

Popular Annual Financial Report



For the Year Ended
September 30, 2018



CITY OF BAY CITY, TEXAS

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CITY OF BAY CITY, TEXAS

Popular Annual Financial Report (PAFR)

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2018

Prepared by: Finance Department

The Popular Annual Financial Report (PAFR) is intended to summarize and simplify the statistical, economic and financial information contained in the 2018 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was independently audited by Harrison, Waldrop And Uherek, LLP. The PAFR, while unaudited, provides a brief analysis of where the City of Bay City's revenues come from and where the dollars go, trends and statistics as well on the local economy. It is presented as a means of increasing public awareness about the City's financial condition through a more user-friendly document. The PAFR does not include information on the City's component units, Bay City Gas Company and Bay City Community Development Corporation. This PAFR is still in compliance with GAAP in that we present the governmental funds using the current financial resources management focus and modified basis of accounting. Proprietary funds are used to report the same functions presented as business type activities in the government wide financial statements. For a fully detailed, fully disclosed GAAP based presentation of the City's financial position, the CAFR, in its entirety, please visit the City's website at: www.cityofbaycity.org/transparency-program





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.

About Your City Staff

Over 193 full and part-time employees compromise our team within the City of Bay City organization. These same employees come together day in and day out with the important task of assisting with the delivery of essential City services. They are dedicated to the development and growth of the city.

Your Bay City City Council



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

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.

Division Directors

Scotty Jones, Finance Director

David Holubec, City Secretary

Rhonda Clegg, Human Resources Director

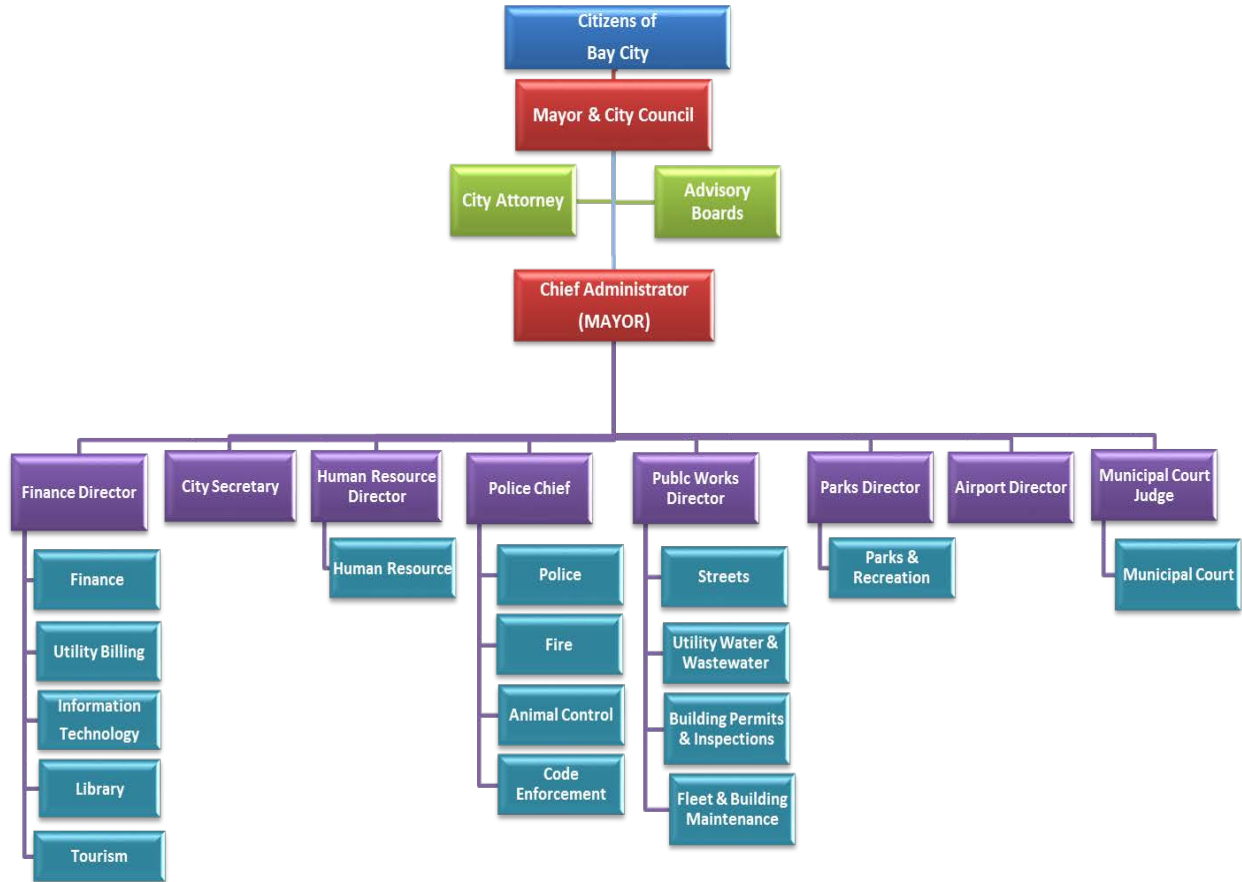
Barry Calhoun, Public Works Director

Robert Lister, Police Chief

Shawn Blackburn, Parks & Recreation Director

James Mason, Airport Manager

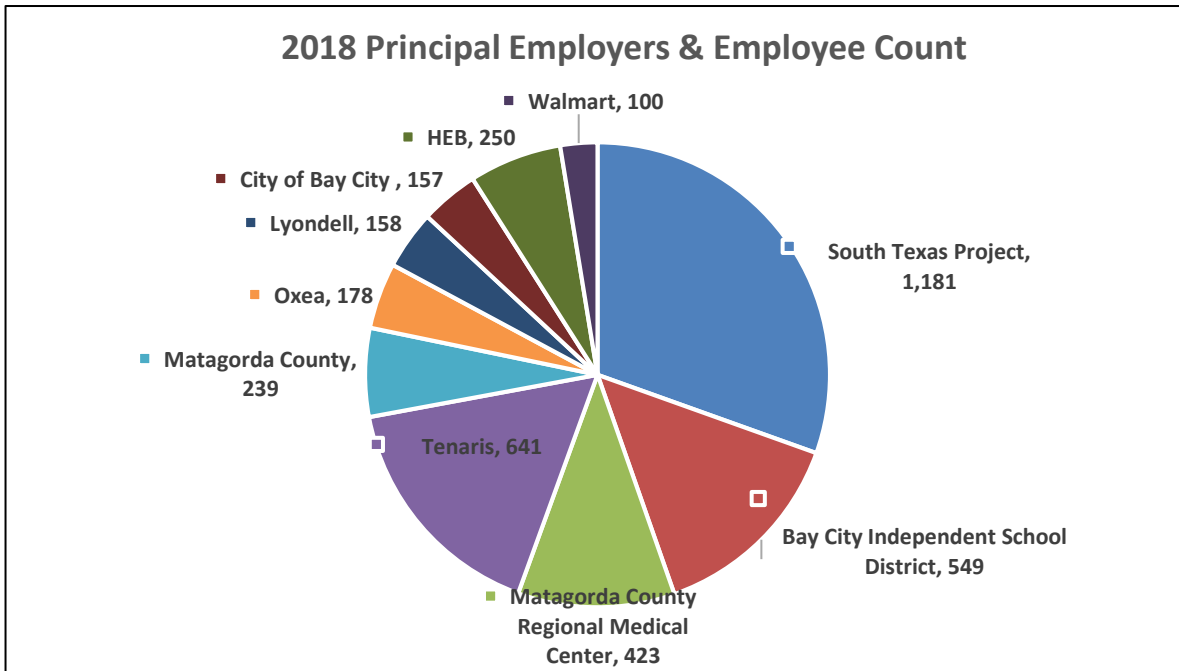
Organization Chart



Bay City At A Glance

	<u>2009</u>	<u>2018</u>		<u>2009</u>	<u>2018</u>
Population	18,667	17,614	Unemployment Rate	11.2%	7.2%
Employees(FTE)	212.19	187.00	School Enrollment	4,140	3,657

Governmental Activities	<u>2009</u>	<u>2018</u>
Police Officers	35	40
Police Stations	1	1
Miles of Streets	95	109
Acres of Parks	360	299
Proprietary (Utility) Fund		
Miles of Water Mains	94	113
Miles of Sanitary Sewers	88	108
Total Water Consumption (millions)	913.706	743.714



Snapshot of Bay City Today

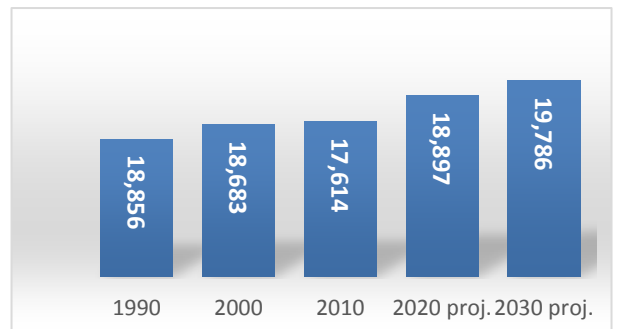


Location

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, Holmes 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. Currently the Bay City Junior High and Tenie Holmes Elementary are undergoing new construction, along with a new football stadium at the High School, to be complete upon the Fall 2019 school year.



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)

Fiscal Sustainability

Government-wide financial statements provide financial information about the city as a whole. These statements distinguish between two types of activities: governmental and business-type. The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities taking place in the fiscal year.

The City's two kinds of funds are governmental and proprietary (business-type). The City maintained 15 types of individual governmental funds during the fiscal year. The City adopts an annual budget for its General Fund and Debt Service Fund. The General Fund is the most significant fund of the City's 15 governmental funds. The City also has two proprietary funds. The City uses enterprise funds to account for its water/wastewater utility service and airport operations. The City uses internal service funds to account for equipment maintenance and information technology services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Net Position						
	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current & Other Assets	\$ 7,992,951	\$ 6,983,278	\$ 5,968,875	\$ 5,047,849	\$ 13,961,826	\$ 12,031,127
Capital Assets (net)	\$ 22,068,251	\$ 20,685,897	\$ 23,504,510	\$ 24,352,615	\$ 45,572,761	\$ 45,038,512
Total Assets	\$ 30,061,202	\$ 27,669,175	\$ 29,473,385	\$ 29,400,464	\$ 59,534,587	\$ 57,069,639
Total deferred outflow of resources	\$ 490,158	\$ 1,579,888	\$ 183,543	\$ 393,286	\$ 673,701	\$ 1,973,174
Current Liabilities	\$ 3,371,510	\$ 2,360,913	\$ 1,932,311	\$ 1,772,170	\$ 5,303,821	\$ 4,133,083
Noncurrent Liabilities	\$ 13,847,453	\$ 15,683,853	\$ 8,752,165	\$ 9,743,270	\$ 22,599,618	\$ 25,427,123
Total Liabilities	\$ 17,218,963	\$ 18,044,766	\$ 10,684,476	\$ 11,515,440	\$ 27,903,439	\$ 29,560,206
Total deferred inflow of resources	\$ 701,465	\$ 201,460	\$ 198,559	\$ 49,616	\$ 900,024	\$ 251,076
Net investment in capital assets	\$ 11,656,559	\$ 10,607,667	\$ 14,675,577	\$ 14,799,364	\$ 26,332,136	\$ 25,407,031
Restricted	\$ 813,690	\$ 1,034,228	\$ -	\$ -	\$ 813,690	\$ 1,034,228
Unrestricted	\$ 160,683	\$ (639,058)	\$ 4,098,316	\$ 3,429,330	\$ 4,258,999	\$ 2,790,272
Total Net Position	\$ 12,630,932	\$ 11,002,837	\$ 18,773,893	\$ 18,228,694	\$ 31,404,825	\$ 29,231,531

Net Position represents the City's assets less liabilities.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of these assets.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflow of resources related to those assets.

Unrestricted net position is the remaining net position of the City after subtracted net investment in capital assets and restricted net position. The balance, \$4,258,999, may be used to meet the government's ongoing obligations to its citizens and creditors.

The City had an overall increase in Total Net Position of \$2,173,294, consisting of an increase in governmental activities of \$1,628,095 and in increase in business-type activities of \$545,199 from 2017 to 2018.

The increase in net position within governmental activities is due to an increase in ad valorem taxes (increase in valuations and tax rate) and a decrease in expenses (decrease in pension expense). The increase in business-type activities is due to an increase in charges for services (increase in utility rates).

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services	\$ 3,151,476	\$ 3,088,865	\$ 8,083,512	\$ 7,743,884	\$ 11,234,988	\$ 10,832,749
Operating Grants & Contributions	\$ 807,058	\$ 571,157	\$ 15,870	\$ 48,351	\$ 822,928	\$ 619,508
Capital Grants & Contributions	\$ 798,666	\$ 911,963	\$ 417,799	\$ 406,561	\$ 1,216,465	\$ 1,318,524
General Revenues:						
Property Taxes	\$ 5,268,946	\$ 4,618,958	\$ -	\$ -	\$ 5,268,946	\$ 4,618,958
Sales Taxes	\$ 4,277,863	\$ 4,295,598	\$ -	\$ -	\$ 4,277,863	\$ 4,295,598
Franchise Taxes	\$ 1,253,205	\$ 1,127,475	\$ -	\$ -	\$ 1,253,205	\$ 1,127,475
Other Taxes	\$ 801,926	\$ 845,778	\$ -	\$ -	\$ 801,926	\$ 845,778
Unrestricted Investment Earnings	\$ 110,943	\$ 37,960	\$ 51,731	\$ 23,244	\$ 162,674	\$ 61,204
Miscellaneous	\$ 289,684	\$ 213,350	\$ -	\$ 8,200	\$ 289,684	\$ 221,550
Total Revenues	\$ 16,759,767	\$ 15,711,104	\$ 8,568,912	\$ 8,230,240	\$ 25,328,679	\$ 23,941,344
Expenses						
General Government	\$ 2,570,638	\$ 2,489,768	\$ -	\$ -	\$ 2,570,638	\$ 2,489,768
Public Safety	\$ 5,129,141	\$ 5,633,913	\$ -	\$ -	\$ 5,129,141	\$ 5,633,913
Public Works	\$ 5,513,362	\$ 5,500,397	\$ -	\$ -	\$ 5,513,362	\$ 5,500,397
Cultural and Recreation	\$ 2,534,887	\$ 2,576,955	\$ -	\$ -	\$ 2,534,887	\$ 2,576,955
Interest on Long-Term Debt	\$ 391,428	\$ 376,732	\$ -	\$ -	\$ 391,428	\$ 376,732
Water and Sewer	\$ -	\$ -	\$ 6,431,453	\$ 6,121,251	\$ 6,431,453	\$ 6,121,251
Airport	\$ -	\$ -	\$ 584,476	\$ 707,869	\$ 584,476	\$ 707,869
Total Expenses	\$ 16,139,456	\$ 16,577,765	\$ 7,015,929	\$ 6,829,120	\$ 23,155,385	\$ 23,406,885
Change in Net Position before Transfers	\$ 620,311	\$ (866,661)	\$ 1,552,983	\$ 1,401,120	\$ 2,173,294	\$ 534,459
Transfers	\$ 1,007,784	\$ 998,619	\$ (1,007,784)	\$ (998,619)	\$ -	\$ -
Change in Net Position	\$ 1,628,095	\$ 131,958	\$ 545,199	\$ 402,501	\$ 2,173,294	\$ 534,459
Net Position-October 1	\$ 11,002,837	\$ 10,870,879	\$ 18,228,694	\$ 17,826,193	\$ 29,231,531	\$ 28,697,072
Net Position-September 30	\$ 12,630,932	\$ 11,002,837	\$ 18,773,893	\$ 18,228,694	\$ 31,404,825	\$ 29,231,531

Revenue Sources

Property Tax

44% of the City's total revenue is represented by taxes: property, sales, franchise and hotel/motel. Tax Revenues by Source for Governmental Funds are represented in the table below.

Fiscal <u>Year</u>	<u>Property</u>	Penalty <u>and Interest</u>	<u>Franchise</u>	<u>Sales</u>	<u>Other</u>	<u>Total</u>
2017	4,617,391	85,866	1,127,475	4,295,598	845,778	10,972,108
2018	5,279,463	80,381	1,253,205	4,277,863	801,926	11,692,838

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. Appraised values are established by the Appraisal District at market value and assessed at 100% of appraised value. The City's property taxes are billed and collected by the Matagorda County Tax Office and are due and payable on January 31st. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on the property on January 1st of the subsequent calendar year. Property tax is the largest source of income for the General Fund making 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 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%

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

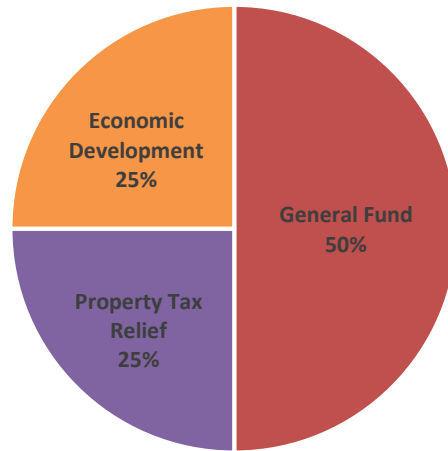
The certified assessed taxable property valuations for the 2019 fiscal year (2018 tax roll) equal \$857,099,643 with a tax rate of \$0.5104 per \$100 valuation for maintenance and operations and \$0.1446 per \$100 valuation for the interest and sinking fund. The total tax rate of \$0.6550 remained the same as compared to fiscal year 2018 (2017 tax roll). The certified taxable property valuations increased from the 2017 tax roll by \$47,786,570 or 5.90%.

PROPERTY TAX LEVIES AND COLLECTIONS						
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
2017	4,624,437	4,508,161	97.49%	64,336	4,572,497	98.88%
2018	5,305,771	5,189,424	97.81%	-	5,189,424	97.81%

Sales Tax

The City of Bay City received \$4,277,863 in sales tax in fiscal year 2018. The sales tax is allocated to general fund, tax relief and to economic development. 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.

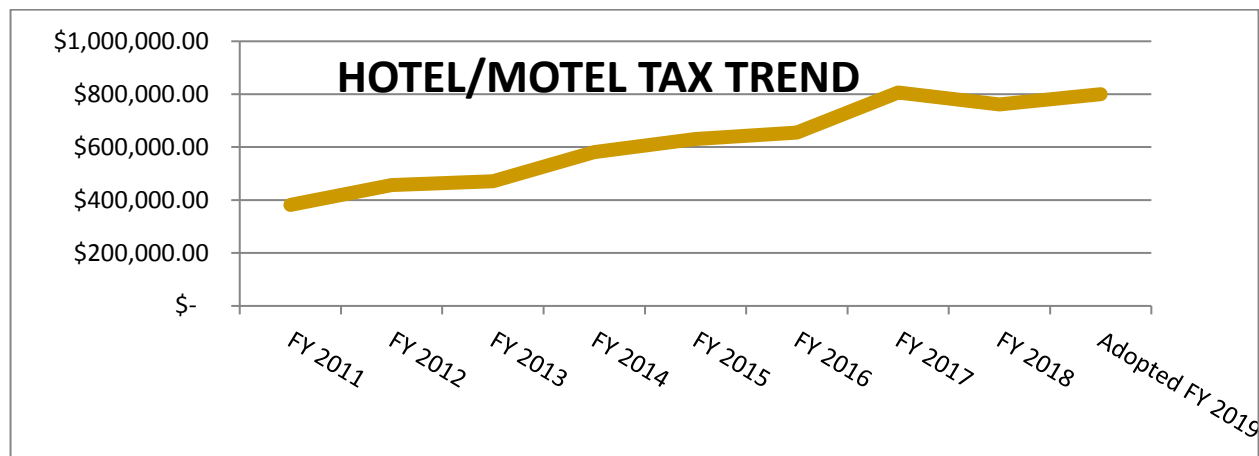
Sales Tax Allocation



Hotel/Motel Tax

The Hotel Occupancy Tax Fund accounts for the levy and use of the hotel-motel bed tax. “Putting heads in beds”. 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.

Currently there are 21 hotels/motels in the City, one being a bed and breakfast.



Franchise Fees

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 at 5% of gross receipts. The City collected a total of **\$1,253,205** at the end of fiscal year 2018 a slight increase as compared to prior year's collections. Included in that amount is a Franchise Fee charged to the Public Utility Fund based on 6% of gross revenue, amounting to \$463,000.

Licenses & Permits

Revenues from these categories relate to various contractors' permits, alcohol permits and animal licenses

Charges for Services

This type of charge can be found in the General Fund, Public Utility Fund and Airport Fund. Charges for Services in the General Fund are Sanitation Fees, in the Public Utility Fund they are water/sewer charges and in Airport Fund they are for late fees on hangar rentals.

Fines and Penalties

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.

Miscellaneous

This source can also be found in most funds. This includes items such as rental income, royalties, grants, park fees, donations, interest income and tie down fees.

Other Revenues/Sources

This is the smallest resource of citywide revenue and can be found in most funds. This includes items such as other financing sources and contributed capital.

Intergovernmental

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.

Bond Ratings- "City's Credit Score"

Standard & Poor's (S&P): A+ rating due to a weak economy, adequate management with standard financial policies and practices under our Financial Management Assessment (FMA) methodology, strong budgetary flexibility with an available fund balance in fiscal year 2016 of 13.7% of operating expenditures, very strong liquidity with total government cash at 56.5% of total government fund expenditures and 5.6 governmental debt service, adequate debt and contingent liability position and a strong institutional framework score

Moody's: A2 rating reflects the city's pattern of declining liquidity due in part to large general fund transfers that support debt service, weak resident income indices and above average yet manageable net direct debt burden. The rating also incorporates the city's growing tax base and manageable pension burden.

Ratings play a critical role in determining how much the City pays in interest on their debt. "A credit rating is an assessment of the creditworthiness of a debt instrument based on a credit rating agency's analytical models, assumptions, and expectations."

Long Term Debt

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. **The City has no plans to issue debt within the next 12 months.**

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

At the end of the current fiscal year, the City had total bonded debt outstanding (not including Tax Note and Deferred Amounts: Bond Premiums) of \$19,345,010. Of this amount, \$2,290,000 represents general obligation debt and certificates of obligation totaled \$17,055,010. The City's bonded debt had a net decrease of \$2,035,000 or 10% during the fiscal year ended September 30, 2018. That net decrease included current year payments of principal of \$2,035,000. The City also issued an additional Tax Note in 2018 for \$1,285,000 combined with the other Tax Note to equal an ending balance of \$1,386,000.

	Outstanding Debt By Type			
	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Certificates of Obligation	\$ 8,387,262	\$ 9,353,103	\$ 8,667,748	\$ 9,381,907
General Obligation Bonds	\$ 2,290,000	\$ 2,645,000	\$ -	\$ -
Notes	\$ 1,386,000	\$ 200,000	\$ -	\$ -
Capital Leases	\$ -	\$ 49,549	\$ -	\$ -
Plus Issuance Premiums	\$ 358,459	\$ 391,643	\$ 161,185	\$ 171,344
Total	\$ 12,421,721	\$ 12,639,295	\$ 8,828,933	\$ 9,553,251

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%.

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%.

***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%.

***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%.

2018 Tax Note

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

*Paid by both property taxes and utility system revenues

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%.

Capital Assets

The largest portion of the City's net position \$45,572,761, or 84%, reflects its investment in capital assets, net of accumulated depreciation, which include land, buildings, machinery, equipment, improvements, infrastructure and construction in progress, less any debt used to acquire these assets that is still outstanding. The City uses these capital assets to provide services to citizens; yet these assets are not available for future spending. The City's investment in its capital is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities. The net increase in the City's investment in capital assets was \$534,249.

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 1,603,907	\$ 1,495,007	\$ 381,117	\$ 381,117	\$ 1,985,024	\$ 1,876,124
Construction In Progress	\$ 4,588,958	\$ 2,212,209	\$ 784,896	\$ 264,075	\$ 5,373,854	\$ 2,476,284
Buildings and Improvements	\$ 758,978	\$ 309,864	\$ 411,641	\$ 419,139	\$ 1,170,619	\$ 729,003
Machinery and Equipment	\$ 1,871,667	\$ 2,398,429	\$ 5,803,678	\$ 6,696,103	\$ 7,675,345	\$ 9,094,532
Infrastructure	\$ 13,244,741	\$ 14,270,388	\$ 16,123,178	\$ 16,592,181	\$ 29,367,919	\$ 30,862,569
Total	\$ 22,068,251	\$ 20,685,897	\$ 23,504,510	\$ 24,352,615	\$ 45,572,761	\$ 45,038,512

Upcoming capital projects slated for fiscal year 2018-2019:

- ❖ Street Reconstruction Projects-\$1,500,000
- ❖ Sidewalk Project-\$894,000
- ❖ Park Improvements-\$200,000
- ❖ Renovation of old Texas Theatre-\$150,000
- ❖ Relocation of new Recycling Center-\$330,728
- ❖ Rehab Katy Water Plant- \$698,000
- ❖ Waterline Extensions-\$1,308,000
- ❖ New sewerline extension- \$1,000,000
- ❖ Repair Airport T-Hangar Row-\$320,000
- ❖ Construction of LED lights on Airport Runways-\$768,000

City of Bay City Contact Information

In the case of an emergency:

Call 9-1-1

Airport
979-244-5037
3598 FM 2540 N

Animal Control/Impound
979-323-1706
4611 Starling Drive

Mayor’s Office
979-245-2137
1901 5th Street

Police (Non-Emergency)
979-245-8500
2201 Avenue H

Human Resources (Job Info)
979-245-6550
1901 5th Street

Municipal Court (Traffic Fines)
979-245-0035
1824 6th Street

Recycling Center
979-943-8758
1812 Avenue H

Parks and Recreation
979-323-1660
1209 10th Street

Public Works Warehouse
979-323-1659
1217 Avenue J

Utility Billing (Water Bills)
979-245-2322
1901 5th Street

Tax Office (Property Tax Bill)
979-244-7605
1700 7th Street

City Achievements

Municipal Court held a successful 2018 Warrant Round Up.

Finance Department received, for the first time, the Distinguished Budget Presentation Award from the Government Finance Officers Association. The Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) was also received for fiscal year end 2017.

Police Department lowered the Uniform Crime Report (UCR) statistics.

The City was recognized by the Central Texas Recycling Association for its Outstanding Recycling Efforts.

Parks and Recreation recognized by Houston-Galveston Area Council (H-GAC) for its Parks Master Plan.

The current Recycling Center will be relocated, and the City received a grant from Houston-Galveston Area Council for the construction of the new Recycling Center.

Dreamscape Project at Letulle Park was recently fully funded.

Riverside Park recently re-opened for Day Use after suffering extensive damage due to Hurricane Harvey.

Bay City Public Library received the Achievement of Excellence in Libraries award from the Texas Municipal Library Director’s Association.

Bay City Regional Airport has a new website: www.flybaycity.com

Local artist group was commissioned to paint two new murals downtown on 7th Street.



City of Bay City

1901 5th St.

Bay City, TX 77414

www.cityofbaycity.org

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