244,560
2013 Tax Note	101,000	1,384	102,384
Series 2013 GO	360,000	45,800	405,800
*Series 2014 CO	97,500	70,172	167,672
*Series 2016 CO	156,675	91,637	248,312
2018 Tax Note	25,000	40,398	65,398
Total	1,465,175	364,076	1,829,251

*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*

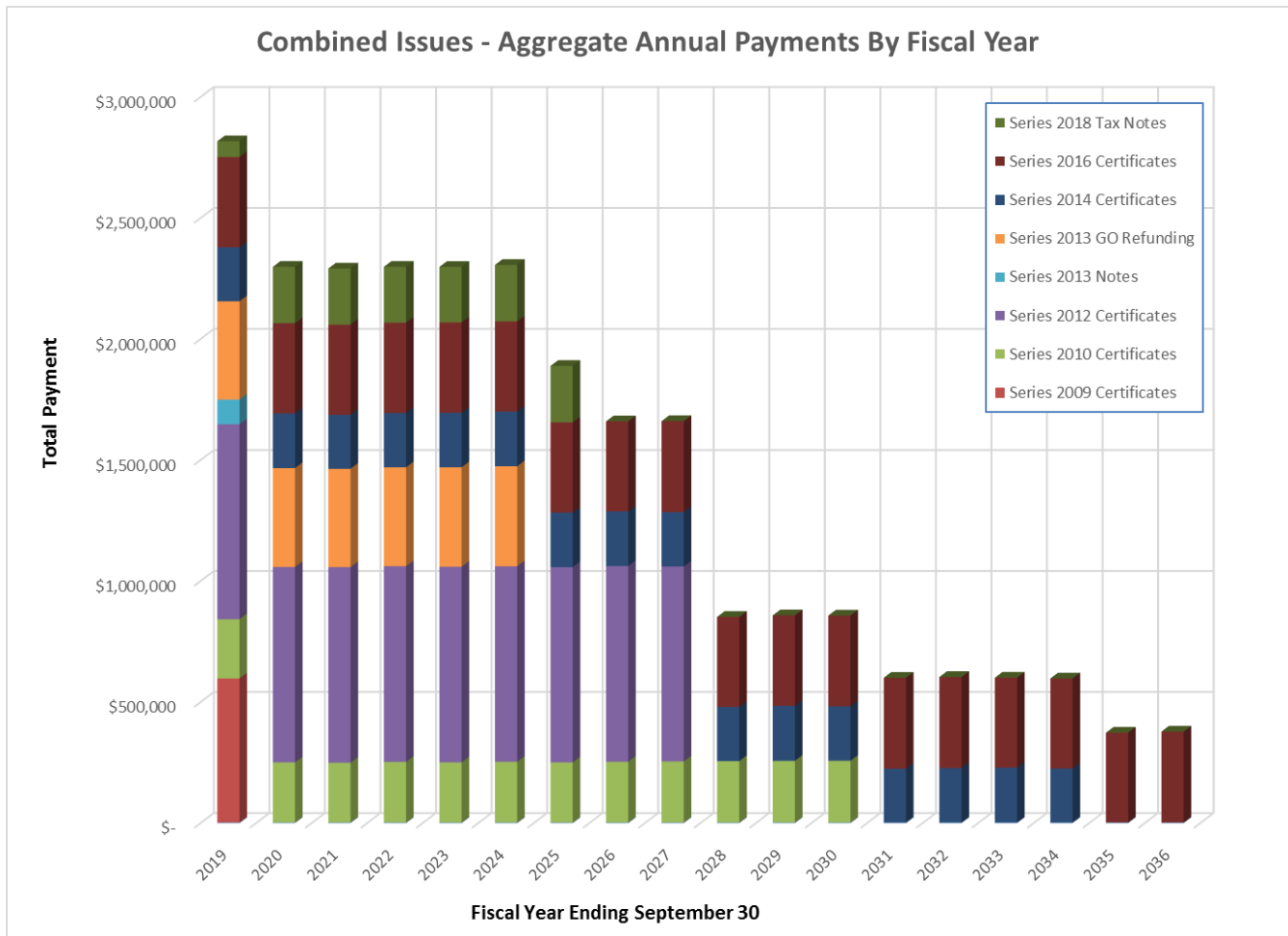
	Actual FY 2016	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
Utility Debt Service					
Other Revenue					
Interest Income	4,430	2,953	516	3,045	1,122
Equity Balance Forward	-	-	-	-	-
Total Other Revenue	4,430	2,953	516	3,045	1,122
Intergovernmental Revenue					
Transfer In- General Fund	-	-	-	-	-
Transfer In- Utility Fund	974,688	984,492	993,484	993,484	985,878
Total Intergovernmental	974,688	984,492	993,494	993,484	985,878
Total Water Debt Service	979,118	987,445	994,000	996,529	987,000
Debt Service					
Debt Service Principal	725,000	-	714,159	714,159	725,825
Debt Service Interest	258,358	276,372	277,325	277,325	260,053
Debt Service- Admin Fee	500	-	2,000	2,000	500
Miscellaneous	66	579	516	770	622
Cost of Issuance	61,597	-	-	-	-
Transfer to Project Funds	1,941,667	-	-	-	-
Total Debt Service	2,987,188	276,952	994,000	994,254	987,000
Total Utility Debt Service	2,987,188	276,952	994,000	994,254	987,000

FY 2019 Requirements:			
<u>Issue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2012 CO	615,000	190,850	805,850
*Series 2014 CO	32,500	23,391	55,891
*Series 2016 CO	78,325	45,812	124,137
Total	725,826	260,053	985,878

*Payments paid by both property taxes and utility system revenue

Outstanding Debt Issue by Series

Supporting Fund	General Fund	General Fund	Public Utility Fund	General Fund	General Fund	General Fd- 75% Utility- 25%	General Fd- 66.67% Utility- 33.33%	General Fd- 100% Utility- 0%	
FYE	Series 2009	Series 2010	Series 2012	Series 2013	Series 2013	Series 2014	Series 2016	Series 2018	
9/30	Certificates	Certificates	Certificates	Notes	GO Refunding	Certificates	Certificates	Tax Notes	Total
2019	595,125	244,560	805,850	102,384	405,800	223,563	372,450	65,398	2,815,129
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	\$ 595,125	\$3,007,850	\$7,266,950	\$ 102,384	\$ 2,453,400	\$ 3,596,888	\$ 6,721,700	\$ 1,458,289	\$ 25,202,585



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

<u>Fiscal Year</u>	<u>Gallons of Water Produced</u>	<u>Gallons of Water Consumed</u>	<u>Gallons of Water Unbilled</u>	<u>Average Percent Unbilled</u>	<u>Gallons of Wastewater Treated</u>
2008	860,144,000	651,039,200	209,104,800	24.31%	792,502,000
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

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

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 13,059,039	\$ 11,507,535	\$ 12,166,490	\$ 7,541,744
Restricted	2,327,929	3,493,985	-	407,739
Unrestricted	912,769	1,554,168	4,195,081	4,373,229
Total governmental activities net position	<u>\$ 16,299,737</u>	<u>\$ 16,555,688</u>	<u>\$ 16,361,571</u>	<u>\$ 12,322,712</u>
Business-type activities				
Net investment in capital assets	\$ 7,522,741	\$ 9,390,238	\$ 9,836,242	\$ 10,543,619
Restricted	564,651	530,241	548,261	339,292
Unrestricted	731,981	688,817	1,366,416	2,359,186
Total business-type activities net position	<u>\$ 8,819,373</u>	<u>\$ 10,609,296</u>	<u>\$ 11,750,919</u>	<u>\$ 13,242,097</u>
Primary government				
Invested in capital assets, net of related debt	\$ 20,581,780	\$ 20,897,773	\$ 22,002,732	\$ 18,085,363
Restricted	2,892,580	4,024,226	548,261	747,031
Unrestricted	1,644,750	2,242,985	5,561,497	6,732,415
Total primary government activities net position	<u>\$ 25,119,110</u>	<u>\$ 27,164,984</u>	<u>\$ 28,112,490</u>	<u>\$ 25,564,809</u>

(1) Accrual basis of accounting

NOTE: 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.

NET POSITION BY COMPONENT (1) CONTINUED

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 7,904,146	\$ 8,444,943	\$ 7,050,325	\$ 6,540,844	\$ 9,638,245	\$10,607,667
410,945	132,143	1,073,579	646,117	994,641	1,034,228
<u>5,054,417</u>	<u>3,865,608</u>	<u>2,807,480</u>	<u>3,391,400</u>	<u>783,252</u>	<u>(93,799)</u>
<u>\$ 13,369,508</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>
\$ 10,948,774	\$ 12,245,026	\$ 9,681,894	\$ 13,826,216	\$15,011,700	\$14,799,364
-	-	-	-	-	-
<u>2,952,528</u>	<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>\$ 13,901,302</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>
\$ 18,852,920	\$ 20,689,969	\$ 16,732,219	\$ 20,367,060	\$24,649,945	\$25,407,031
410,945	132,143	1,073,579	646,117	994,641	1,034,228
<u>8,006,945</u>	<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>\$ 27,270,810</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>

CITY OF BAY CITY, TEXAS

CHANGES IN NET POSITION (1)

Last ten fiscal years

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Expenses				
General government	\$ 1,942,008	\$ 2,473,385	\$ 2,012,790	\$ 2,592,172
Public safety	3,331,324	4,099,853	3,771,477	4,248,889
Public works	2,052,743	2,849,343	2,340,844	3,571,109
Construction for outside parties	-	-	2,320,411	-
Cultural and recreation	3,249,128	3,048,544	2,573,635	2,028,142
Interest on long-term debt	464,827	381,608	583,214	576,214
Total expenses	11,040,030	12,852,733	13,602,371	13,016,526
Program revenues				
Charges for services				
General government	207,903	254,034	240,650	210,778
Public safety	67,302	72,011	406,931	1,139,693
Public works	6,335	13,033	-	-
Construction for outside parties	-	-	1,847,562	-
Cultural and recreation	292,469	111,374	203,546	199,657
Operating grants and contributions	2,041,285	2,172,387	439,912	334,370
Capital grants and contributions	-	-	-	-
Total program revenues	2,615,294	2,622,839	3,138,601	1,884,498
Total governmental activities net program (expense) revenue	(8,424,736)	(10,229,894)	(10,463,770)	(11,132,028)
General revenues and other changes in net position				
Taxes				
Property taxes	2,761,842	3,059,879	3,414,585	3,724,754
Sales taxes	5,239,480	5,076,657	3,986,482	4,423,374
Franchise taxes	770,588	756,851	860,750	794,918
Other taxes	-	-	432,144	478,484
Investment earnings	54,491	26,809	14,401	14,914
Miscellaneous	1,558,912	514,177	1,014,427	1,100,694
Special item - discontinued operations	-	-	-	-
Transfers	61,392	(842,299)	74,131	98,338
Total general revenues and other changes in net position	10,446,705	8,592,074	9,796,920	10,635,476
Total governmental activities change in net position	\$ 2,021,969	\$ (1,637,820)	\$ (666,850)	\$ (496,552)

CHANGES IN NET POSITION (1) CONTINUED

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 1,992,271	\$ 2,321,123	\$ 2,295,602	\$ 2,147,396	\$ 2,534,500	\$ 2,489,768
4,073,513	4,303,562	4,662,949	4,661,538	5,383,527	5,633,913
2,377,316	2,656,096	5,854,434	5,595,487	5,216,175	5,500,397
-	-	-	-	-	-
1,920,640	2,100,338	2,137,429	2,220,915	2,483,518	2,576,955
331,816	495,527	305,880	340,100	450,012	376,732
10,695,556	11,876,646	15,256,294	14,965,436	16,067,732	16,577,765
94,793	81,818	999,059	235,881	429,269	421,190
620,749	538,848	149,354	326,125	276,229	16,762
-	59,130	1,832,671	2,657,519	2,779,000	2,413,138
-	-	-	-	-	-
161,334	154,573	260,195	154,741	239,908	237,775
111,982	281,587	280,889	200,000	317,050	571,157
-	-	-	386,329	828,794	911,963
988,858	1,115,956	3,522,168	3,960,595	4,870,250	4,571,985
(9,706,698)	(10,760,690)	(11,734,126)	(11,004,841)	(11,197,482)	(12,005,780)
3,728,127	3,769,351	3,749,040	4,098,134	4,462,235	4,618,958
3,385,962	3,440,988	3,469,272	4,077,195	4,060,320	4,295,598
1,099,039	1,087,598	984,607	1,047,005	1,040,631	1,127,475
474,242	497,136	614,073	668,601	694,611	845,778
6,163	5,779	3,653	2,660	16,254	37,960
924,999	685,286	709,694	1,077,904	756,915	213,350
-	-	-	(1,208,541)	-	-
1,134,962	501,909	692,477	2,903,367	1,004,293	998,619
10,753,494	9,988,047	10,222,816	12,666,325	12,035,259	12,137,738
\$ 1,046,796	\$ (772,643)	\$ (1,511,310)	\$ 1,661,484	\$ 837,777	\$ 131,958

CITY OF BAY CITY, TEXAS

CHANGES IN NET POSITION (1)

Last ten fiscal years

	Fiscal Year			
	2008	2009	2010	2011
Business-type activities				
Expenses				
Water and sewer	\$ 4,923,927	\$ 4,706,783	\$ 5,258,532	\$ 5,027,229
Sanitation	-	113,933	1,952,979	1,890,468
Airport	420,223	397,202	411,863	401,842
Total expenses	<u>5,344,150</u>	<u>5,217,918</u>	<u>7,623,374</u>	<u>7,319,539</u>
Program revenues				
Charges for services				
Water and sewer	5,282,569	5,561,610	5,730,656	6,326,946
Sanitation	-	-	2,176,550	2,204,210
Airport	186,511	159,161	201,474	227,920
Operating grants and contributions	13,869	361,082	-	-
Capital grants and contributions	-	-	726,097	123,325
Total program revenues	<u>5,482,949</u>	<u>6,081,853</u>	<u>8,834,777</u>	<u>8,882,401</u>
Total business-type activities net program (expense) revenue	138,799	863,935	1,211,403	1,562,862
General revenues and other changes in net position				
Unrestricted investment earnings	36,317	9,639	4,478	3,677
Miscellaneous	60,351	185,058	17,225	22,977
Special item - discontinued operations	-	-	-	-
Transfers	(61,392)	842,299	(74,131)	(98,338)
Total general revenues and other changes in net position	<u>35,276</u>	<u>1,036,996</u>	<u>(52,428)</u>	<u>(71,684)</u>
Total business-type activities change in net position	<u>\$ 174,075</u>	<u>\$ 1,900,931</u>	<u>\$ 1,158,975</u>	<u>\$ 1,491,178</u>
Total primary government change in net position	<u>\$ 2,196,044</u>	<u>\$ 263,111</u>	<u>\$ 492,125</u>	<u>\$ 994,626</u>

(1) Accrual basis of accounting

NOTE: 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.

CHANGES IN NET POSITION (1) CONTINUED

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 5,026,141	\$ 5,134,720	\$ 5,775,681	\$ 6,063,713	\$ 6,681,343	\$ 6,121,251
2,482,660	2,446,553	503,196	-	-	-
389,402	459,418	540,255	550,555	588,537	707,869
<u>7,898,203</u>	<u>8,040,691</u>	<u>6,819,132</u>	<u>6,614,268</u>	<u>7,269,880</u>	<u>6,829,120</u>
6,521,880	6,367,177	6,582,946	6,873,149	7,108,017	7,438,810
2,632,229	2,768,743	449,082	-	-	-
239,173	250,113	327,899	340,572	276,533	305,074
220,997	27,468	10,914	-	68,197	48,351
-	584,651	975,226	1,115,799	3,384,479	406,561
<u>9,614,279</u>	<u>9,998,152</u>	<u>8,346,067</u>	<u>8,329,520</u>	<u>10,837,226</u>	<u>8,198,796</u>
1,716,076	1,957,461	1,526,935	1,715,252	3,567,346	1,369,676
5,422	3,507	3,680	1,729	5,966	23,244
3,608	3,487	148,415	-	24,552	8,200
-	-	-	(2,903,367)	-	-
<u>(1,134,962)</u>	<u>(501,909)</u>	<u>(692,477)</u>	<u>1,134,457</u>	<u>(1,004,293)</u>	<u>(998,619)</u>
<u>(1,125,932)</u>	<u>(494,915)</u>	<u>(540,382)</u>	<u>(1,767,181)</u>	<u>(973,775)</u>	<u>(967,175)</u>
\$ 590,144	\$ 1,462,546	\$ 986,553	\$ (51,929)	\$ 2,593,571	\$ 402,501
\$ 1,636,940	\$ 689,903	\$ (524,757)	\$ 1,609,555	\$ 3,431,348	\$ 534,459

(concluded)

CITY OF BAY CITY, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ 53,128
Assigned	-	-	-	7,201
Unassigned	-	-	-	2,013,578
Reserved				
Prepaid items	-	-	24,824	-
Unreserved	955,593	1,622,414	1,708,708	-
Total general fund	<u>\$ 955,593</u>	<u>\$ 1,622,414</u>	<u>\$ 1,733,532</u>	<u>\$ 2,073,907</u>
All Other Governmental Funds				
Restricted				
Retirement of long-term debt	\$ -	\$ -	\$ 5,431	\$ 10,285
Capital project funds	-	832,503	3,663,379	1,365,723
Community development	1,204,720	1,356,292	1,810,198	1,806,794
Special revenue funds	1,190,398	1,325,206	-	884,510
Tourism	-	-	-	-
Municipal court	-	-	-	-
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 2,395,118</u>	<u>\$ 3,514,001</u>	<u>\$ 5,479,008</u>	<u>\$ 4,067,312</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.

FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 108,116	\$ 16,879	\$ 55,374	\$ 120,664	\$ 44,589	\$ 31,665
7,201	-	-	-	-	-
2,821,025	2,719,997	1,727,220	2,945,445	1,930,425	1,331,488
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,936,342</u>	<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>
\$ 11,275	\$ 30,568	\$ 550,221	\$ 31,305	\$ 233,825	\$ 199,330
1,337,295	1,191,190	2,022,383	2,877,230	3,899,359	3,183,380
-	-	-	-	-	-
823,579	-	-	-	-	-
-	221,561	302,436	372,746	449,295	568,200
-	101,575	96,262	102,994	83,196	71,500
-	42,270	71,538	60,336	92,576	118,928
-	610,912	615,582	631,515	94,804	54,276
-	-	(40,379)	(98,700)	-	-
<u>\$ 2,172,149</u>	<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>

CITY OF BAY CITY, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Taxes	\$ 8,793,242	\$ 8,892,810	\$ 8,646,929	\$ 9,398,598
Licenses and permits	6,335	13,033	9,813	9,335
Fines and forfeitures	207,903	254,034	402,318	736,614
Fees and charges for services	359,771	263,473	2,286,558	751,218
Intergovernmental	610,382	399,741	156,826	334,370
Investment income	54,491	26,809	14,401	14,914
Miscellaneous	<u>2,989,815</u>	<u>2,446,952</u>	<u>1,174,532</u>	<u>1,102,026</u>
Total revenues	<u>13,021,939</u>	<u>12,296,852</u>	<u>12,691,377</u>	<u>12,347,075</u>
Expenditures				
Current				
General government	1,903,178	2,048,581	2,114,190	2,553,230
Public safety	3,205,678	3,301,382	3,692,061	4,074,012
Public works	979,730	1,071,482	1,050,523	1,617,989
Cultural and recreation	2,178,504	2,214,828	2,238,469	1,658,183
Capital outlay	2,548,637	2,502,372	3,569,151	2,351,256
Debt service				
Principal retirement	357,054	529,847	771,731	883,784
Interest and fiscal charges	444,971	428,781	484,390	622,147
Paying agents' fees and issue costs	-	<u>122,550</u>	<u>90,183</u>	-
Total expenditures	<u>11,617,752</u>	<u>12,219,823</u>	<u>14,010,698</u>	<u>13,760,601</u>
Excess (deficiency) of revenues over expenditures	1,404,187	77,029	(1,319,321)	(1,413,526)
Other financing sources (uses)				
Debt issuance	-	2,500,000	3,300,000	-
Premium on bonds	-	50,974	-	-
Payment to escrow	-	-	-	-
Transfers in	1,214,833	439,236	510,232	1,271,561
Transfers out	<u>(1,153,441)</u>	<u>(1,281,535)</u>	<u>(436,101)</u>	<u>(1,173,223)</u>
Total other financing sources (uses)	<u>61,392</u>	<u>1,708,675</u>	<u>3,374,131</u>	<u>98,338</u>
Changes in fund balances	<u>\$ 1,465,579</u>	<u>\$ 1,785,704</u>	<u>\$ 2,054,810</u>	<u>\$ (1,315,188)</u>
Debt service as a percentage of noncapital expenditures	<u>8.84%</u>	<u>9.87%</u>	<u>12.03%</u>	<u>13.20%</u>

(1) Modified accrual basis of accounting

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 8,764,173	\$ 8,845,091	\$ 8,894,495	\$ 9,988,557	\$ 10,375,097	\$ 10,972,108
8,947	5,706	205,321	235,881	255,511	154,409
466,970	378,455	339,905	326,125	322,166	268,378
408,908	444,908	2,585,325	2,809,761	2,898,210	2,675,326
111,982	281,587	342,057	420,857	264,635	1,141,371
6,159	5,773	3,647	2,660	16,240	37,941
954,226	713,618	805,993	998,560	892,115	490,118
10,721,365	10,675,138	13,176,743	14,782,401	15,023,974	15,739,651
1,862,353	2,031,233	2,343,485	2,083,129	2,335,155	2,263,841
3,840,767	4,118,972	4,472,587	4,581,482	4,986,001	5,140,028
981,178	1,142,463	2,895,565	3,163,745	3,425,770	3,241,311
1,764,783	1,869,035	2,022,110	2,102,214	2,396,240	2,350,942
467,801	1,005,219	1,072,074	2,245,491	3,704,716	2,024,539
653,759	775,707	847,110	1,496,153	1,553,752	1,432,357
398,754	348,511	257,997	368,026	344,650	402,072
-	154,249	71,973	-	123,195	5,495
9,969,395	11,445,389	13,982,901	16,040,240	18,869,479	16,860,585
751,970	(770,251)	(806,158)	(1,257,839)	(3,845,505)	(1,120,934)
-	4,672,000	1,598,000	1,398,250	3,776,667	-
-	65,470	67,893	-	235,643	-
-	(3,960,250)	-	-	-	-
568,493	874,319	1,684,648	3,058,627	2,920,044	2,162,044
(576,872)	(1,054,827)	(2,078,698)	(1,556,140)	(3,302,315)	(2,310,412)
(8,379)	596,712	1,271,843	2,900,737	3,630,039	(148,368)
\$ 743,591	\$ (173,539)	\$ 465,685	\$ 1,642,898	\$ (215,466)	\$ (1,269,302)
<u>11.09%</u>	<u>11.23%</u>	<u>8.84%</u>	<u>13.64%</u>	<u>13.88%</u>	<u>12.61%</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>
2008	2007	\$ 297,803,190	\$ 269,820,743	\$ 78,319,795	\$ 109,393,757	\$ 536,549,971	\$ 0.51132
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

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
2008	\$ -	\$ 0.51132	\$ 0.51132	\$ 1.32000	\$ 0.27590	\$ 0.03475
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	1.43701	0.41898	0.05072

SOURCE: Tax department records of the various taxing authorities

*DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUE- CONTINUED*

Overlapping Rates			
Matagorda Co. Hospital District	Matagorda Co. Drainage District #1	Matagorda Co. Conservation & Reclaim. Distr.	Total
\$ 0.17724	\$ 0.09919	\$ 0.00525	\$ 2.42365
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
0.32096	0.05138	0.00721	2.88835

CITY OF BAY CITY, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

(UNAUDITED)

Current Year and Nine Years Ago

2017		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Oak Manor Bay City LLC	\$ 10,437,040	1.40%
Nichols Square Partners LTD	10,181,250	1.37%
AEP Texas Central Company	8,672,810	1.17%
Wal Mart Real Estate Business Trust	8,445,300	1.14%
Fortress Lodging LLC	6,804,500	0.92%
Cypressbrook Palm Village LP	6,573,150	0.88%
Wal Mart Store #01-1405	5,909,470	0.79%
Dunn Heat Exchange	5,606,540	0.75%
IMFI SB Apartments LP	5,194,530	0.70%
Pasupatinath LLC	4,900,000	0.66%
	<u>\$ 72,724,590</u>	<u>9.78%</u>

2008		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
AEP Texas Central Co.	\$ 7,352,400	1.37%
Nichols Square Partners LLC	5,279,260	0.98%
Wal-Mart Store #01-1405	4,580,850	0.85%
W R H Bay City LTD	3,859,990	0.72%
Southwestern Bell Telephone	3,478,310	0.65%
H E Butt Grocery Company	3,356,590	0.63%
H E Butt Grocery Co	2,844,160	0.53%
Walton Place Limited Partnership	2,213,390	0.41%
Low Country Apartments LLC	2,166,590	0.40%
Barrets Minerals Inc.	2,120,090	0.40%
	<u>\$ 37,251,630</u>	<u>6.94%</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
2008	\$ 2,743,941	\$ 2,642,725	96.31%	\$ 93,523	\$ 2,736,248	99.72%
2009	3,045,563	2,930,352	96.22%	105,804	3,036,156	99.69%
2010	3,355,357	3,197,976	95.31%	144,658	3,342,634	99.62%
2011	3,716,758	3,575,427	96.20%	125,665	3,701,092	99.58%
2012	3,726,774	3,608,960	96.84%	100,589	3,709,549	99.54%
2013	3,749,638	3,629,326	96.79%	103,540	3,732,866	99.55%
2014	3,756,239	3,625,489	96.52%	106,222	3,731,711	99.35%
2015	4,087,782	3,980,062	97.36%	73,535	4,053,597	99.16%
2016	4,473,615	4,356,460	97.38%	62,447	4,418,907	98.78%
2017	4,626,589	4,508,161	97.44%	-	4,508,161	97.44%

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 Payable	Capital Leases	Plus: Issuance Premiums
2008	\$ -	\$ 5,155,000	\$ 4,434,167	\$ 221,134	N/A
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

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

N/A denotes information not available.

RATIOS OF OUTSTANDING DEBT BY TYPE CONTINUED

Certificates of Obligation	Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Plus: Issuance Premiums			
\$ -	\$ 6,305,000	N/A	\$ 16,115,301	N/A	\$ 877
2,500,000	5,220,000	50,974	19,660,039	N/A	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

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
2008	\$ -	\$ 11,460,000	N/A	\$ 11,460,000
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

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

N/A denotes information not available

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING CONTINUED

<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
\$ -	\$ 11,460,000	100.00%	\$ 581
-	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

CITY OF BAY CITY, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(UNAUDITED)

September 30, 2017

	Gross Debt Outstanding		Percentage Applicable To City	Amount Applicable To City
	Date	Amount		
Direct Debt:				
City of Bay City (1)	9/30/2017	<u>\$ 12,639,295</u>	100.00%	<u>\$ 12,639,295</u>
Overlapping Debt:				
Matagorda County	9/30/2017	3,774,724	16.60%	626,604
Bay City Independent School District	9/30/2017	<u>11,992,732</u>	62.11%	<u>7,448,686</u>
Total Overlapping Debt		<u>15,767,456</u>		<u>8,075,290</u>
Total		<u>\$ 28,406,751</u>		<u>\$ 20,714,585</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			
	2008	2009	2010	2011
General government				
Building permits issued	N/A	N/A	442	310
Building inspections conducted	N/A	N/A	222	691
Fire inspection conducted	N/A	N/A	13	5
Public safety				
Police				
Arrests	1,399	1,513	1,934	1,730
Accident Reports	235	425	452	416
Citations	2,175	2,791	4,484	3,223
Offense reports	22,827	7,222	3,017	2,734
Calls for service	22,461	27,968	32,296	33,453
Fire				
Emergency responses	264	219	165	220
Fire incidents	112	133	71	132
Service calls and other calls	95	75	94	88
Automatic aid, mutual aid given	57	19	22	27
Streets and highways				
Street resurfacing (lane miles)	-	-	-	-
Water and wastewater				
Water				
Average daily consumption (millions)	2.357	2.503	1.907	2.248
Total consumption (millions)	860.144	913.706	695.911	820.538
Peak daily consumption (millions)	3.686	4.608	3.516	4.395
Wastewater				
Average daily sewage treatment (mil)	2.000	2.153	1.963	1.575
Total consumption (millions)	729.502	785.700	716.328	574.870
Peak daily consumption (millions)	7.117	5.100	13.556	9.758

NOTE: N/A denotes information not available

OPERATING INDICATORS BY FUNCTION/PROGRAM CONTINUED

Fiscal Year					
2012	2013	2014	2015	2016	2017
231	459	1,227	1,039	1,012	1,246
431	1,222	1,735	2,238	2,256	2,366
6	22	8	13	16	23
893	1,722	1,520	1,364	1,405	1,356
199	304	325	471	521	505
1,196	1,621	1,862	1,784	1,736	1,707
1,327	2,669	2,231	3,427	2,820	2,892
19,333	32,155	31,544	32,864	29,618	31,320
175	233	178	170	167	204
95	101	66	64	74	111
80	132	112	106	93	93
39	21	19	23	32	44
-	-	-	5.20	3.49	9.52
2.217	2.187	1.707	2.251	1.692	1.563
809.245	798.353	623.508	824.901	635.604	609.958
3.799	3.485	2.001	3.338	2.569	2.445
1.570	1.566	N/A	1.774	1.954	1.634
573.170	571.850	545.020	691.614	717.629	581.611
11.916	11.755	N/A	6.287	6.532	3.520

CITY OF BAY CITY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2008	2009	2010	2011
Public safety				
Police				
Stations	1	1	1	1
Patrol units	30	32	31	31
Fire				
Fire stations	1	1	1	1
Public works				
Streets				
Streets (lane miles)	N/A	95	109	109
Parks				
Acreage	360	360	360	360
Parks	20	22	22	22
Swimming pools	2	2	2	2
Water and wastewater				
Water				
Water mains (miles)	90	94	94	94
Fire hydrants	600	600	600	600
Maximum daily capacity (thousands of gallons)	4	4	4	4
Wastewater				
Sanitary sewers (miles)	85	88	88	88
Storm sewers (miles)	70	80	80	80
Maximum daily treatment capacity (thousands of gallons)	4	4	4.3	4.3
Sanitation				
Collection trucks	N/A	8	8	8

NOTE: N/A denotes information not available

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM CONTINUED

Fiscal Year					
2012	2013	2014	2015	2016	2017
1	1	1	1	1	1
31	35	33	37	34	34
1	1	1	1	1	1
109	109	109	109	109	109
360	360	360	348	348	348
22	22	22	22	23	23
2	2	2	2	2	2
94	94	115	115	115	113
600	600	600	650	650	650
4	4	4	4	4	3
88	88	88	88	88	108
80	80	80	80	80	80
4.3	4.3	4.3	4.3	4.3	4.3
8	8	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

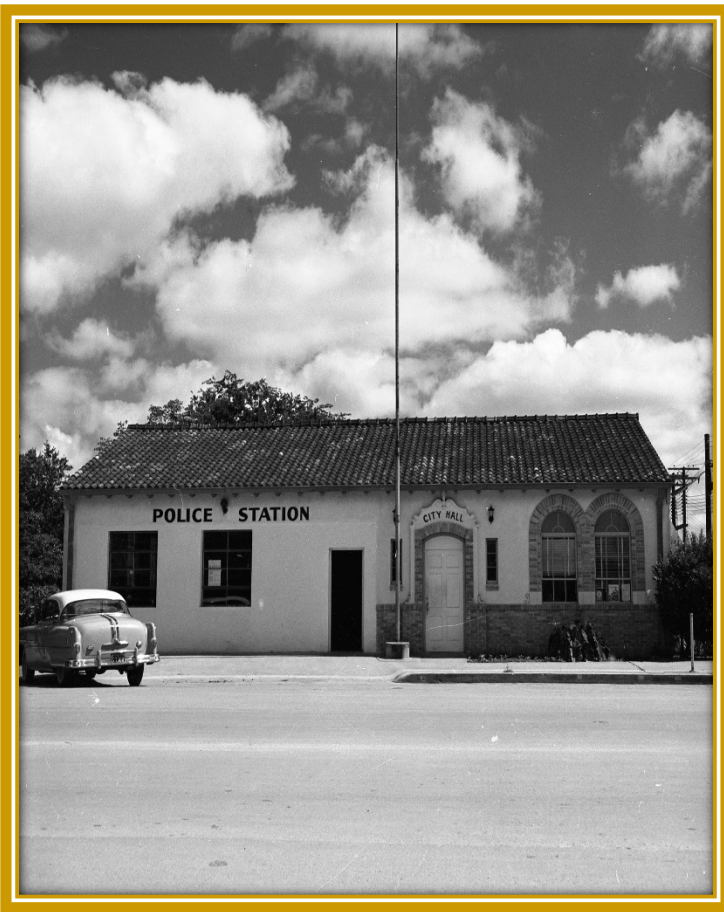
Compensation and Staffing Plan

Long-Term Financial Planning

Acronyms

Index

Glossary of Terms





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

Budgetary Process and Guidelines

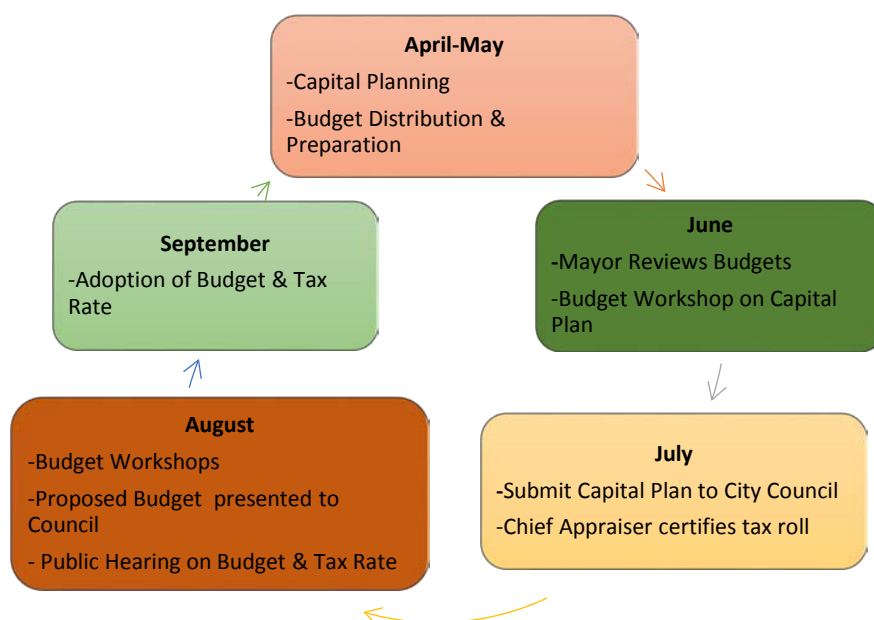
The purpose of this segment is to explain the budgetary policies and process of the City of Bay City. This narrative describes the legal requirements, budgeting standards and basic rationale of the budget process.

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 2019

Summary Budget Calendar

Date	Activity	Responsible Party
Jan-March	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 16	Distribute budget package to Division Heads	Finance Director
May 4	Turn in budget package to Finance Director	Department Heads
May 10	Budget Workshop – Goal Visioning Regular Council Meeting	Mayor & City Council Department Heads
May 25	Submit first draft of budget to Mayor	Finance Director
June 6-8	Budget review with Department Heads	Mayor, Finance Director Department Heads
June 8	Capital Plan Review with Mayor	Finance Director & Department Heads
June 14	Budget Workshop- Capital Planning Regular Council Meeting	Mayor & City Council Department Heads
June 28	Regular Council Meeting	City Council, Mayor
July 12	Budget Workshop – BCCDC Regular Council Meeting	Mayor & City Council Department Heads
July 25	Certification of appraisal roll	Chief Appraiser
July 26	Budget Workshop- 5 Year Capital Plan Regular Council Meeting	City Council, Mayor
July 31	Distribute budget package to Division Heads	Finance Director
August 2	Proposed Budget filed with City Secretary	Finance Director
August 2	Budget Workshop- 2:00 PM	City Council, Mayor, Department Heads
August 6	Publishes notice of effective and rollback tax rates	Matagorda County Tax Office
August 7 & 9	Budget Workshop- 5:30 PM (Tentative)	City Council, Mayor, Department Heads
August 9	Regular Council Meeting -Approve budgetary policy & fund balance policy -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 23	Regular Council Meeting- 7:00 -Public Hearings on budget & tax rate (if required) -Public Hearing on Capital Plan (Charter 10.16)	City Council
August 30	Special Called Meeting-5:30 -Public Hearing on Budget -Public Hearing on tax rate (if required)	City Council
September 13	Regular Council Meeting -Approve Capital Plan -First and final reading of budget ordinance -First and final reading of tax rate ordinance -First and final reading of fee ordinance	City Council
September 28	Distribute budgets	Finance Director
October 1	Budget becomes effective	N/A

City of Bay City, Texas

Fiscal Year 2019

Detailed Budget Calendar

Date	Description	Notes
Jan-March	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 2019 / Accomplishments 2018</i>
April-May	Mailing of Notices of appraised value	<i>Matagorda County Appraisal District</i>
April 16	Distribute budget packets to staff	<i>Goal Visioning Kick off with Department Heads</i>
May 4	Turn in budget packet to Finance Director	<i>Capital Plans and Budget</i>
May 18	Turn in business plans to Finance Director	
May 10	Budget Workshop- Goal Visioning	Vision 2040 Ranking
June 6-8	Budget Review with Department Heads	
June 8	Capital Plan Review with Mayor	Review Capital Plan to be presented to City Council on June 14
June 11 (Mon)	72 Hour Notice	
June 14 (Thurs)	Budget Workshop- Capital Planning Regular Council Meeting	<i>Present Capital Plan and receive input from Council of Ranking (10-year Plan)</i>
June 25 (Mon)	72 Hour Notice	
June 28 (Thurs)	Regular Council Meeting	
July 9 (Mon)	72 Hour Notice	
July 12	Budget Workshop- BCCDC Regular Council Meeting	
July 24	72 Hour Notice	<i>Chief appraiser certifies the approved appraisal roll</i>
July 25	Deadline for Certification of Roll (MCAD)	
July 26	Budget Workshop (TBD) 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	
July 30 (Mon)	72 Hour Notice	
July 31 (Tues)	Distribute budgets to DH's for review	
August 2 (Thurs)	Budget Workshop -General Fund -Utility -Budget Calendar deadlines -Proposed Fee Ordinance -Budgetary & Financial Policy	<i>Kick Off Budget Workshop</i>
August 2 (Thurs)	Proposed budget filed with City Secretary	

August 3 (Fri)	72 Hour Notice	Publication not required.
August 5 (Sun)	Publication of effective & roll back rates (Matagorda County Tax Assessor/Collector)	<i>Effective & Roll back Rates (Deadline is Aug. 7)</i>
August 7 (Tues)	Budget Workshop	<i>Request place holder for public hearing notices to run on Sunday, Aug. 13 and Wednesday, Aug. 16</i>
August 6 (Mon)	72 Hour Notice	<i>“Consider and/or approve placing a proposal to adopt a tax rate for the 2019 fiscal year as an action item on the agenda of a future meeting, specifying therein the desired rate and publishing notice thereof.”</i>
Aug 9 (Wed)	Deadline to Paper	<i>“Consider and/or approve setting two public hearings on the proposed 2019 Tax Rate for August 23 and August 30.” (Only required if proposed rate exceeds Effective tax rate)</i>
August 9 (Thurs)	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 setting public hearings on the proposed 2019 Budget for August 23 and August 30.”</i>
August 10 (Friday)	Confirm placement with newspaper Put Notices on City’s Website	<i>“Notice of Public Hearing on Tax Increase” if applicable “Notice of Public Hearing on Proposed Budget” Ads to run Sun. Aug. 12 & Wed. Aug. 15</i>
August 20 (Mon)	72 Hour Notice for Public Hearings	<i>Put both dates here to avoid Aug 30 PH Notice</i>
August 23 (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 30 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> <i>Mayor to announce “the date of the final approval of the budget and tax rate will be in City Hall on Sept. 13, 2018 @ 7:00”</i>
August 30 (Thurs)	Special Called Meeting Public Hearing on tax rate and Proposed Budget	<i>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.</i> <i>Announce the date & time for final approval for the budget and tax rate ordinance (September 13 @ 7:00 at CH Council Chambers)</i>

Aug. 31 (Friday)	Deadline to Paper
	Not required if tax rate does not exceed effective
Sept 10 (Mon)	72 Hour Notice
Sept 13 (Thur)	Regular Council Meeting -Adopt Budget and Vote on Tax Rate -Approve Fee Ordinance
Sept 28	Distribute Budgets
Oct. 1	Budget becomes effective

Place notice on website and newspaper on Wednesday, September 5, 2018 if applicable
"Notice of Tax Revenue Increase"

"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 2019 budget."
"Consider second and final reading fixing the tax rate...."
Approve Fee Ordinance if applicable

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.

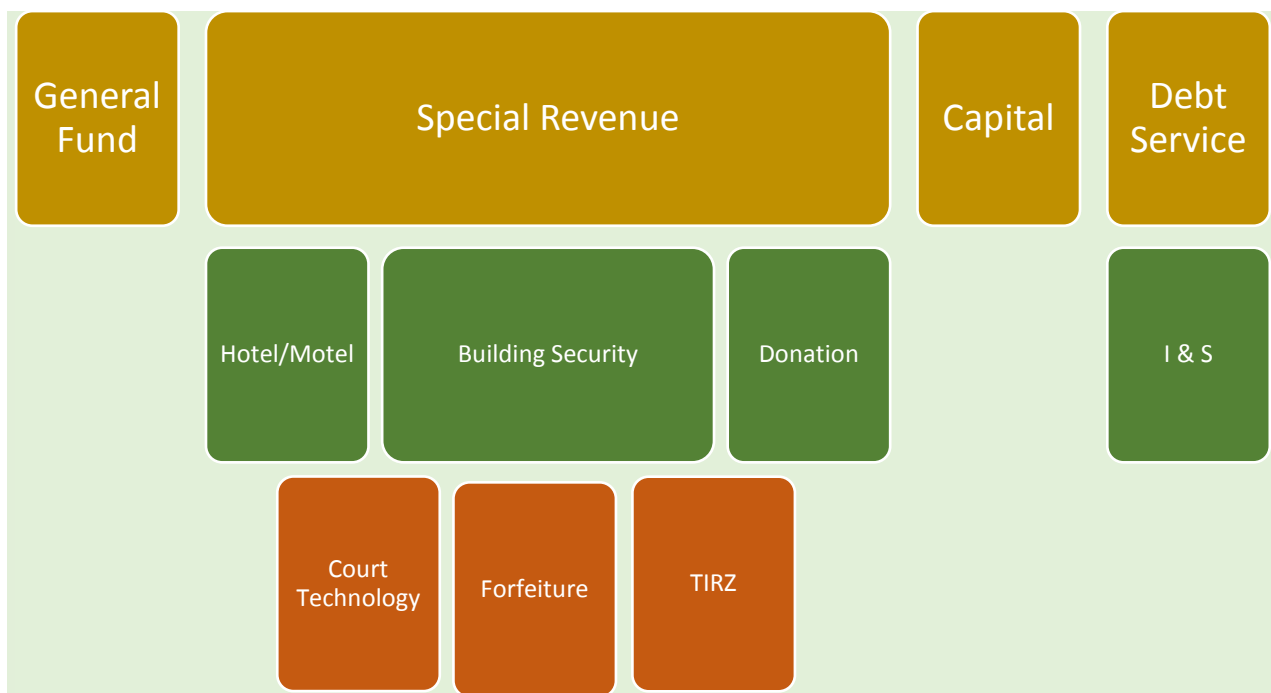
The organizational arrangement of the budget document is based upon the format reflecting the funds of the City, the departments associated with each fund, followed by revenue and expenditures.

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

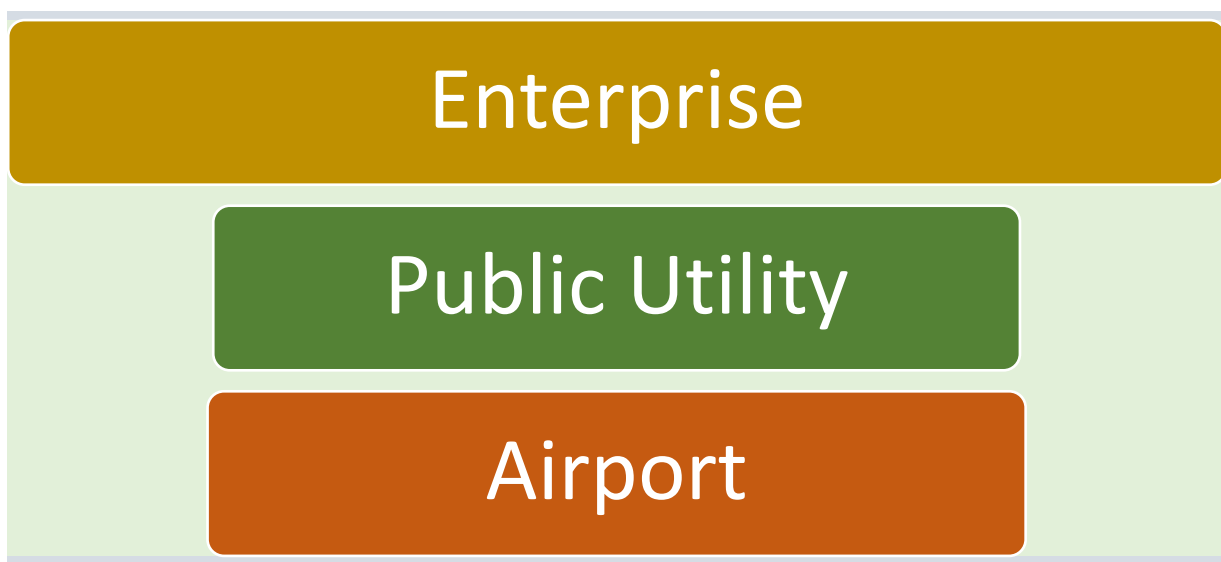


*Although the City has a number of funds shown above, only the General Fund, Hotel/Motel and Debt Service Fund(s) are appropriated. All City funds are audited annually.

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 2019 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 2019 and

WHEREAS, the proposed Operating Budget was placed on file with the City Secretary on the 2nd day of August 2018; and

WHEREAS, a public hearing on the Operating Budget for the City of Bay City for the fiscal year 2019 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 2019 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, 2018.

PASSED AND APPROVED on this 13th day of September 2018.

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, 2019, LEVYING A MAINTENANCE AND OPERATIONS RATE OF \$.5104 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 \$.1446; 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 2019; 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 2019; and

WHEREAS, the City has acknowledged that:

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.68 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$3.47; and

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 2019.

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 2019 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, 2018, except so much thereof as may be exempt by the Constitution or laws of the State of Texas, a total tax of \$0.6550 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 \$0.5104 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, 2019, 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 \$0.1446 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, 2019.

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 13th day of September 2018.



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-2018-28

**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 26, 2018 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, 2018 – September 30, 2023), a copy of which is attached hereto and incorporated in the Fiscal Year Budget 2019, is hereby adopted in compliance with the City of Bay City Home Rule Charter.

PASSED and APPROVED this 13th day of September 2018.

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.

2019 Business Plans (Objectives)

- Implement Council approved compensation and salary plan.
- Update compensation study (participate in other studies).
- Review and amend new employee orientation program (create on-boarding process).
- Review and implement revised personnel policy changes.

2018 Accomplishments of Prior Year Business Plans

- Increased the number of monthly employee and supervisor policy reviews.
- Implemented Quarterly “We Saw You” Recipient Award.
- Pre-filled open enrollment forms for more efficiency.
- Reviewed and modified job descriptions.
- Performed monthly insurance audit.
- Transitioned employee medical filed into a more organized file system.
- Completed records destruction.

Salary Increase (City Council Annual Approval)

City Council approved a budgeted salary increase of 2.5% this year for all City employees.

Approved Positions for FY 2019 (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. **There were no staffing level changes.**

Approved by Council for 2019 Budget:

- Amount of Salary Increase Allocated- **\$130,000**
- Number of Positions (157)

<i>Occupational Department</i>	<i>No. Of Positions FY 2016</i>	<i>No. Of Positions FY 2017</i>	<i>No. Of Positions FY 2018</i>	<i>No. Of Positions FY 2019</i>
<i>*Administrative Council</i>	9	8	8	8
<i>City Secretary</i>	3	3	2	2
<i>Human Resources</i>	0	0	2	2
<i>*Municipal Court</i>	6	6	6	6
<i>Finance</i>	4	5	4	4
<i>Police</i>	59	59	57	57
<i>Fire</i>	1	1	1	1
<i>Animal Impound</i>	3	3	3	3
<i>Streets</i>	16	17	17	16
<i>Recycling Center</i>	3.5	3.5	3.5	3.5
<i>*Parks</i>	10	10	12	12
<i>*Riverside Park</i>	2	2	3	3
<i>*Recreation</i>	3	3	0	3
<i>*Pools</i>	21	21	21	21
<i>Library</i>	6.5	6.5	6.5	8.5
<i>Tourism</i>	0	0	0	1
<i>Utility General</i>	10	9	9	10
<i>Utility Maintenance</i>	14	14	14	13
<i>Waste Water (WWTP)</i>	5	6	6	7
<i>*Airport</i>	2	2	3	3
<i>Information Technology</i>	2	3	3	2
<i>Equipment Maintenance</i>	3	3	3	3
<i>Facility Maintenance</i>	5	5	4	4
Total Budgeted Positions	188	190	188	193
*Temporary /Contracted Workers	30	30	31	36
Total Full Time/Part Time	158	160	157	157
Temporary Workers by Department				
<i>Council Members- Admin Council</i>	5	5	5	5
<i>Appointed-Judges- Municipal Court</i>	2	2	2	2
<i>Temporary Workers-Parks</i>	0	0	2	2
<i>Temporary Worker-Riverside</i>	0	0	1	1
<i>Temporary Workers-Recreation</i>	3	3	0	3
<i>Temporary Workers-Pools</i>	20	20	20	20
<i>Temporary Workers- Library</i>	0	0	0	2
<i>Temporary Worker- Airport</i>	0	0	1	1
Total Budgeted Positions	188	190	188	193

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.

	<i>Actual FY 2017</i>	<i>Budget FY 2018</i>	<i>Projected FY 2018</i>	<i>Adopted FY 2019</i>
<i>STP Lease Income</i>	75,600	75,600	75,600	75,600
<i>SMBG Lease Income</i>	79,555	600,000	569,963	600,000
<i>Sales Tax Collections</i>	1,431,866	1,375,000	1,431,893	1,425,000
<i>BDC Income</i>	3,969	4,000	3,210	4,000
<i>Main Street Income</i>	33,433	43,091	43,091	43,091
<i>Interest Income</i>	7,129	5,000	5,609	5,000
<i>Reduction in Grant Obligation</i>	15,655	0	376	0
<i>Loan Proceeds</i>	6,520,693	0	979,307	0
<i>CamoFest</i>	12,584	30,000	12,686	0
<i>TIRZ #1 Income</i>	0	18,000	31,249	0
<i>TIRZ #2 Income</i>	0	10,000	6,620	30,000
Total Revenue	\$8,180,483	\$2,160,691	\$3,159,604	\$2,182,691
<u>Administrative</u>				
<i>Salaries and Wages</i>	186,650	194,688	196,000	170,000
<i>Other Compensation</i>	2,052	2,350	1,946	2,350
<i>Payroll Taxes</i>	14,436	15,073	15,143	13,185
<i>Unemployment Taxes</i>	32	600	600	600
<i>Retirement Expense</i>	16,841	19,034	18,416	18,959
<i>Workers Compensation</i>	753	850	800	850
<i>Employee Health Insurance</i>	23,610	24,000	23,968	26,400
<i>Travel and Training</i>	1,493	2,500	2,000	2,500
<i>Postage and Freight</i>	183	300	189	300
<i>General Supplies</i>	2,671	2,400	2,400	2,400
<i>Dues and Subscriptions</i>	4,682	4,150	3,553	4,150
<i>Vehicle Expense</i>	4,296	4,000	2,607	4,000
<i>General Insurance</i>	9,456	12,000	15,164	12,000
<i>Telephone</i>	5,133	5,000	4,609	5,000
<i>Utilities</i>	4,285	4,500	4,500	4,500
<i>Legal and Professional Fees</i>	19,497	19,900	23,750	19,900
<i>Cleaning and Maintenance</i>	6,373	6,000	5,415	6,000

<i>Continued</i>	Actual FY 2017	Budget FY 2018	Projected FY 2018	Adopted FY 2019
<i>Equipment Rentals</i>	2,299	2,000	2,414	2,000
<i>Printed Materials</i>	1,740	1,500	1,108	1,500
<i>Advertising</i>	66	2,800	0	2,800
<i>Renovation Expense</i>	0	0	0	50,000
<i>Business Meals</i>	1,784	1,900	1,900	1,900
<i>Misc. Furniture and Equipment</i>	0	1,000	1,000	1,000
<i>Miscellaneous</i>	75	1,500	1,000	1,500
<i>Repairs and Maint. Equipment</i>	153	0	240	0
<i>Refinancing Costs</i>	537	0	0	0
<i>Principal Payment</i>	158,172	398,689	279,289	400,978
<i>Interest Expense</i>	235,859	377,923	370,728	449,513
Total Administrative	\$703,127	\$1,104,658	\$978,737	\$1,204,284
<u>Prospect Development</u>				
<i>Travel and Training</i>	4,794	6,180	6,500	6,180
<i>Postage and Freight</i>	216	400	200	400
<i>Contracted Services</i>	838	10,000	5,000	10,000
<i>Promotional Items</i>	930	1,000	1,200	1,000
<i>Advertising</i>	6,740	8,000	5,000	8,000
<i>Business Meals</i>	1,773	4,120	3,500	4,120
<i>Miscellaneous</i>	200	3,500	500	3,500
Total Prospect Development	\$15,492	\$33,200	\$21,900	\$33,200
<u>Project Expenses</u>				
<i>Mat. Co. Economic Devel. Corp.</i>	67,500	67,500	70,000	75,000
<i>U of H- Coastal Plains</i>	20,000	20,100	20,000	20,000
<i>Main Street</i>	25,184	25,000	25,000	25,000
<i>Business Assistance Center</i>	1,707	10,000	10,000	10,000
<i>Builders Incentive Program</i>	0	50,000	0	50,000
<i>Texas Capital Fund Main St.-Sidwalk</i>	0	0	0	50,000
<i>Job Incentives(Applebee's)</i>	4,345	20,000	0	20,000
<i>City Vision 2040 Plan</i>	504	35,000	10,000	35,000
<i>Parks & Recreation Project</i>	0	70,000	70,000	75,000
<i>CED Insurance and Maintenance</i>	73,118	100,000	100,000	100,000
<i>Parking Lot</i>	0	0	100,000	0
<i>Family Entertainment Center</i>	8,576,173	0	1,500,000	0
Total Project Expenses	\$8,768,532	\$397,600	\$1,905,000	\$460,000
Total BCCDC Expenditures	\$9,487,150	\$1,535,458	\$2,905,637	\$1,697,484

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	2016 (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

	2016 (estimate)	2020 Texas State Data Center	2020 Texas Water Development Board	2030 Texas State Data Center	2030 Texas Water Development Board
Bay City	17,635	NA	18,797	NA	19,786
Matagorda County	36,954	39,103	39,166	40,611	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 2012 Race and Ethnicity

	Count	Percent
White Alone	11,294	65.0%
Black Alone	2,688	15.5%
American Indian	123	0.7%
Asian	140	0.8%
Pacific Islander	5	0.0%
Other	2,679	15.4%
2 or more Races	436	2.5%
Hispanic (any race)	6,631	43.9%

Source: US Census www.census.gov , ESRI Business Analyst

Age

Bay City is a relatively young community, with a median age of 35.2 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	1,360	7.8%
5 – 9	1,263	7.3%
10 – 14	1,248	7.2%
15 – 19	1,284	7.4%
20 – 24	1,185	6.8%
25 – 34	2,300	13.2%
35 – 44	1,880	10.8%
44 – 54	2,475	14.3%
55 – 64	2,062	11.9%
65 – 74	1,208	7.0%
75 – 84	720	4.1%
85+	377	2.2%
Median Age	35.2	

Source: ESRI Business Analyst

Income and Employment

The median income in Bay City (\$39,675) 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	1,292	19.8%
\$15,000 - \$24,999	924	14.2%
\$25,000 - \$34,999	689	10.6%
\$35,000 - \$49,999	915	14.0%
\$50,000 - \$74,999	1,002	15.4%
\$75,000 - \$99,999	770	11.8%
\$100,000 - \$149,999	748	11.5%
\$150,000 - \$199,000	105	1.6%
\$200,000+	70	1.1%
Median Household Income	\$39,675	

Source: ESRI Business Analyst

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 have 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 (54.9%). 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 2005-2009 Housing Units per Structure

	Count	Percent
Total	8,277	100%
1, Detached	4,547	54.9%
1, attached	222	2.7%
2	221	2.7%
3 to 4	742	9.0%
5 to 9	916	11.1%
10 to 19	297	3.6%
20 or More	516	6.2%
Mobile Home	789	9.5%
Boat, RV, Van, Etc.	27	0.3%

Source: 2010 US Census

With a median value of \$108,032, 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 2012 Housing Values for Owner Occupied Units

	Count	Percent
Total	3,390	100%
<\$50,000	503	14.9%
\$50,000 - \$99,999	1,023	30.2%
\$100,000 - \$149,999	1,052	31.0%
\$150,000 - \$199,999	507	15.0%
\$200,000 - \$249,999	145	4.3%
\$250,000 - \$299,999	75	2.2%
\$300,000 - \$399,999	68	2.0%
\$400,000 - \$499,999	15	0.4%
\$500,000 - \$749,999	2	0.1%
> \$750,000	0	0.0%
Median Value	\$108,032	

Source: ESRI Business Analyst

Education

Over 30% 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+	11,239	100%
Less than 9th grade	1,737	15.5%
Some HS, no diploma	1,697	15.1%
HS Degree	3,168	28.2%
Some College	2,744	24.4%
Associates Degree	494	4.4%
Bachelor's Degree	1,065	9.5%
Graduate degree	334	3.0%

Source: US Census

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.

Table12 Property Tax Rates and Entities 2013 (most recent available on CAD site)

	Rate / \$100
City of Bay City	0.56794
City of Palacios	0.85787
Matagorda County	0.32099
Bay City ISD	1.32394
Boling ISD	1.0400
Matagorda ISD	1.16373
Palacios ISD	1.1000
Tidehaven ISD	1.2176
Van Vleck ISD	1.0400
Matagorda County Hospital District	0.2560
Port of Bay City Authority	0.03645
Matagorda County Nav District #1	0.03872
Matagorda County Consv. & Recl. District	0.00522

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 2013, 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.

Acronyms

A/P	Accounts Payable
ACH	Automated Clearing House
AMI	Advanced Metering Infrastructure
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

VVISD- Van Vleck Independent School District

WCA- Waste Corporation of America

WWTP – Wastewater Treatment Plant

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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 organizations 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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