



**FISCAL YEAR  
2025 - 2026**

# City of Bay City Texas

# Adopted Annual Budget



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**#BayCityTX4U**



# CITY OF BAY CITY, TEXAS

## ANNUAL OPERATING BUDGET

### FOR FISCAL YEAR 2026

This budget will raise more revenue from property taxes than last year’s budget by an amount of \$322,740, which is a 4.71% increase from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is \$45,481.

Note: The City Council has lowered the City’s tax rate over the past 5 years from .65500 to .55772 or 9 cents. This proposed revenue increase equates to 1.6% of the City’s budget used to pay for maintenance & operations, capital, and debt. The City also dedicates \$200,000 to Tax Increment Reinvestment Zones to support new housing development and redevelopment in areas of the City.

#### City Council voted on September 23, 2025

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

Record of Vote	Adopted Budget	Ratification of Property Tax Increase	Setting of Property Tax Rate
Mayor Robert K. Nelson	✓	✓	✓
Mayor Pro-Tem Jim Folse	✓	✓	✓
Benjamin Flores	✓	✓	✓
Blayne Finlay	✓	✓	✓
Brad Westmoreland	✓	✓	✓
Susan Reardon	✓	✓	✓

\*Note: Mayor Robert K. Nelson is entitled to a vote.

Tax Rate Information	Adopted FY 2025	Adopted FY 2026
Property Tax Rate	<b>.56916</b>	<b>.55772</b>
No-New Revenue Tax Rate	.53314	.53443
No-New Revenue M&O Tax Rate	.40308	.40542
Debt Rate	.13469	.12273
Voter-Approval Tax Rate	.56916	.55772
De Minimis Rate	.57914	.56700

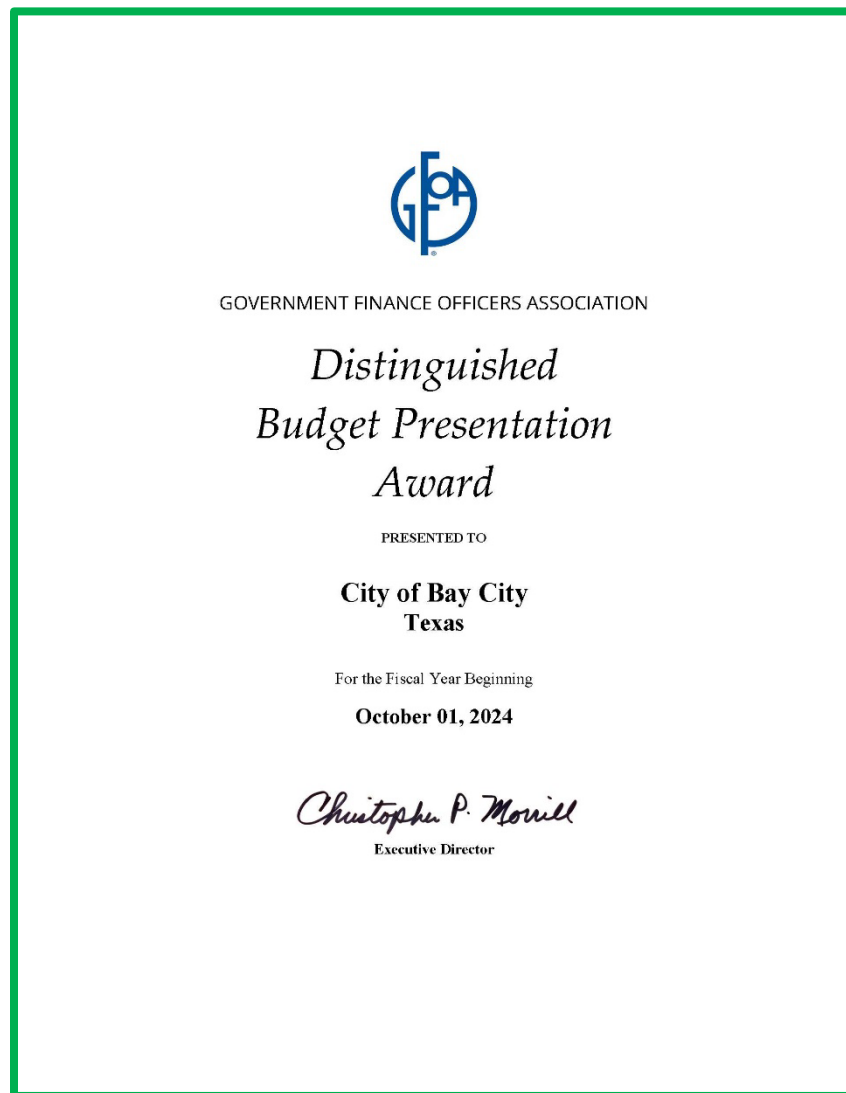
Debt service requirements for the City of Bay City are currently \$.12273 of the current **adopted** property tax rate of **\$.55772**. The City has sixteen outstanding debt issues. At the end of Fiscal Year 2026, outstanding general obligation bond and certificates of obligation bonds will be \$94,155,000, however only \$18,624,673 is currently supported by property taxes.

**FY 2026 Debt Service Requirement** to be paid by property taxes \$1,721,043. See Debt rate (.12273) requirement above.

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Bay City, Texas**, for its Annual Budget for the fiscal year beginning **October 1, 2024**. 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.

This budget would not have been possible without the contributions made by the Mayor, City Manager, Councilman, department heads and numerous employees that put in countless hours to make this happen.



## How to use this Book

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

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

### Introduction and Information:

#### ***Budget Message***

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

#### ***City Profile***

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

#### ***Budget Summaries***

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

#### ***Revenue Assumptions and Trends***

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

### Financial:

#### ***General Fund***

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

#### ***Enterprise Funds***

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

#### ***Special Revenue Funds***

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

### ***Internal Service Funds***

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

### ***Capital***

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

### ***City Wide Debt***

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

### **Supporting Information:**

#### ***Statistical Information***

This section provides statistical and historical information that can also be found within the last completed fiscal years' ACFR.

#### ***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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## City Manager's Message



Honorable Mayor, Members of the City Council, and Residents of Bay City:

It is my privilege to present the proposed budget for Fiscal Year 2026, a financial plan that is guided by our Strategic Plan and focused on delivering a safe, vibrant, and resilient community prepared for future growth. This budget is both a reflection of our community's priorities and a roadmap for continued progress, with a clear emphasis on strengthening the foundation we have while investing in the opportunities ahead.

Our Strategic Plan Goals—Safety and Community Appearance, Community and Civic Engagement, Infrastructure, Planning and Development, Culture and Recreation, and Operational Excellence—serve as the framework for all funding decisions in this proposal.

### SAFETY AND COMMUNITY APPEARANCE

Public safety is the cornerstone of a thriving city. This budget supports police and fire services with the resources and training needed to protect our residents, while also investing in beautification, code enforcement, and property maintenance efforts that enhance community pride and deter crime.

### COMMUNITY AND CIVIC ENGAGEMENT

We are committed to fostering an inclusive, informed, and engaged community. The proposed budget expands outreach efforts, improves communication tools, and supports programs that strengthen the connection between residents, businesses, and local government.

### INFRASTRUCTURE

Infrastructure is at the heart of resilience and growth. This budget prioritizes the repair, modernization, and maintenance of our existing water, sewer, drainage, and roadway systems, while strategically planning for the capacity needed to serve new development. Our approach ensures we not only meet today's needs but also prepare for the growth we know is coming.

### PLANNING AND DEVELOPMENT

Bay City's future prosperity depends on thoughtful planning and balanced growth. The City is currently focused on improvements in the development processes. This budget contains redevelopment initiatives that support both economic vitality and the preservation of our community's character.

### CULTURE AND RECREATION

A thriving community offers opportunities for connection, creativity, and recreation. We are enhancing parks, cultural programs, and recreational facilities to improve quality of life for all residents, attract visitors, and showcase the unique heritage and spirit of Bay City.

### OPERATIONAL EXCELLENCE

Our commitment to transparency, efficiency, and fiscal responsibility ensures that taxpayer dollars are used wisely. The proposed budget includes technological upgrades, staff training, and process improvements that will help us deliver services more effectively and responsively.

### RESILIENT FOR GROWTH

As we look to the future, we recognize that growth brings both opportunities and challenges. This budget balances the need to improve the infrastructure we already have with the preparation required for tomorrow's demands. By investing strategically now, we are positioning Bay City to be stronger, more resilient, and ready for economic and population growth on the horizon.

This budget is not simply a spending plan—it is a commitment to our shared vision for Bay City's future. I look forward to working with City Council, staff, and our residents to continue building a community that is safe, welcoming, and positioned for lasting success.

Respectfully submitted,

**Scotty Jones**

City Manager, City of Bay City

December 23, 2025

## Executive Summary

The City Council and Staff reviewed the progress of last year’s Council goals and from those sessions embarked on a new Strategic Plan by holding various planning sessions with community stakeholders. This process led to a newly adopted Strategic Plan to focus on over the next few years. Each department developed a business plan to meet goals set forth in the “Strategic Plan”.

The “Strategic Plan” provides staff with a direction for the upcoming year. The 2026 strategic focus areas are Safety & Community Appearance, Community & Civic Engagement, Infrastructure, Planning & Development, Culture & Recreation, and Operational Excellence. More information on the City’s Strategic Plan (Council’s Goals) can be found in the **City Profile** section of this book.



PAST ACHIEVEMENTS & UPCOMING INITIATIVES

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

The prior year’s budget was focused on improving customer service, streamlining processes, maintaining healthy reserves, improving infrastructure and City facilities. Below lists the public improvements that enhanced the quality of life in our community in addition to upcoming initiatives:

Past Achievements (FY 2025)	Upcoming Initiatives (FY 2026)
<p><b>Safety &amp; Community Appearance:</b></p> <ul style="list-style-type: none"> <li>• Created task force to address Animal Impound &amp; Animal Control Ordinance</li> <li>• Schematic Design approved for new public safety building and max budget</li> <li>• Created new crime prevention unit</li> <li>• Created a fire hydrant replacement program</li> <li>• Council approved a revamped emergency operations plan</li> <li>• Secured 380 agreement to rehab the Texas Theater</li> <li>• Awarded numerous façade grants downtown</li> <li>• Amended vacant building ordinance to aid in enforcement to repair</li> <li>• Reinstated the Keep Bay City Beautiful program</li> <li>• Gateway Signage Assessment started</li> </ul>	<p><b>Safety &amp; Community Appearance:</b></p> <ul style="list-style-type: none"> <li>• Enhance community policing</li> <li>• Launch neighborhood beautification grants</li> <li>• Complete design and begin construction on new public safety building</li> <li>• New Christmas decorations downtown</li> <li>• Allocate funds from TIRZ 1 to increase downtown façade repairs via grants or enforcement</li> <li>• Implement phases of the crime-free multi-family housing program to reduce crime</li> <li>• Collaborate with County on Animal Impound improvements</li> <li>• Finalize TIRZ 5 participation agreements (Hospital, County, Port) to use as an economic development tool</li> </ul>
<p><b>Community &amp; Civic Engagement:</b></p> <ul style="list-style-type: none"> <li>• Published first Year in Review</li> <li>• Published monthly BayCityTX4U monthly news ad to share City news &amp; further connect with our citizens</li> <li>• Created WeAreBayCityTexas videos to promote the City</li> <li>• Increased public workshops</li> <li>• Hired premier Communications Manager</li> <li>• Enhanced technology in the Council Chambers; added laptops</li> <li>• Hosted three town hall meetings</li> </ul>	<p><b>Community &amp; Civic Engagement:</b></p> <ul style="list-style-type: none"> <li>• Create Youth Advisory Council</li> <li>• Continue to promote city mobile app for sharing information</li> <li>• Create City Manager updates via social media and newsprint</li> <li>• Connect with community at various market days and/or festivals to promote city</li> <li>• Finalize various communications plans that fall under the recent policy (i.e. Emergency Plan Playbook)</li> </ul>

## BUDGET MESSAGE

Past Achievements (FY 2025)	Upcoming Initiatives (FY 2026)
<p><b>Planning &amp; Development:</b></p> <ul style="list-style-type: none"> <li>• Created new forms to aid in streamlining the development process</li> <li>• Created a survey to better understand any improvements needed in the development process</li> <li>• Created TIRZ 5 to encourage redevelopment</li> <li>• TXDOT approved funding the feasibility study for a future loop around the City</li> <li>• Rehab Nile Valley from Roberts to SH 60</li> </ul>	<p><b>Planning &amp; Development:</b></p> <ul style="list-style-type: none"> <li>• Launch redevelopment incentive program</li> <li>• Update comprehensive plan</li> <li>• Sale unwanted City properties</li> <li>• Finalize the MOU with the Drainage District</li> <li>• Explore funding options for future Nile Valley Road</li> <li>• Determine roles of planning commission vs. variance committee</li> </ul>
<p><b>Culture &amp; Recreation:</b></p> <ul style="list-style-type: none"> <li>• Interlocal approved between City and BCCDC for financial support towards a regional aquatic center</li> <li>• Partnered with YMCA for pool management of both pools</li> <li>• Updated Sports Association agreements using City facilities</li> <li>• Added new Senior Cize program at USO</li> <li>• Added fishing programs at Riverside Park</li> <li>• Increased art activities- Beyond the Brush Class Exhibit at Library; Added Art to Camofest; Matagorda County Art Walks</li> <li>• Updated Tourism publications and pocket guide</li> <li>• Updated downtown shopping guide</li> <li>• Featured “Spotlight City” on the Expedition Texas TV show</li> <li>• Matagorda County Named Birding Capital of Texas</li> <li>• Launched new Tourism website</li> <li>• Created new Tourism brand</li> </ul>	<p><b>Culture &amp; Recreation:</b></p> <ul style="list-style-type: none"> <li>• Update Parks Master Plan</li> <li>• Increase art initiatives that focuses on culture and tourism draws</li> <li>• Determine Sports Complex location</li> <li>• Revamp Tourism Strategic Plan</li> <li>• Update historical residential district guide</li> <li>• Rehab the Visitor Center</li> <li>• Add new park amenities</li> <li>• Apply for grants to fund park amenities- specifically relocating boat ramp at Riverside Park</li> <li>• Explore Management options for Riverside Park</li> <li>• Parks and Main Street to partner on new lighting projects around town</li> <li>• Continue to repair existing park buildings</li> </ul>

Past Achievements (FY 2025)	Upcoming Initiatives (FY 2026)
<p><b>Operational Excellence:</b></p> <ul style="list-style-type: none"> <li>• Created an employee recruitment brochure to show case the City’s benefits</li> <li>• Created a recruitment brochure for all departments to utilize</li> <li>• Increase morale by formally recognizing employee promotions</li> <li>• Created new agenda request form that adds strategic focus</li> <li>• Awarded excellence in financial transparency by the State</li> <li>• Awarded Budget and Audit Awards by the Government Finance Officer’s Association</li> <li>• Multiple Departments awarded for excellence- Library and Municipal Court, Economic Development</li> <li>• Enhance bond (credit) rating for City</li> <li>• Lowered tax rate by 8 cents in last 5 years</li> <li>• Awarded millions in grants that in return is a cost savings to tax payers</li> <li>• Saved \$265,000 by switching health insurance providers</li> <li>• In house street work has save millions vs contract pricing</li> </ul>	<p><b>Operational Excellence:</b></p> <ul style="list-style-type: none"> <li>• Define all City Boards via Ordinance</li> <li>• Define framework for all City Boards via Resolution</li> <li>• Adopt Guidelines for all Advisory Boards</li> <li>• Provide board training within 90 days of taking office</li> <li>• Review planning commission roles and responsibilities</li> <li>• Provide training for all legislative boards</li> <li>• Provide training for Emergency situations</li> <li>• Review step plan options for the Police Department</li> <li>• Promote positive work place environment</li> <li>• Update Citizens regularly on progress of the strategic plan</li> </ul>

## Budget Overview

### City Wide

The adopted expenditures of the City’s major funds total \$41,082,000, up \$1,262,583 or 3% from prior year. This is primary attributable to the Public Utility Fund due to additional capital improvements to the water and wastewater system. Of this budget amount, \$20,500,000 is estimated for the operations and maintenance of the General Fund (2% increase from prior year), \$2,200,000 for the Debt Service Fund (4% increase from prior year), \$16,600,000 for the Public Utility Fund (7% increase from prior year), and \$800,000 for the Airport Fund (31% decrease from prior year). Within these budgets are capital costs of approximately \$4.2 million to fund equipment and major public improvement projects funded by grants, reserves, & operating revenue. When comparing each fund over prior year—most variances are a result of timing of capital projects. Most large capital projects are not accounted for in the operational budgets. Capital projects such as water and sewer improvements or the new public safety center will be found in the City’s Capital Program located in the Capital section of this document.

### Major Budgetary Funds Revenues and Expenditures

The fiscal year 2026 revenues, expenditures, and changes in working capital for the City’s major operating funds.

Fund	Projected Beginning Balance	Revenues & Transfers In	Expenditures & Transfers Out	Revenue Over/Under	Projected Ending Balance
General Fund	5,831,170	20,050,000	20,500,000	(450,000)	5,381,170
Debt Service Fund (I & S)	266,112	2,200,000	2,200,000	-	266,112
Hotel/Motel Fund	1,101,838	972,000	982,000	(10,000)	1,091,838
Utility Fund	6,471,162	14,950,000	16,600,000	(1,650,000)	4,821,162
Airport Fund	52,488	795,000	800,000	(5,000)	47,488

### Compensation, Benefits, & Staffing Levels- City Wide

The budget supports a competitive compensation and benefit plan in efforts to maintain and attract a service-oriented quality workforce.

- The City saved \$265,000 in health insurance by joining the Texas Municipal League Health Insurance pool in FY 25. However, this year the City’s health insurance increased by 3% or \$43,000.
- Provided cost of living adjustment (COLA) of \$1,500 across the board (2.7% or \$255,000)
- Performance/merit pay pool (\$130,000)
- Added Compression/Market Adjustment (\$70,000)
- Staffing increased by .5 Full Time Equivalents to improve service levels
  - Planning and Development- Moved Part-time mowing position to Full-time

These positions were cost neutral to the City due to freezing two positions.

*More Information on staffing and compensation can be found in the appendix section of this book.*

### General Fund

The **Adopted** General Fund Budget for FY 2026 recommends an increase in property tax revenue. The City Council **Adopted** a tax rate of .55772 per \$100 valuation. This proposed tax revenue increase equates to 1.4% of the City’s budget used to pay for maintenance and operations, capital, and debt. The City Council has lowered the City’s tax rate over the past 5 years from .6550 to .55772 or 9 cents. The City’s tax is .01 lower than the previous year.

	FY 2025	FY 2026	Change from Prior Year
Total Taxable Value	\$1,237,942,633	\$1,337,640,786	\$99,698,153*
Value in the TIRZ	\$35,747,084	\$40,662,225	4,915,141
<b>Total Tax Rate</b>	<b>.56916</b>	<b>.55772</b>	<b>(.0114)</b>
<b>Total Tax Levy*</b>	<b>\$7,045,874</b>	<b>\$7,460,290</b>	<b>\$414,416</b>
Maintenance & Operations <i>Budget*</i>	\$5,347,000	\$5,751,000	\$404,000
Interest in Sinking <i>Budget</i>	\$1,627,603	\$1,720,719	\$93,116
<b>Total Budget*</b>	<b>\$6,974,603</b>	<b>\$7,471,719</b>	<b>\$497,116</b>

\*Includes Value in the Tax Increment Reinvestment Zones (TIRZ). TIRZ dollars are transferred out of the operating budget. For FY 26, TIRZ amounts to \$263K of the \$5,456,000 GF Levy.

### General Fund Continued

The **Adopted** budget will raise more revenue from property taxes than last year’s budget by \$322,740 which is a 4.71% increase from last year’s budget. However, \$45,481 is attributable to new properties on the roll. The General Fund Budget over prior year increased \$121,000 after transferring out Tax Increment Reinvestment Zone dollars (TIF) in the amount of \$263,000 that may not be used in the General Fund. Sales Tax increases over prior year allowed the City to reduce the property tax rate while still maintaining a budget that continues to address street improvements, public safety needs, and quality of life improvements for the citizens.

The FY 2026 General Fund Budget projects next year’s expenditures to be \$20.5 million which is up 2% or \$384,250 over prior year. This is primarily due to compensation, street projects, drainage projects, park projects, and the planning and development plan review fees.

### Utility Fund

The FY 26 Utility Fund Budget projects next year’s expenditures to be \$16.6 million which is up 7% or 1.1 million over prior year. This is due to increased debt payments associated with critical water and sewer improvements – one new water plant and improvements to the Wastewater Treatment Plant. The budget holds an **adopted rate** increase of 3% in the water rates and sewer rates to support the revenue needed to pay the debt.

### ***Airport Fund***

The FY 26 Airport Fund Budget projects next year's expenditures to be \$800,000 which is down 31% or \$360,600 over prior year. This is attributable to a lower grant match requirement for the main apron strengthening project as opposed to the runway overlay project in prior years.

### ***Hotel/Motel Occupancy Tax Fund***

The City also appropriates one of twelve Special Revenue Funds. The Hotel/Motel Tax Fund totals \$982,000 (1% increase from the previous year). The increase is attributable to an increase in hotel tax dollars. 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 in the Special Revenue Fund section of this document.

## **Budget Challenges**

### **Issues below:**

- The City's largest revenue sources for the General Fund are tied to property tax and sales tax. Sales tax has been very strong but as this appears very positive—it is only covering the inflationary impacts on the service and material side of the City's budget. The City's population has remained relatively flat for the last ten years. The City had an increase in property values which in turn could lower the property tax rate. However, to keep the property tax low--- the City needs new growth (value). It is hopeful that the new housing developments will encourage and attract new residents. The City must prepare and plan for quality-of-life amenities to match new residents and existing residents' expectations.
- The City strives to provide superior municipal services. Maintaining quality employees helps establish that mission. A merit system was established to structure pay based on an employee's performance (\$130,000). In addition, the City provided a cost-of-living adjustment of \$1,500 per employee or \$255,000 (City Wide). In addition, market compression adjustment provided for various job classes (\$70,000).
- The City meets the fund balance policy. The challenge will be to maintain the fund balance between 90 days & 120 Days of operating expenditures while balancing the needs of the community, considering the new limitations on a government's ability to raise revenue (Senate Bill 2). It is imperative to be in a strong financial position to maintain a good credit rating when considering future debt issuances as shown in the City's five-year capital plan. In addition, a healthy fund balance proactively positions the City for economic downturns or natural disasters.

## BUDGET MESSAGE

- The City’s sanitation contract expired, and the renewal impacted the General Fund by 5% or (\$130K).
- It is difficult to address future growth while current infrastructure (streets, water, and sewer lines) replacements are needed.
- The City acquired in recent years a library. Though very significant to the community, the impact to the City’s General Fund is \$468,000 in operational cost per year. This takes into consideration the County’s contribution to the Library’s budget.
- The Bay City Gas Company (Component Unit of the City) reduced their level of financial support due to financial impacts related to Winter Storm Uri that in prior years helped offset street capital projects. This reduction amounts to approximately \$300,000. The Bay City Gas Company historically has provided funding for street projects in amounts up to \$500,000 annually. Please note that the Bay City Gas Company has continued to fund ½ of the Nile Valley Road Bond for approximately \$237,000/year.

## How the City Addressed Challenges

The FY 2026 Adopted Budget utilizes business plans that were developed in support of the City Councils Goals recently adopted. These goals link the City Council to the workforce—working together to improve **Safety and Community Appearance, Community and Civic Engagement, Infrastructure, Planning and Development, Culture and Recreation, & Operational Excellence**. Capital projects and expenditures were prioritized during the budget process based on these goals.

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

- Property tax revenue is proposed to increase to fund various drainage, street, and parks projects as outlined in the capital plan.
- With the City meeting the Fund Balance policy—the City was able to begin funding again a **Fixed Asset Replacement Fund**. This Fund was set up to pay for one-time capital related expenditures for vehicles and equipment in the General Fund. This fund can be expanded to fund other infrastructure projects with surplus general fund revenues over the 90-day reserve.
- The **Street Improvement Fund** was established in fiscal year 2004 to ensure that the City had adequate funding for maintenance and construction of streets. In addition, the Bay City Gas Company will soon share in the funding of this program annually.
- The City reduced windstorm coverage to only cover essential buildings and is currently working on a risk management policy to determine ongoing management of windstorm or other natural disaster events.

## BUDGET MESSAGE

- The City delayed capital spending unless it was funded by grants or previous loan commitments.
- The City moved to the Texas Health Benefits Pool which saved the City approximately \$265,000 in FY 2025 so still recognizing the savings. This helped fund the compensation plan. Under this new administrator, the City offered a new PPO plan along and further incentivized a lower cost HMO health plan in an effort to lower city costs. True savings will be known once employee health plan elections are made.
- City properties have been inventoried to determine which properties to declare surplus. These funds will assist the City with “pay as you go” rather than borrowing for capital.
- The City will continue to find cost reductions by reviewing all service/financial related contracts with outside parties and then recommend changes for the most efficient and effective ways to operate (i.e. legal, mowing, landscaping, consulting services).
- The City will continue to reduce costs by reviewing various city services to determine the cost benefit analysis of outsourcing services versus doing it in-house.
- The City will develop a budget to cover depreciation in each enterprise fund. This practice builds the reserve to replace infrastructure assets rather than issue debt.

The decisions above assisted the City in maintaining a service plan that is focused on aging infrastructure and a quality workforce while still maintaining adequate fund balance levels.

## Outlook for the Future

Sales tax is budgeted to increase 3.3% over FY 2025. Previously, the effects of inflation increased the City’s sales tax, but in recent months have shown some decreases over the previous year. Despite all the economic activity of the area—a more conservative approach was taken.

In addition, the City was awarded funding through the Texas Water Development Revolving Loan Program of approximately \$60 million to address the City’s aging water and sewer infrastructure. The projects will span the next two years with loan funding aligned by project timelines. This will aid in evaluating the timing of utility rate increases. The City is anticipated to increase utility rates in October 2025 to support future debt payments associated with these bond issues.

The City created four Tax Increment Reinvestment Zones (TIRZ#1, TIRZ#2, TIRZ#3, TIRZ#4) pursuant to Chapter 311 of the Texas Tax Code. Values have increased thus far in these zones by approximately 50 million combined.

## BUDGET MESSAGE

Other developments or expansions are taking place in Bay City, our extra-territorial jurisdiction (ETJ), and County. These companies include HIF USA (E-Fuels), Roehm America (chemical plant), OQ, Big Hill (green energy hydrogen power plant), and Tenaris (steel seamless pipe company). The City will focus on improvements that capitalize on this growth. We will examine infrastructure needs, housing, and amenity upgrades. Planning is essential with this fast-moving industrial growth.

## Conclusion

### RESILIENT FOR GROWTH

The City recognizes the challenges of balancing infrastructure renewal with preparing for future growth. This budget invests strategically in systems and services that make Bay City more adaptable and better positioned to support new residents and businesses while protecting the quality of life for current citizens. We want to thank the 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.



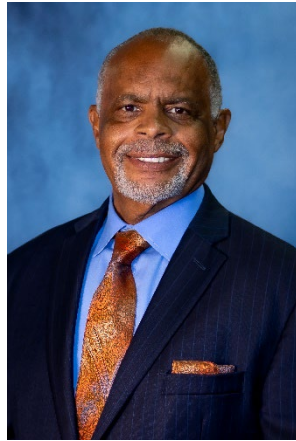


## CITY OF BAY CITY

### FORM OF GOVERNMENT & ELECTED OFFICIALS

The City provided by this Charter is the Council/Mayor-City Manager 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 three-year terms. Your City Council meets every second and fourth Tuesday at 6:00 p.m. Special Called meetings, Workshops and/or Public Hearings are scheduled, as necessary, with the approval of the Mayor.

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



Mayor Nelson



Councilman Flores  
Position 1



Councilman Folsie  
Position 2  
Mayor Pro-Tem



Councilman Westmoreland  
Position 3



Councilwoman Reardon  
Position 4



Councilman Finlay  
Position 5

## CITY PROFILE

Official	Title	Years of Service	Term Expires
Robert Nelson	Mayor	7	2028
Benjamin Flores	Councilwoman Position 1	3	2026
James Folse *Mayor Pro-Tem*	Councilman Position 2	6	2026
Brad Westmoreland	Councilwoman Position 3	4	2028
Susan Reardon	Councilwoman Position 4	-	2028
Blayne Finlay	Councilman Position 5	4	2028

### **MISSION**

*The City of Bay City promotes economic growth and invests in quality-of-life initiatives through collaboration. We respond promptly and professionally to residents' concerns, and strive to deliver superior municipal services.*

### **VISION**

*We envision Bay City as a thriving, family-centered community where our citizens can live, work, worship, and play, while welcoming visitors to experience our beautiful environment and diverse culture.*

## CITY COUNCIL GOALS

### Strategic Plan

The City reached out to the community this year to kick off budget planning. As a result, the Strategic Plan was revamped with new priorities for the upcoming three years. This plan reflects the priorities of the City and serves as a guide to 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 superior customer service 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 and marketing our 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 elements of the City's NEW Strategic Plan.**



## City Council Area of Emphasis with Associated Goal Statement Fiscal Year 2026 Strategic Focus



### **Safety & Community Appearance**

*To enhance safety and community appearance*

- Pursue City and County partnerships that mutually benefit our community
  - Determine the feasibility of a combined dispatch with County
  - Create a task force between City and County, and other groups such as Texana to support mental health needs in our community
  - Create a task force between City and County to address animal impound capacity and building needs
- Enhance Fire/EMS Services
  - Explore countywide Emergency Services District (ESD)
  - Determine if the ESD is the best solution for funding fire and/or EMS
  - Identify locations of all fire hydrants and create a plan of rehab and routine testing
- Create development agreements or incentives to attract businesses that complement the needs of our community (i.e. Air Ambulance)
- Improve the curb appeal of the City
  - Improve ordinances to address blighted, vacant, or substandard structures; tree trimming; design standards
  - Improve the appearance of vacant buildings downtown (i.e. window vinyls)
  - Reinstate “Keep Bay City Beautiful Program”
  - Create a maintenance plan for weed control to all sidewalks and medians in the city limits
  - Create a maintenance plan for landscaping around square
  - Educate public on bulk pick up and enforce contract for service
  - Propose location and style of gateway signage
  - Work with BCCDC to update community development incentives related to the City’s main corridor appearance
- Explore proactive measures other communities have taken to address our homeless needs
- Implement the Crime-Free Multi-Family Housing Program from Waco



## Communication & Civic Engagement

*To build and enhance communications and civic engagement*

- Hire a full-time Public Relations Coordinator/Public Information Officer
  - Create a Marketing communication plan
  - Facilitate the branding of the City meetings to educate the public
  - Develop and implement community surveys
  - Answer public inquiries and requests for information
  - Ensure customer satisfaction and follow-up
  - Share with public current and recent projects and status updates
- Establish the Library as the information hub
  - Library services additions
    - Combine existing community calendars
    - Evolve into an information clearinghouse county-wide
- Offer various Leadership Academies and collaborate with BCCDC and County
  - Citizen Academy- Bay City 101
  - Youth Advisory Council
- Provide enhanced information technology services
  - Improve sound in Council Chambers and assess technology used to improve efficiencies
  - Stream council meetings to include the viewing of presentations
  - Stream other community meetings
  - Add educational videos for citizens (permitting, code)
- Host at least 2 Community Meetings per year
  - Town Hall
  - Roundtables
    - Small businesses
    - Small business forum
    - Nonprofits
    - Developer roundtables
  - Other community needs
  - Coffee with the Mayor, City Manager, and City Councilmembers



## Infrastructure

*To develop community infrastructure and enhancements to the transportation network and system*

- Develop and implement a street maintenance plan that prioritizes baes on a consistent methodology and communicated to public
- Implement Master Drainage Plan improvements as funding permits
- Identify, prioritize, maintain, and repair/replace aging city facilities and equipment and continue exploring water system improvements and manholes as funding is available
- Identify locations for future sidewalks and hike/bike trails within a six (6) block radius from schools, as well as identify potential funding sources for connectivity
- Update and publish sidewalk connectivity plan on website
- Identify Airport improvements to support industrial development
  - Hangars
  - Runways
  - Water Well



## Planning and Development

*To establish a smooth and transparent planning and development process*

- Hire a Certified City Planner
- Create a Development Services Department
- Streamline Development process
  - Update future land use plan
  - Create standard operating procedures (SOP's) based on best practices
  - Apply consistency in application of building and development standards
  - Review permitting requirements and processes when using state licensed professionals and update SOP's if no liability to City and is in line with best practices in other communities for home remodel projects
  - Create a developer exit survey
    - Improve customer service satisfaction (developer)
- Repair and consider expansion of Nile Valley Road and explore funding

sources including TxDOT

- Identify acquisition easements needed for future transportation routes
- Develop TIRZ 5 to encourage redevelopment
- Move unwanted trust properties to tax rolls- focus on infill development
- Update all ordinances to match state requirements and building guidelines where applicable
- Improve Developer process with Drainage District #1
  - Review and provide input on new drainage rules and regulations in conjunction with ensuring that City ordinances are aligned
  - Craft an interlocal agreement/MOU with the Drainage District to distinguish roles and responsibilities between City and Drainage District #1



## Culture and Recreation

*To develop culture and recreational opportunities within the City*

- Provide financial support towards the BCCDC’s Regional Aquatic attraction
- Increase arts initiatives in the City that focuses on our culture and tourism draws
- Upgrade, consolidate, and maintain existing parks facilities by doing the following:
  - Explore paddling trail on Colorado River
  - Implement parks improvement plan based on the most recent Master Plan
  - Explore other management options for Riverside Park
  - Determine size location and plan for a centralized sports facility
  - Develop a plan for a community amphitheater
  - Repair existing concession stand(s) and provide adequate parking at existing utilized fields
  - Add parks and recreation signage and any damaged existing signs
  - Promote/market easy ways to secure reservations
- Implement the 2025-2029 Strategic Plan for Library
- Review and consider implementation of the new Tourism Strategic plan
- Improve community events
  - Marketing
  - Increase attendance (5% annually)



## Operational Excellence

*To establish and ensure operational excellence*

- Develop employee recruitment and retention plan
  - Explore employment initiatives & provide management options to consider
  - Implement teambuilding opportunities
  - Provide professional development
  - Develop marketing brochure for job opportunities that shows full benefit package and City highlights
- Deliver excellence in customer service
  - Provide Customer Service Training in various forms
  - Add core values to performance evaluations
  - Annual customer survey
  - Recognition during Customer Service Week
- Maintain fiscal budget excellence, cost-saving solutions, time efficiencies, and process improvements
- Review MOU/Interlocal Agreements and update outdated contracts
  - County
  - Agencies
  - Drainage District
  - Etc.
- Explore software solutions to improve contract administration
- Explore the feasibility of hiring a grant writer for various departments
- Create general and consistent guidelines for all boards whether advisory or legislative
  - Organization
  - Board Onboarding
  - Name Change
  - Board Training
  - Board Notebooks
  - Commitment/Expectation Form

## CITY OFFICIALS & MANAGEMENT TEAM FY 2026

Scotty Jones	City Manager/ Director of Finance
Jeanna Thompson	City Secretary
Rhonda Clegg	Director of Human Resource
Herb Blomquist	Director of Public Works
Christella Rodriguez	Chief of Police
Suzan Thompson & Suzanne Sullivan	Municipal Court Judges- Appointed
Kelly Penewitt	Director of Parks & Recreation- Interim
Samantha Denbow	Director of Communications & Cultural Arts Fire Marshal/Emergency Management
Dan Shook	Coordinator
Tina Israel	Main Street Manager
James Mason	Airport Manager

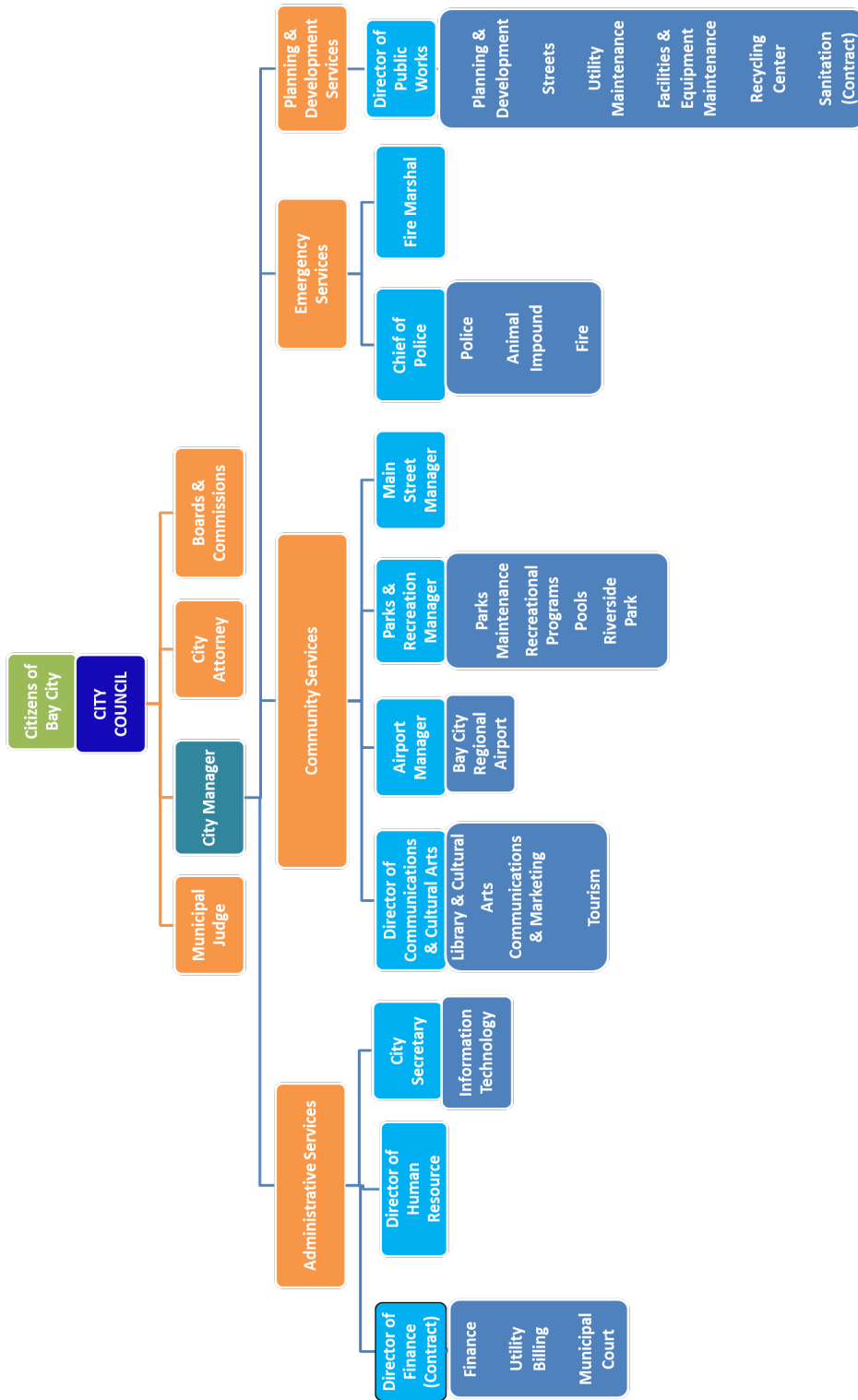
Our Team is committed to the following Core Values:

- **Integrity:** We are dedicated to delivering results with honesty, integrity, and fairness, putting the community's best interests first.
- **Excellence:** We are committed to excellence in customer service, working to make Bay City an enjoyable place to live with quality infrastructure and superior municipal services.
- **Transparency:** We will keep our community informed by sharing our plans and progress.

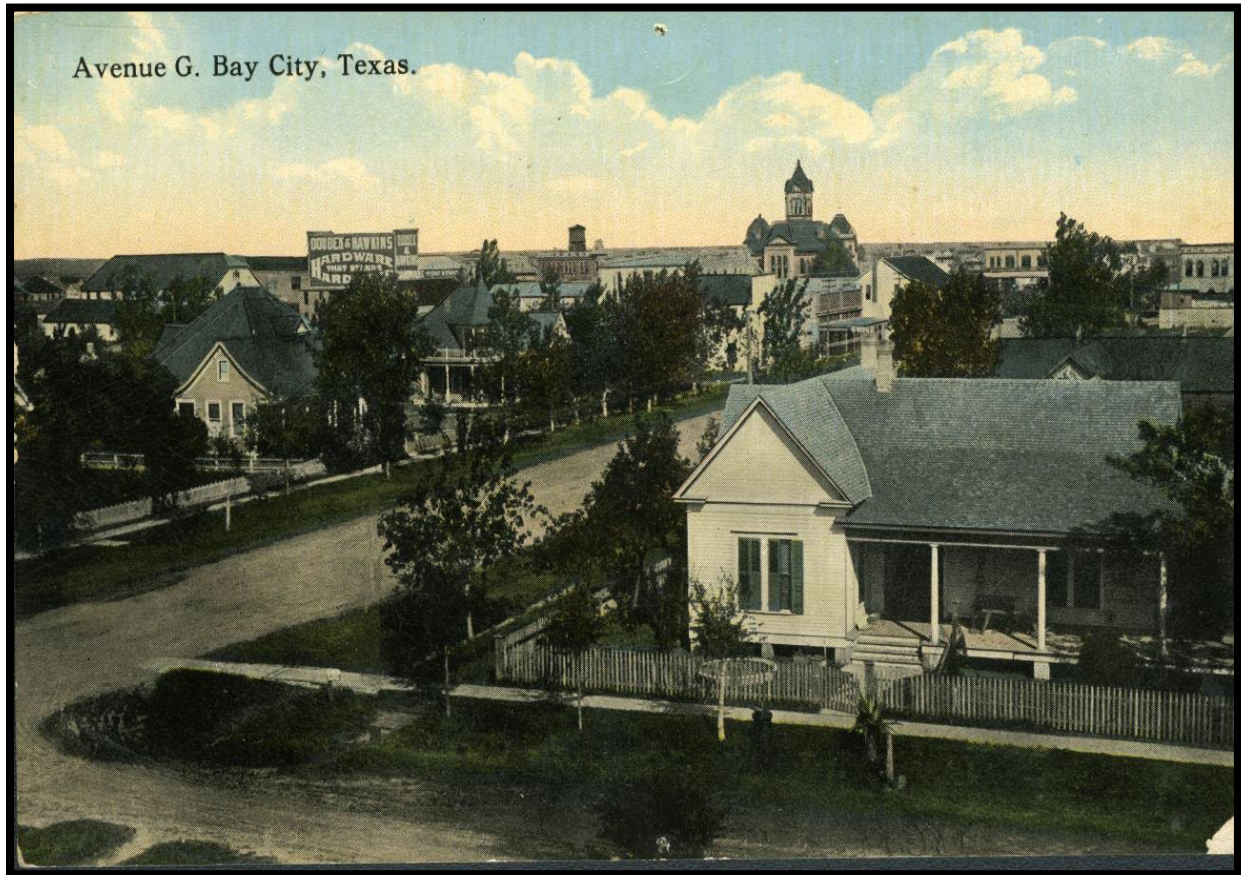


*“Cooperation is the thorough conviction that nobody can get there unless everybody gets there” – Virginia Burden*

# Organizational Chart



## 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.

## CITY PROFILE

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

## CITY PROFILE

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's 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

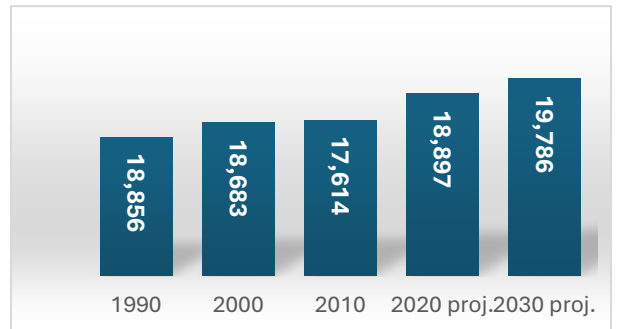


### Location

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

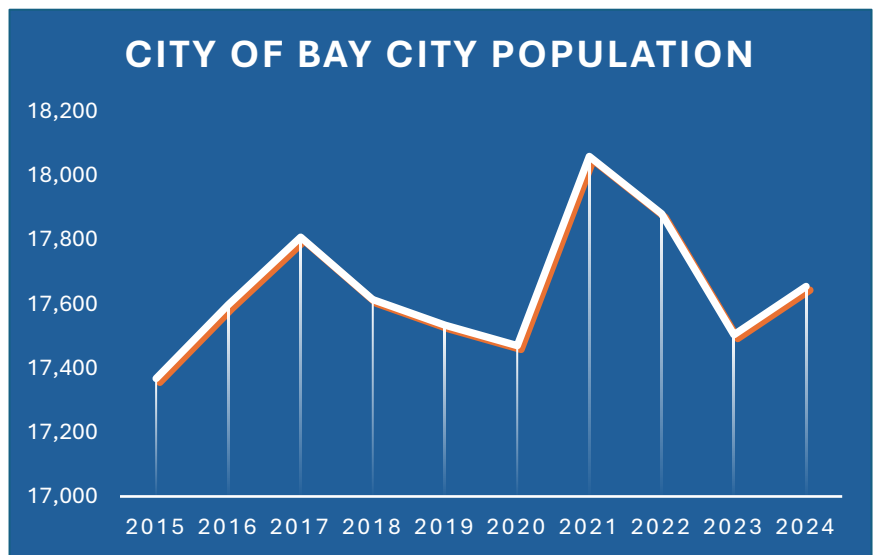
### Population

According to the 2020 census, Bay City is currently home to about 18,061 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.



City of Bay City, Texas  
Population

<u>Year</u>	<u>Population</u>
2015	17,368
2016	17,598
2017	17,809
2018	17,614
2019	17,534
2020	17,471
2021	18,061
2022	17,882
2023	17,505
2024	17,655

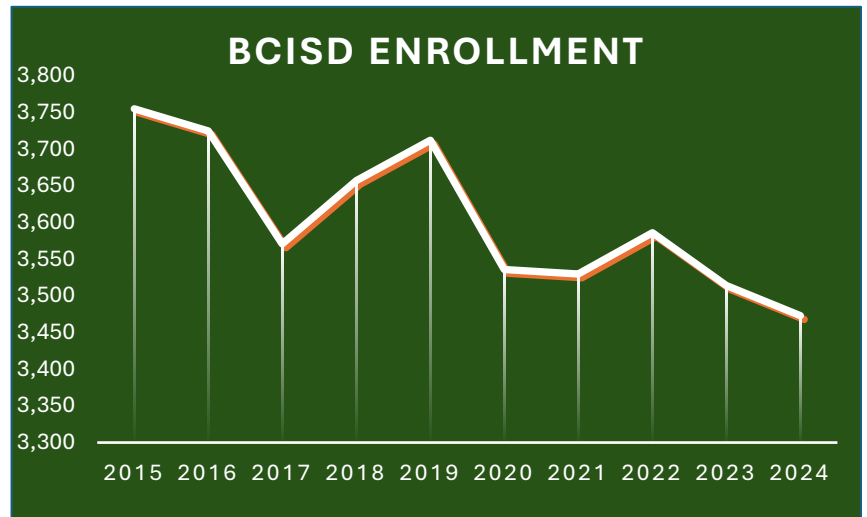


## Schools

Bay City is served by the Bay City Independent School District. The City presently has three Pre-Kindergarten through Fifth grade elementary schools: Cherry Elementary for Pre-K and Kindergarten, Linnie Roberts Elementary for First and Second grade and Tenie Holmes for Third through Fifth grades; Bay City Jr. High serves the Sixth through Eighth grades; Bay City High School serves the Ninth through Twelfth grades. Bay City also has a college campus, Wharton County Junior College, which focuses on technical training and nuclear plant operations.

BCISD Enrollment

<u>Year</u>	<u>Enrollment</u>
2015	3,755
2016	3,725
2017	3,571
2018	3,657
2019	3,712
2020	3,536
2021	3,530
2022	3,586
2023	3,514
2024	3,473



### City Services

The City’s primary objective is Public Safety. A full-time equivalent staff of 62 employees are dedicated to serving the community in the most efficient and cost-effective way possible. The City has one police station with 41 sworn police officers dedicated to serving and protecting our citizens. The Bay City Volunteer Fire Department, consisting of 29 volunteers, provides the City with fire suppression and rescue protection. Our Animal Control Department, consisting of 2 animal control officers, responds to all animal calls in conjunction with our Animal Impound.

### Utilities

The City of Bay City owns and operates its own water, wastewater and gas which is operated by the Bay City Gas Company. Sanitation services have been contracted out to GFL. Currently, the City has approx. 6,700 water and sewer customers, whether it be residential or commercial. Average daily water consumption (millions) is 2.077 and average daily sewage consumption (millions) is 2.275. The City maintains 110 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, 1 pool and a sports complex. Hilliard Pool is open from Memorial Day through Labor Day.

Local attractions include: Matagorda County Birding and Nature Center, Rio Colorado Golf Course, Schulman Movie Bowl Grill, Bay City Public Library, Matagorda County Museum, Splashpad, and local downtown square



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

Christmas in the Park	Annual (Dec.)
CamoFest	Annual (January)
Sparks in the Park	Annual (4 <sup>th</sup> of July)
Day of the Dead	Annual (Oct-Nov)

**CITY PROFILE**

**CITY OF BAY CITY, TEXAS**

*PRINCIPAL EMPLOYERS*

*(UNAUDITED)*

*Current Year and Nine Years Ago*

2024		
Employer	Employees	Percentage of Area Employment
South Texas Project (STP)	1,200	7.53%
Tenaris	689	4.32%
Bay City ISD	532	3.34%
Matagorda County Regional Medical Center	364	2.28%
Walmart	302	1.89%
H.E.B.	265	1.66%
Matagorda County	250	1.57%
Lyondell Bassell	242	1.52%
Oxea	175	1.10%
Schulmans Movie Bowl & Grill	150	0.94%
	<u>4,169</u>	<u>26.15%</u>

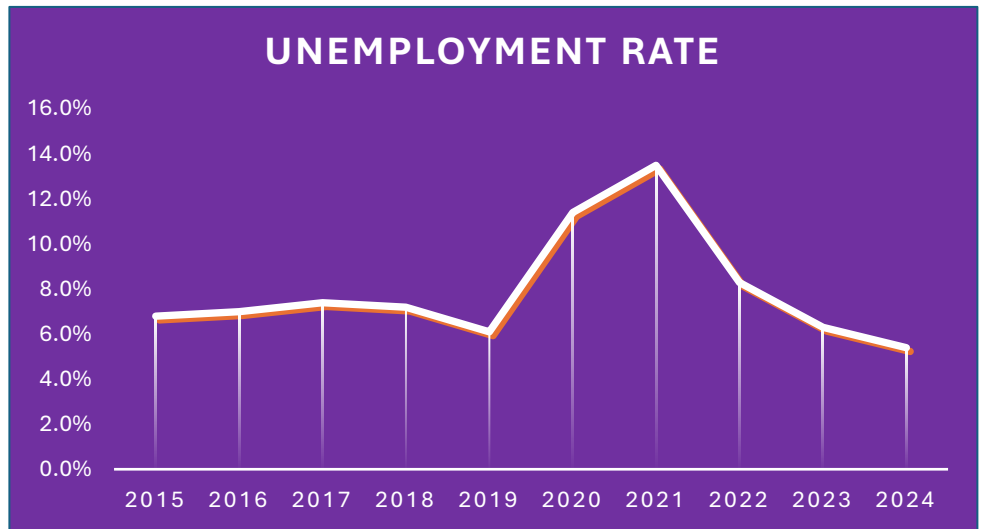
2015		
Employer	Employees	Percentage of Area Employment
South Texas Project (STP)	1,170	N/A
Bay City ISD	538	N/A
Matagorda County General Hospital	410	N/A
Matagorda County	250	N/A
OXEA	230	N/A
Tenaris	165	N/A
Lyondell	150	N/A
City of Bay City	150	N/A
Wal-Mart	150	N/A
H.E.B.	120	N/A
	<u>3,333</u>	

NOTES: N/A denotes information not available

### Demographic and Economic Statistics

Unemployment Rate

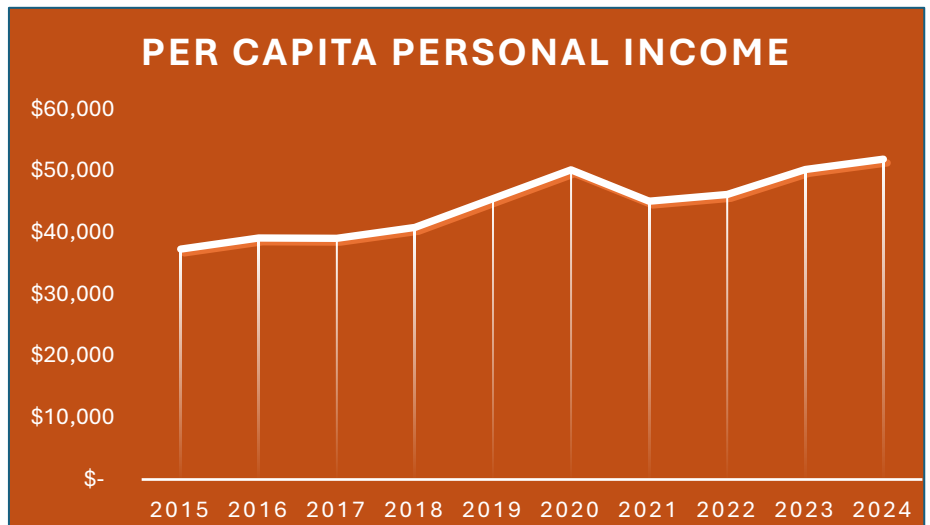
<u>Year</u>	<u>Rate</u>
2015	6.8%
2016	7.0%
2017	7.4%
2018	7.2%
2019	6.1%
2020	11.4%
2021	13.50%
2022	8.3%
2023	6.30%
2024	5.4%



\*Source for Unemployment Rate: Texas Workforce Commission

Per Capita Personal Income

<u>Year</u>	<u>Income</u>
2015	\$ 37,324
2016	\$ 39,111
2017	\$ 39,090
2018	\$ 40,827
2019	\$ 45,482
2020	\$ 50,182
2021	\$ 45,089
2022	\$ 46,171
2023	\$ 50,212
2024	\$ 51,898

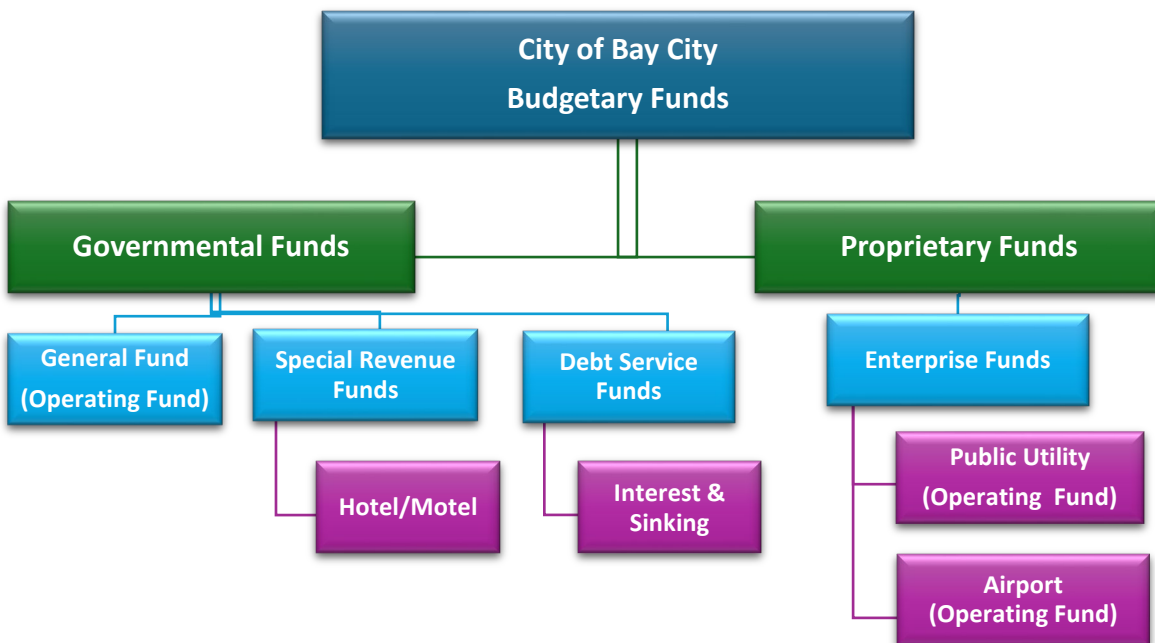


\*Source for Per Capita Personal Income: US Department of Labor, Bureau of Labor Statistics



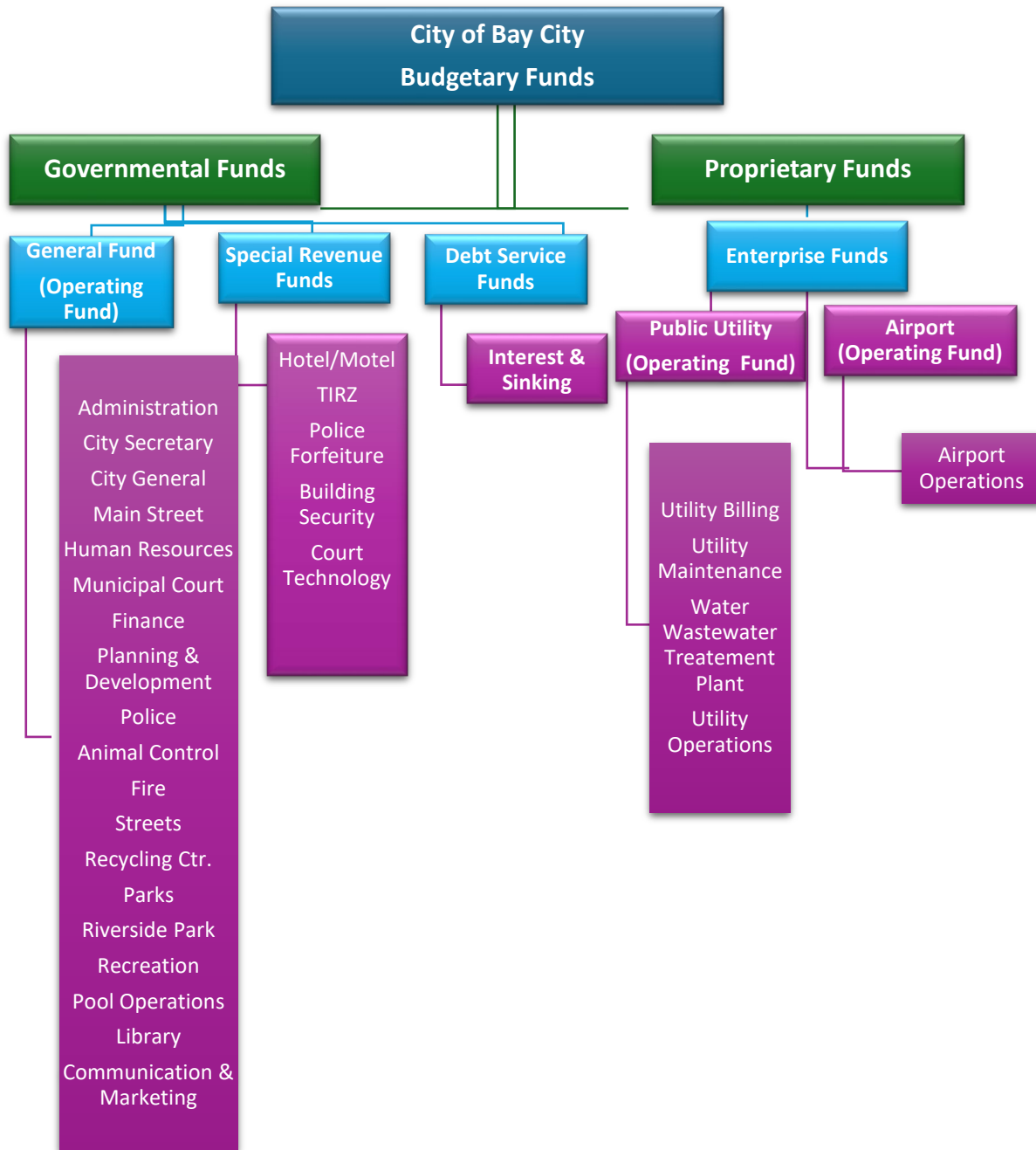
## Budgetary Fund Structure

The illustration below serves as a “big picture” overview for the City of Bay City’s FY 2026 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 the funds of the City are appropriated (i.e., budgeted). Capital projects and most special revenue funds are recorded on a project length basis as opposed to annual appropriation. Each fund is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The budgeted funds of the City can be divided into two categories: governmental funds and proprietary funds. Governmental Funds are supported primarily with taxes while proprietary funds are supported by user charges. Operating funds provide for the day-to-day operations of the City. They account for all routine expenditures and capital outlay items. Debt service funds, also known as interest and sinking funds, are governmental type funds used for the accumulation of resources to pay off long-term debt. Special Revenue funds, such as the Hotel/Motel, are used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes. A more in-depth explanation of the budget is depicted with graphs, charts and a narrative of revenue and expenditures within the detail of each respective fund.



## Detailed Budgetary Fund Structure

The following graph shows the fund/department relationship for the City of Bay City’s FY 2026 budgeted fund structure. The General Fund and the Debt Service Funds are the only funds the City must legally adopt budgets for and are major funds while all others are non-major.



## BUDGET SUMMARIES

### FUND MATRIX BY DEPARTMENT

DEPARTMENT/ FUND MATRIX	General		Building		Court	TIRZ	Utility		Interest & Information		
	Fund	Forfeiture	Hotel/Motel	Security	Technology	Funds	Fund	Airport	Sinking	Tech.	Maintenance
Administration	X		X			X	X	X	X	X	X
City Secretary	X									X	
Main Street	X		X								
Human Resources	X		X				X	X		X	X
Municipal Court	X			X	X						
Finance	X	X	X	X	X	X	X	X	X	X	X
Planning & Develop.	X										
Police	X	X									
Animal Impound	X										
Fire	X										
Recycling Center	X										
Streets	X										
Parks	X										
Riverside Park	X										
Recreation	X										
Pools	X										
Library	X		X								
Communication	X										
Tourism			X								
Civic Center			X								
Utility Billing							X				
Utility General							X				
Utility Maintenance							X				
WWTP							X				
Airport								X			
I.T.	X						X	X		X	X
Maintenance	X						X	X		X	X

## Combined Budget Overview

The FY 2026 budget for all appropriated funds totals \$41,082,000 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 2026 Budget by Funds as compared to the prior year.*

	Amended Budget FY 2025	Adopted Budget FY 2026	Variance	Variance By %
General Fund	20,121,750	20,500,000	378,250	2%
Interest & Sinking Fund	2,108,067	2,200,000	91,933	4%
Public Utility Fund	15,454,000	16,600,000	1,146,000	7%
Airport Fund	1,160,600	800,000	-360,600	-31%
Hotel/Motel Fund	975,000	982,000	7,000	1%
<b>Total Budget</b>	<b>39,819,417</b>	<b>41,082,000</b>	<b>1,262,583</b>	<b>3%</b>



### 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 available for operations.

BUDGETARY FUNDS	Projected Fund Balance Working Capital 10-1-25	Budgeted Revenue FY 2026	Budgeted Expenditures FY 2026	Ending Fund Balance/ Working Capital 9-30-26
General Fund	5,831,170	20,500,000	(20,500,000)	5,831,170
Interest & Sinking Fund	266,112	2,200,000	(2,200,000)	266,112
Utility Fund	6,471,162	16,600,000	(16,600,000)	6,471,162
Airport Fund	52,488	800,000	(800,000)	52,488
Hotel Occupancy Tax Fund	1,101,838	982,000	(982,000)	1,101,838
<b>Total Fund</b>	<b>13,722,770</b>	<b>41,082,000</b>	<b>(41,082,000)</b>	<b>13,722,770</b>
<b>Balance/Working Capital</b>				

The following summary shows the available fund balance after reserve policies are applied. Reserve Policies are 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 10-1-24	5,831,170	266,112	6,471,162	52,488	1,101,838
Reserve Policy (90 days)	(4,427,066)	0	(2,559,105)	0	0
Reserves Used-Capital Projects	(450,000)	0	(1,650,000)	(5,000)	0
Encumbered Capital from Prior Year	0	0	0	0	0
Reserves Used- Balance Budget*	0	0	0	0	(10,000)
Budgeted Depreciation**					
Build Reserve	0	0	0	0	0
<b>Target Reserve Over/Under</b>	<b>954,104</b>	<b>266,112</b>	<b>2,262,057</b>	<b>47,488</b>	<b>1,091,838</b>

Assumptions on the tables 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 is 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 done to fund one-time projects where additional reserves are available over the City’s minimum required reserve levels.
4. \*\*The City currently does not budget to cover all depreciation in the Public Utility Fund. This budget practice will be phased in to enable the City to fund infrastructure projects rather than borrow funds.

## Changes in Fund Balance/Working Capital – All Funds

FUNDS	Projected Beginning Balance 10-1-25	Revenues & Transfers In	Expenditures & Transfer Out	Revenue Over/(Under)	Projected Ending Balance
<b>*General Fund</b>	5,831,170	20,050,000	20,500,000	(450,000)	5,381,170
<b>Internal Service Funds:</b>					
<b>Information Technology Fund</b>	0	1,109,000	1,109,000	0	0
<b>Maintenance Fund</b>	0	736,000	736,000	0	0
<b>Special Revenue Funds:</b>					
<b>*Hotel Occupancy Tax Fund</b>	1,101,838	972,000	982,000	(10,000)	1,091,838
<b>Police Forfeiture Fund</b>	40,321	10,000	10,000	-	40,321
<b>MC Court Technology Fund</b>	22,728	7,000	7,000	-	22,728
<b>MC Building Security Fund</b>	15,000	5,000	5,000	-	15,000
<b>TIRZ District # 1</b>	526,930	294,000	294,000	-	526,930
<b>TIRZ District # 1A</b>	-	-	-	-	-
<b>TIRZ District # 2</b>	45,565	185,000	185,000	-	45,565
<b>TIRZ District # 2A</b>	-	-	-	-	-
<b>TIRZ District # 3</b>	52,922	48,000	48,000	-	52,922
<b>TIRZ District # 4</b>	998	23,000	23,000	-	998
<b>Enterprise Funds:</b>					
<b>*Utility Fund</b>	6,471,162	14,950,000	16,600,000	(1,650,000)	4,821,162
<b>*Airport Fund</b>	52,488	795,000	800,000	(5,000)	47,488
<b>*Debt Service Fund</b>	266,112	2,200,000	2,200,000	-	266,112
<b>Total Fund Balance/Working Capital</b>	<b>\$14,427,234</b>	<b>\$41,384,000</b>	<b>\$43,499,000</b>	<b>\$(2,115,000)</b>	<b>\$12,312,234</b>

**Changes in Fund Balance Reflect:**

General Fund- Use of \$450,000 for Capital Projects: Fire Dept. Building (\$150,000), Park Improvements-Variou Lighting (\$200,000), and Match to Generator Grant (\$100,000)

Utility Fund- Use of \$1,650,000 for Capital Projects

Airport- Use of \$5,000 for Capital Project- Match to Grant for Main Hangar Apron

Hotel/Motel- Use of \$10,000 to balance budget for Wayfinding Signage project and Branding

## Combined Revenue and Expenditures Summary

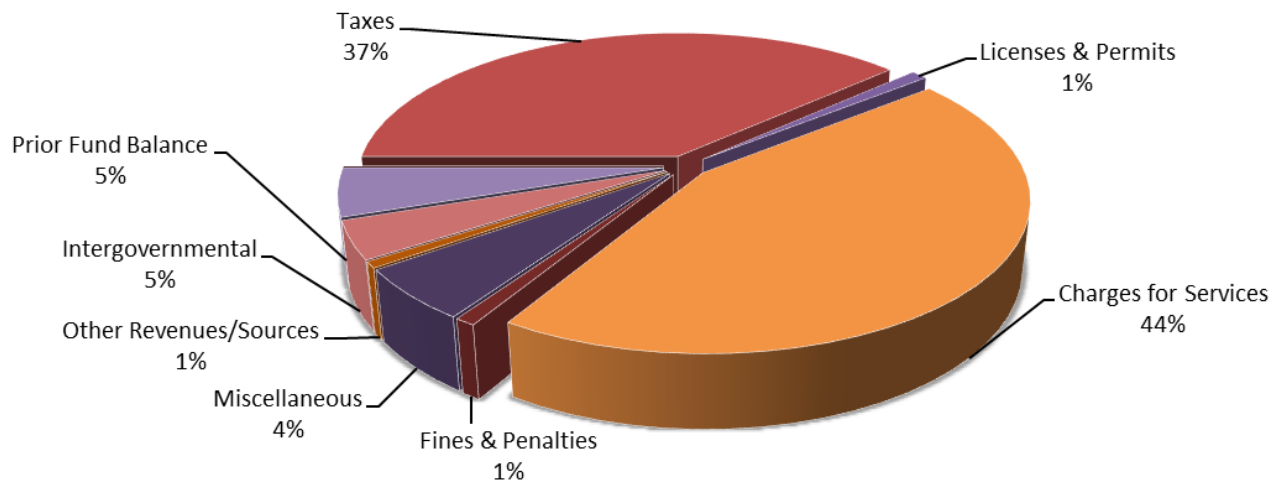
	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	% Change Budget FY 2025 to Adopted FY 2026
<b>Funding Sources</b>						
Property Tax	6,607,830	6,644,270	7,123,611	7,126,611	7,646,719	7.34%
Sales and Use Tax	5,535,644	5,562,258	5,680,000	5,732,000	5,872,500	3.39%
Franchise Tax	1,343,131	1,273,099	1,350,000	1,345,000	1,445,000	7.04%
Hotel/Motel Tax	713,852	813,993	650,000	800,000	785,000	20.77%
Licenses and Permits	193,352	221,806	209,500	290,750	399,500	90.69%
Charges for Services	13,633,504	15,788,122	16,595,000	17,338,200	18,259,000	10.03%
Fines & Penalties	343,612	331,458	332,500	342,300	363,000	9.17%
Other Revenues/ Sources	1,078,296	207,168	250,500	224,500	276,000	10.18%
Miscellaneous	2,744,629	3,106,134	2,180,306	2,778,447	2,260,281	3.67%
Intergovernmental	1,107,000	1,136,078	1,884,000	1,884,000	1,660,000	-11.89%
Prior Fund Balance	-	-	3,564,000	-	2,115,000	-40.66%
<b>Total Revenues &amp; Transfers</b>	<b>33,300,850</b>	<b>35,084,386</b>	<b>39,819,417</b>	<b>37,861,808</b>	<b>41,082,000</b>	<b>3.17%</b>
<b>Expenditures</b>						
General Government	4,327,067	4,796,998	5,281,857	5,019,995	5,534,196	4.78%
Streets	3,847,508	4,416,771	4,691,349	4,891,273	4,708,326	0.36%
Public Safety	6,054,809	6,235,268	7,459,206	6,980,829	7,893,059	5.82%
Parks & Recreation	2,000,647	2,495,250	2,542,102	2,129,014	2,364,419	-6.99%
Water & Sewer	11,309,581	13,638,032	15,454,000	13,394,716	16,600,000	7.42%
Airport	845,158	880,631	1,160,600	1,202,492	800,000	-31.07%
Hotel Motel	743,563	728,180	975,000	964,081	982,000	0.72%
Interest & Sinking	2,058,628	2,070,617	2,108,067	1,222,404	2,200,000	4.36%
<b>Total Expenditures &amp; Transfers</b>	<b>31,186,962</b>	<b>35,261,747</b>	<b>39,672,181</b>	<b>35,804,804</b>	<b>41,082,000</b>	<b>3.55%</b>
<b>Net Revenue (Expenditures)</b>	<b>2,113,888</b>	<b>-177,361</b>	<b>147,236</b>	<b>2,057,004</b>	<b>0</b>	
<b>Beginning Fund Balance</b>	<b>9,852,695</b>	<b>11,966,583</b>	<b>11,789,221</b>	<b>11,789,221</b>	<b>13,722,770</b>	
<b>Ending Fund Balance</b>	<b>11,966,583</b>	<b>11,789,221</b>	<b>11,795,221</b>	<b>13,722,770</b>	<b>13,722,770</b>	

### City Wide Revenue

The FY 2026 budgeted revenues total \$41,082,000 which is up \$1,262,583 from prior year FY 2025 budget. The funding of prior year capital projects with grant funding and other outside sources attributes for this decrease. The largest revenue source fund is taxes which represent 37% of the total revenue. Details of each revenue source fund are in the revenue section of this book.

Revenue by Receipt Type	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Taxes (Property, Sales, Franchise, Hotel/Motel)	14,200,457	14,293,621	14,803,611	15,003,611	15,749,219
Licenses & Permits	193,352	221,806	209,500	290,750	399,500
Charges for Services	13,633,504	15,788,122	16,595,000	17,338,200	18,259,000
Fines & Penalties	343,612	331,458	332,500	342,300	363,000
Miscellaneous	2,744,629	3,106,134	2,180,306	2,778,447	2,260,281
Other Revenues/ Sources	1,078,296	207,168	250,500	224,500	276,000
Intergovernmental	1,107,000	1,136,078	1,884,000	1,884,000	1,660,000
Prior Fund Balance	-	-	3,564,000	-	2,115,000
<b>Total Revenue</b>	<b>33,300,850</b>	<b>35,084,386</b>	<b>39,819,417</b>	<b>37,861,808</b>	<b>41,082,000</b>

### Where do we get our dollars?

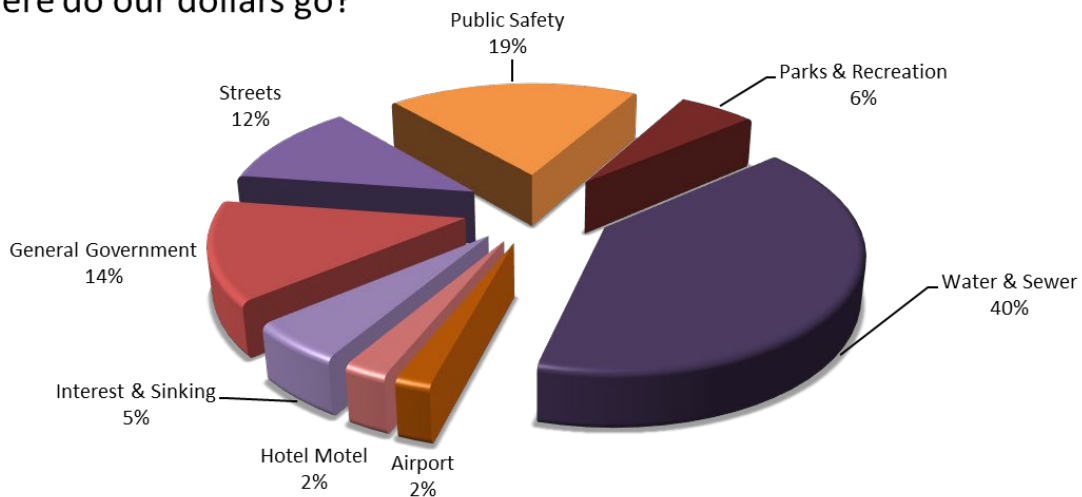


### City Wide Expenditures

The FY 2026 budgeted expenditures total \$41,082,000, which is up \$1,268,583 over FY 2025 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 the prior year.

By Object (Operational Funds)	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
General Government	4,327,067	4,796,998	5,423,093	5,143,451	5,534,196
Streets	3,847,508	4,416,771	4,691,349	4,891,273	4,708,326
Public Safety	6,054,809	6,235,268	7,459,206	6,980,829	7,893,059
Parks & Recreation	2,000,647	2,495,250	2,542,102	2,129,014	2,364,419
Water & Sewer	11,309,581	13,638,032	15,454,000	13,394,716	16,600,000
Airport	845,158	880,631	1,160,600	1,202,492	800,000
Hotel Motel	743,563	728,180	975,000	964,081	982,000
Interest & Sinking	2,058,628	2,070,617	2,108,067	1,222,404	2,200,000
<b>Total Expenditures</b>	<b>31,186,962</b>	<b>35,261,747</b>	<b>39,813,417</b>	<b>35,928,260</b>	<b>41,082,000</b>

#### Where do our dollars go?





## General Fund Revenue

### The Property Tax Rate and Property Tax Revenue

Property taxes are levied each year on October 1<sup>st</sup> on the assessed values as of the prior January 1<sup>st</sup> 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 **27%** of the budgeted revenue for the 2026 fiscal year. This tax supports operations such as police services, fire protection, streets, park maintenance and code enforcement. The City approved a \$10,000 exemption for all Bay City citizens over the age of 65. The citizens of Bay City elected for .5% of the City’s 2% local option to be used for property tax relief. Increase sales tax helps the City decrease reliance on property tax revenue.

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

	Current Year FY 2026	Prior Year FY 2025	Variance	Variance
*Certified Taxable Value (2025 Tax Roll)	1,337,640,786	1,237,942,633	99,698,153	8.05%
**TIRZ New Value (Increment over Base)	40,662,225	35,747,084	4,915,141	13.75%

\* The City has 4 Tax Increment Reinvestment Zones (TIRZ’s). TIRZ value is included in the Certified Value Total.

\*\*TIRZ New Value equals the 2024 Taxable Value less the value of the TIRZ when it was created.

Certified taxable property valuations provided to the City by the MCAD on July 25, 2025 totaled \$1,337,640,786 - an increase of 8% over the prior year. For the Fiscal Year 2026 budget, the **Adopted budget** will raise more property taxes than last year’s budget by **\$322,740 (4.71%)**. The City Council adopted a tax rate of **.55772/\$100** value which will afford the City to improve service levels, fund numerous street projects, maintain the minimum fund balance, and maintain and attract a quality workforce.

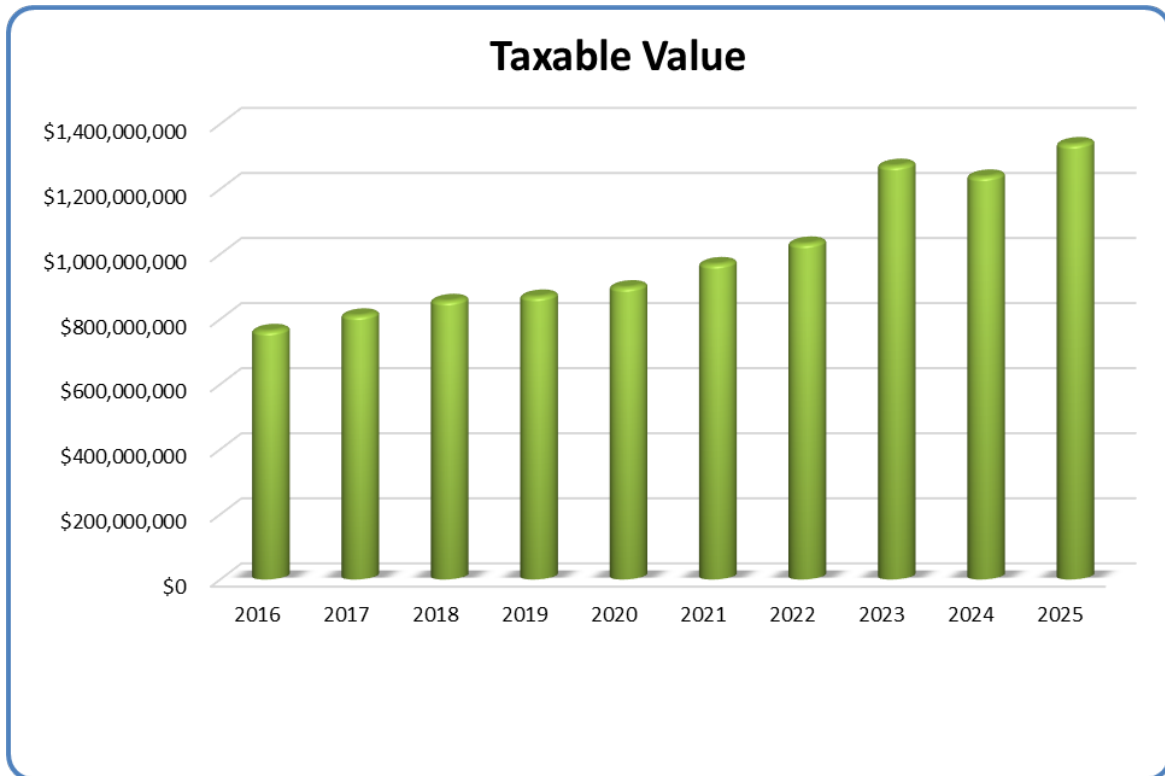
*The table below shows the City’s tax rate distribution & associated tax levy as approved in the budget.*

	Tax Rate	Tax Rate Percent	Total Gross Levy <sup>1</sup>	FY 2026 Budget <sup>2</sup>
<b>Debt Service Funds:</b>				
Various Debt Service	.12273	22.01%	1,591,782	1,591,782
<b>Total Debt Service (Required)</b>	<b><u>.12273</u></b>	<b><u>22.01%</u></b>	<b><u>1,591,782</u></b>	<b><u>1,591,782</u></b>
<b>General Fund:</b>				
Operation and Maintenance	<b><u>.43499</u></b>	<b><u>77.99%</u></b>	<b><u>5,868,508</u></b>	<b><u>5,751,000</u></b>
<b>Total</b>	<b><u>.55772</u></b>	<b><u>100.00%</u></b>	<b><u>7,460,290</u></b>	<b><u>7,342,782</u></b>

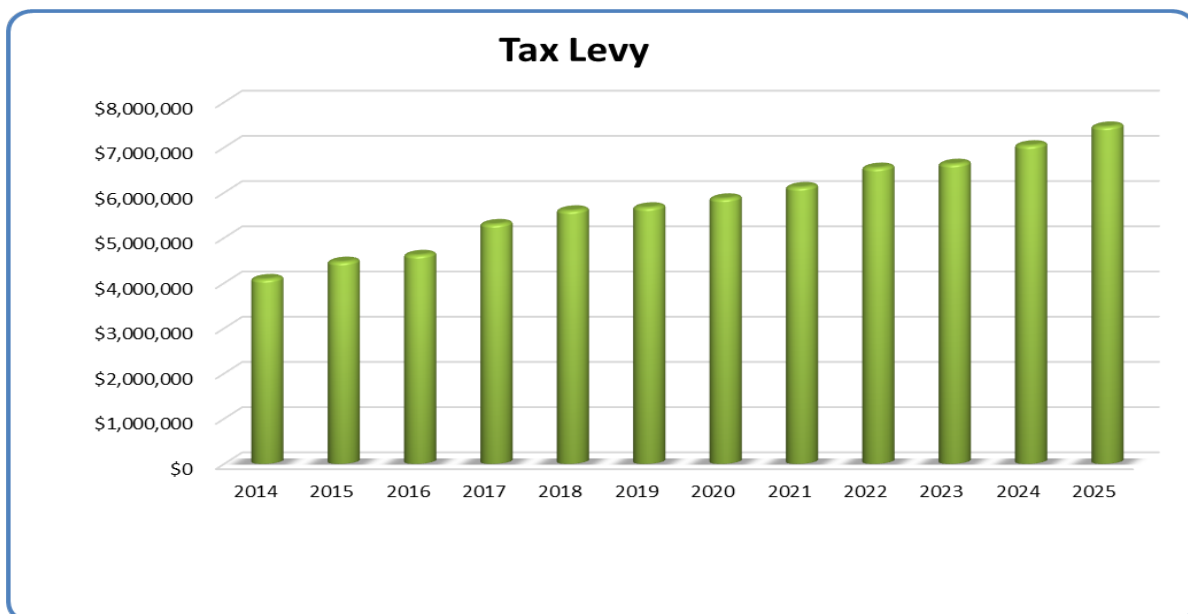
<sup>1</sup> **Gross levy**-anticipates 100% collection rate; <sup>2</sup> **Budget** anticipates 100% collection rate in debt service and 98% collection rate in General Fund Operations and Maintenance Budget.

## REVENUE ASSUMPTIONS

Property Tax Value has remained steady with an average of 8.6% growth over the last 5 years and 6% growth over the last 10 years. The chart below shows the history of taxable value.

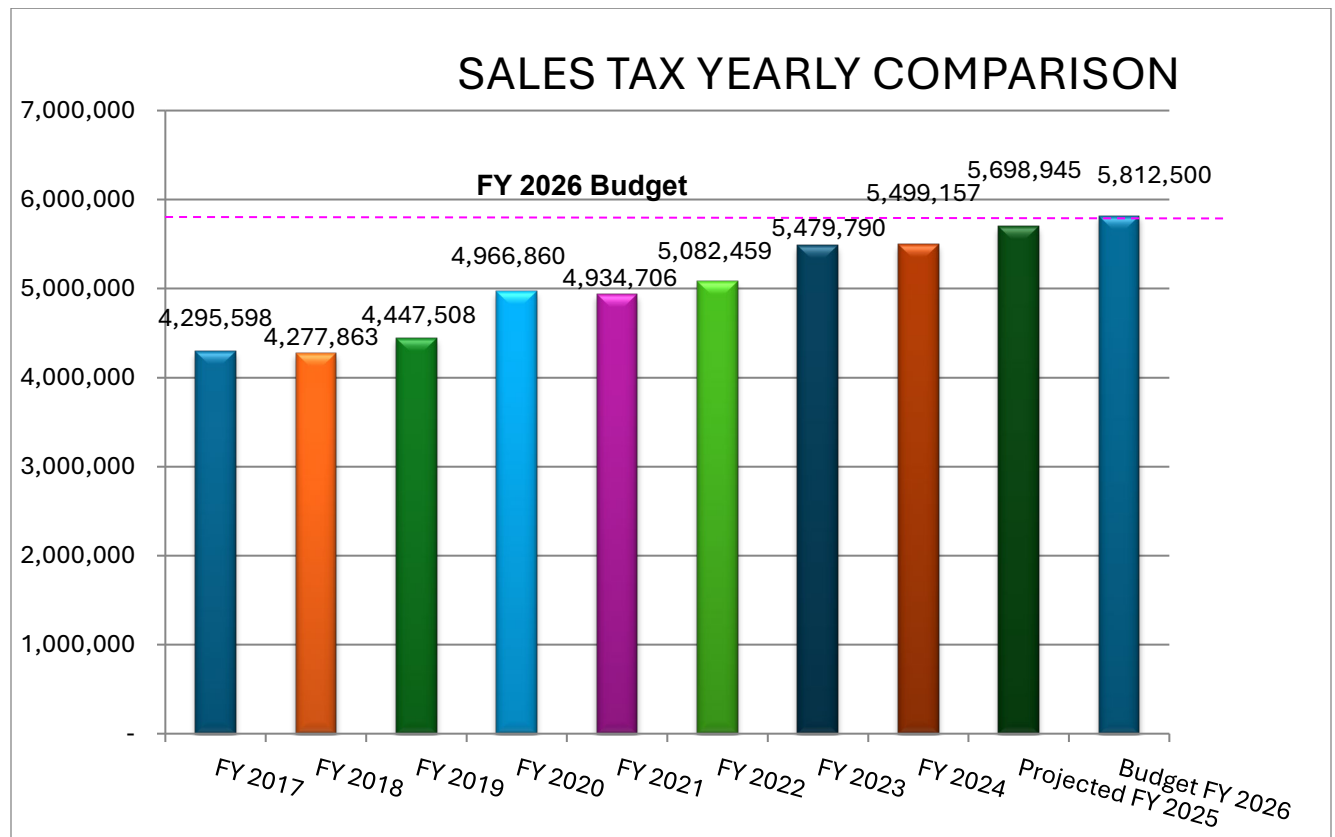


Each year the City Council determines what tax rate will be applied to the taxable value to maintain city services and pay debt associated with the City. Please see the tax rate distribution on the previous page. The graph below shows the history of the City's original tax levy.



### 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 estimated year end of FY 2025 while taking under consideration the prior year. The City was up only 1.1% as of August 2025. The FY 2026 budget for sales tax is budgeted 2% over prior year and is anticipated to be a conservative approach due to the last three years averaging 4% growth.



### Franchise Fees

Franchise Fees represent **7%** 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 rights of way and streets. The fee is usually computed by a percentage of gross receipts. The City is budgeted to collect a total of **\$1,445,000**, a slight increase as compared to prior year’s budget. Included in that amount is a Franchise Fee charged to the Public Utility Fund based on 6% of gross revenue. This franchise fee amounts to \$895,000. Historical collections of the most recent years are the primary basis for assumptions of Franchise fees as it relates to franchises

## REVENUE ASSUMPTIONS

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 **\$767,000**.

- Interlocal agreement with Matagorda County for library services- \$200,000
- Interlocal agreement with Matagorda County for animal impound- \$114,000
- HGAC Recycling Grant- \$22,000
- Police Department grants (CVLG, BPV, and JAG)- \$203,000
- Local law enforcement grant - \$5,000
- Bay City Gas Company for Volunteer Fire Department Support- \$19,000
- Bay City Gas Company to Street Fund for Street Rehab/Repair Projects Support- \$ 186,000
- Bay City Community Development for annual contribution for flock cameras- \$18,000
- Other Contributions from the Bay City Gas Company and the Bay City Community Development Corporation are found in the Debt Section of this book (Certificate of Obligation 2020)

### 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. This year's annual transfers in equate to **\$1,390,000**.

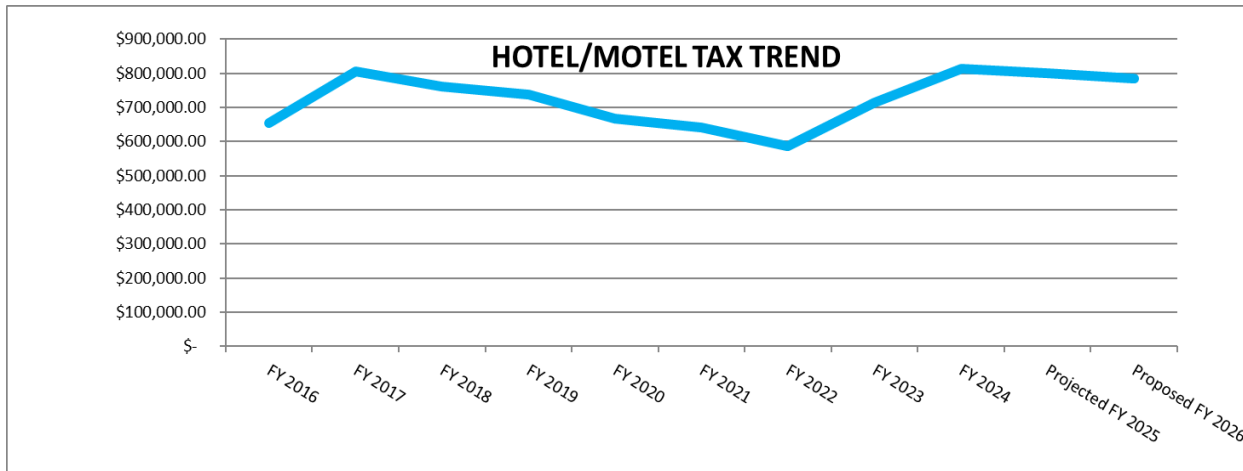
- Transfer in from Public Utility Fund to recover administrative fees- \$1,175,000
- Transfer in from Hotel Motel Fund to cover costs related to Main Street, Communications/Marketing for Qualified Expenses- \$ 150,000
- Transfer in from Fixed Asset Replacement Fund to cover purchase of machinery and/or vehicles- \$ 65,000

## Special Revenue Fund

### 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 forecast this revenue. The City budgeted \$785,000 in hotel tax revenue and \$982,000 in total revenue.



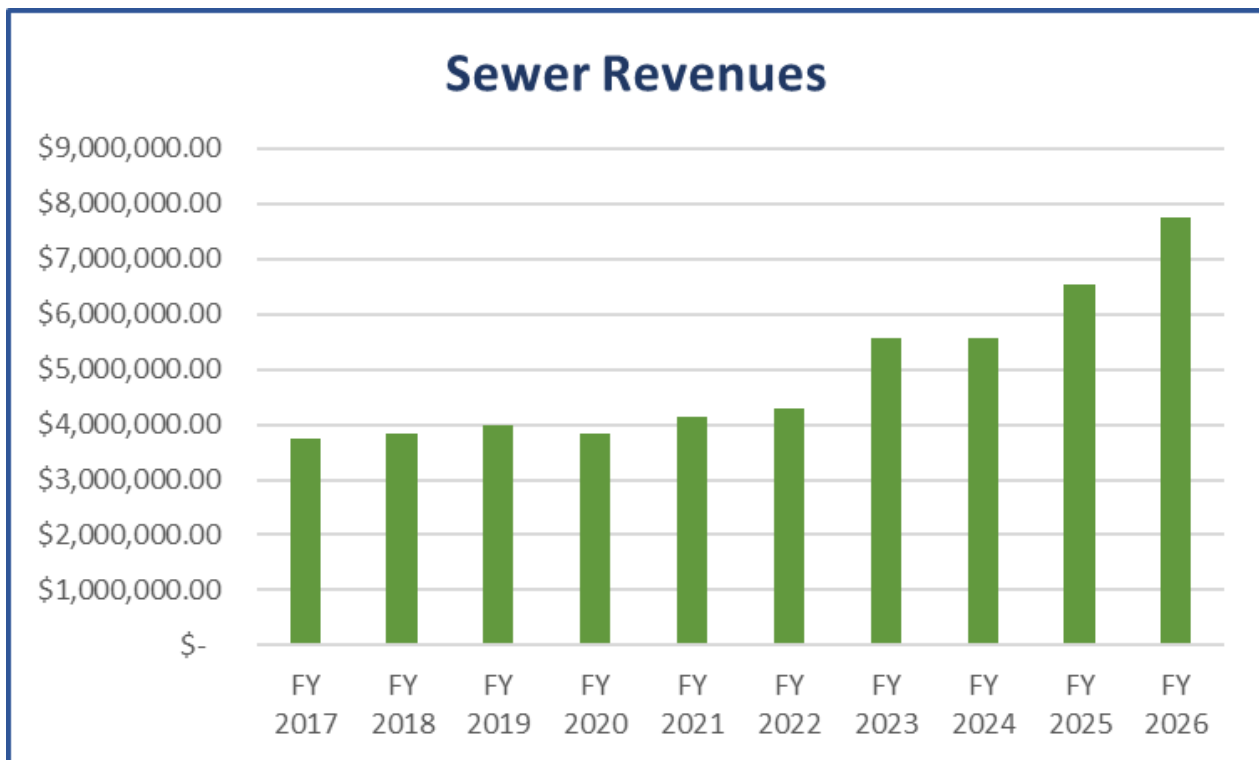
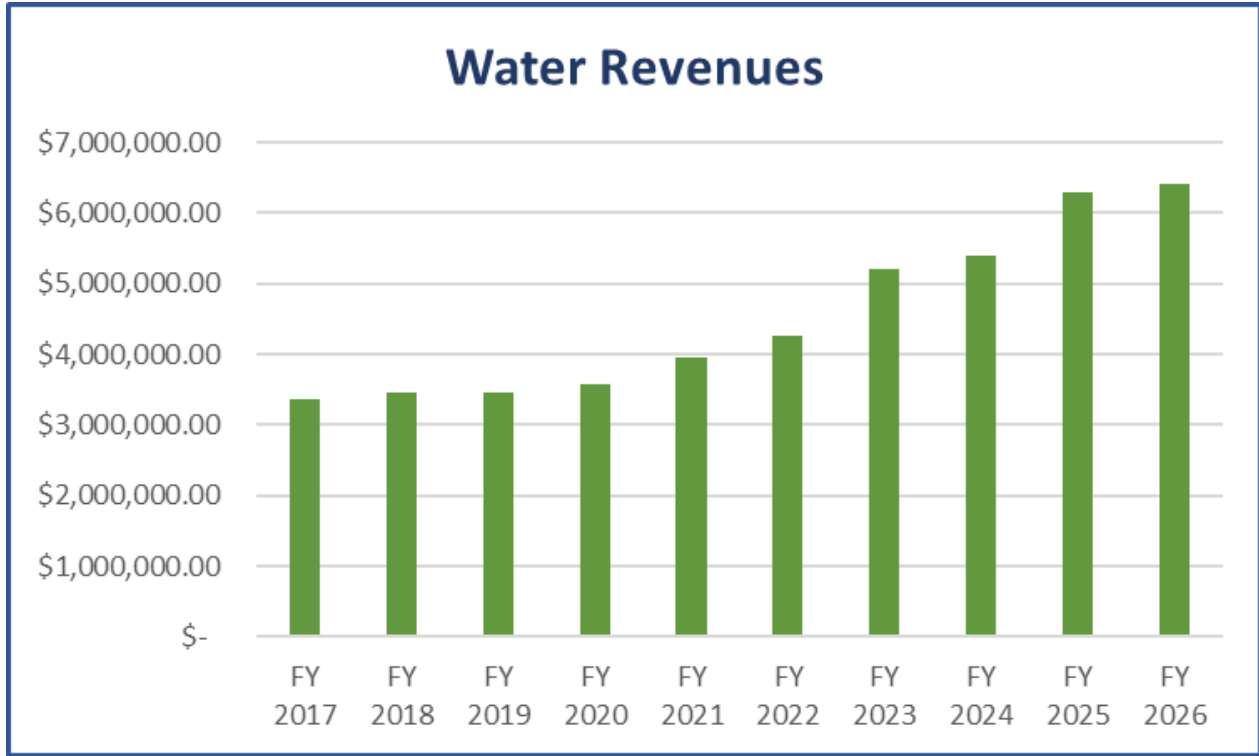
## Enterprise Funds

### Public Utility Fund

#### Water & Sewer Revenue

The water and wastewater operations are funded primarily through user fees. Because these the City must 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, 2024**. The City usually estimates revenue based on historical trends that consider weather and consumption history; however, this year is different. The City updated the water rate study to take into consideration new debt related to large capital projects to be funded through the Texas Water Development Board revolving loan fund over the next year.

## REVENUE ASSUMPTIONS



### Garbage Fees

A private contractor provides residential and commercial garbage pickup. The City sets rates to cover the charges of the 3<sup>rd</sup> party contractor. The City increased garbage rates by 3% average to offset the price increase imposed by the contractor of 5% or (\$135,000). 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 (\$135,000) and fuel/oil sales (\$276,000) are the largest user fees in this fund and are estimated to be **\$411,000**, or **52%** of total budget. The General Fund is set to subsidize this fund by approximately \$270,000 in Fiscal Year 2026. 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 **44%** of citywide revenue.

Less than **18%** of the General Fund revenue comes from service fees (sanitation fees). However, this is **89%** of the Public Utility Fund's revenue source.

#### Fines & Forfeitures

Fines and forfeitures account for approximately **1%** of the city-wide 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.

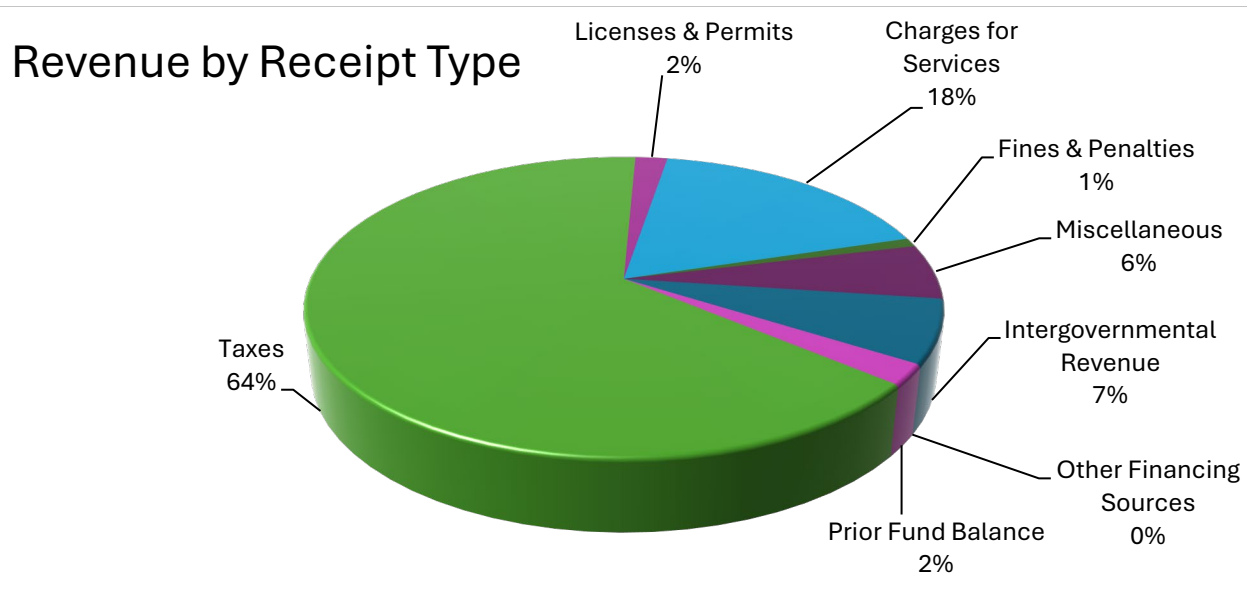
#### Total City Revenue

Fiscal Year 2026 budgeted revenues for the City totaled \$41,082,000. This is up \$1,262,583 or **3.17%** more than prior year's budget. This is attributable to the increase in the Utility Fund needed to support critical infrastructure improvements.



## General Fund Revenue

Receipt Type	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	Variance
Taxes	11,887,785	11,905,973	12,524,000	12,574,000	13,241,500	717,500
Licenses & Permits	193,352	221,806	209,500	290,750	399,500	190,000
Charges for Services	2,675,203	3,230,781	3,500,000	3,580,000	3,613,000	113,000
Fines & Penalties	153,267	164,851	152,500	172,300	193,000	40,500
Miscellaneous	1,695,170	1,529,226	1,201,750	1,150,276	1,213,000	11,250
Intergovernmental Rev.	853,000	869,078	1,534,000	1,534,000	1,390,000	(144,000)
Other Financing Sources	167,799	72,000	-	-	-	-
Prior Fund Balance	-	-	1,000,000	-	450,000	(550,000)
<b>Total Revenue</b>	<b>17,625,577</b>	<b>17,993,715</b>	<b>20,121,750</b>	<b>19,301,326</b>	<b>20,500,000</b>	<b>378,250</b>



Largest Revenue Sources	Amended Budget FY 2025	% Of Total FY 25 General Fund Budget	Adopted FY 2026	% Of Total FY 26 General Fund Budget	Variance
Property Taxes	5,494,000	27%	5,924,000	29%	430,000
Sales Tax	5,625,000	28%	5,812,500	28%	187,500
Franchise Fees	1,350,000	7%	1,445,000	7%	95,000
Mixed Beverage Tax	55,000	0%	60,000	0%	5,000
<b>Total</b>	<b>12,524,000</b>	<b>62%</b>	<b>13,241,500</b>	<b>65%</b>	<b>717,500</b>

## General Fund Revenue Detail

General Fund Revenues	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
<b>Taxes</b>					
Property Taxes Collections	4,856,929	4,917,130	5,347,000	5,347,000	5,751,000
Delinquent Taxes	73,995	65,664	70,000	75,000	90,000
Tax Overpayments	5,894	2,954	5,000	5,000	3,000
Property Taxes- P&I Fees	72,192	84,867	72,000	70,000	80,000
State Sales Tax	3,669,609	3,660,619	3,750,000	3,780,000	3,875,000
State Mixed Drink Tax	55,854	63,100	55,000	62,000	60,000
Franchise Tax	609,216	583,099	550,000	545,000	550,000
Enterprise Franchise Fee	593,000	690,000	800,000	800,000	895,000
Waste Collection Franchise	140,915	-	-	-	-
State Sales Tax- Tax Relief	1,810,181	1,838,538	1,875,000	1,890,000	1,937,500
<b>Total Taxes</b>	<b>11,887,785</b>	<b>11,905,973</b>	<b>12,524,000</b>	<b>12,574,000</b>	<b>13,241,500</b>
<b>Licenses &amp; Permits</b>					
Alcohol Beverage Permit	7,475	5,270	5,000	6,500	6,000
Other License/Permits	1,515	3,475	3,000	2,000	1,000
Building Permits	176,414	211,227	200,000	275,000	385,000
Misc. Inspection Fee - Code Enf.	1,350	1,679	1,000	1,000	1,000
Plat Filing Fees	6,598	155	500	6,250	6,500
<b>Total Licenses &amp; Permits</b>	<b>193,352</b>	<b>221,806</b>	<b>209,500</b>	<b>290,750</b>	<b>399,500</b>
<b>Charges for Services</b>					
Sanitation Fees	2,675,035	3,230,731	3,500,000	3,580,000	3,613,000
Service Charges	168	50	-	-	-
<b>Total Charges for Services</b>	<b>2,675,203</b>	<b>3,230,781</b>	<b>3,500,000</b>	<b>3,580,000</b>	<b>3,613,000</b>
<b>Fines &amp; Penalties</b>					
Court Fines	134,152	145,498	135,000	155,000	175,000
Warrant Fines-Collected	12,335	10,054	11,000	10,500	12,000
Arrest Fees	315	337	-	300	-
Juvenile Case Management	3,668	5,344	5,000	5,500	5,000
Library Fines	2,797	3,619	1,500	1,000	1,000
<b>Total Fines &amp; Penalties</b>	<b>153,267</b>	<b>164,851</b>	<b>152,500</b>	<b>172,300</b>	<b>193,000</b>

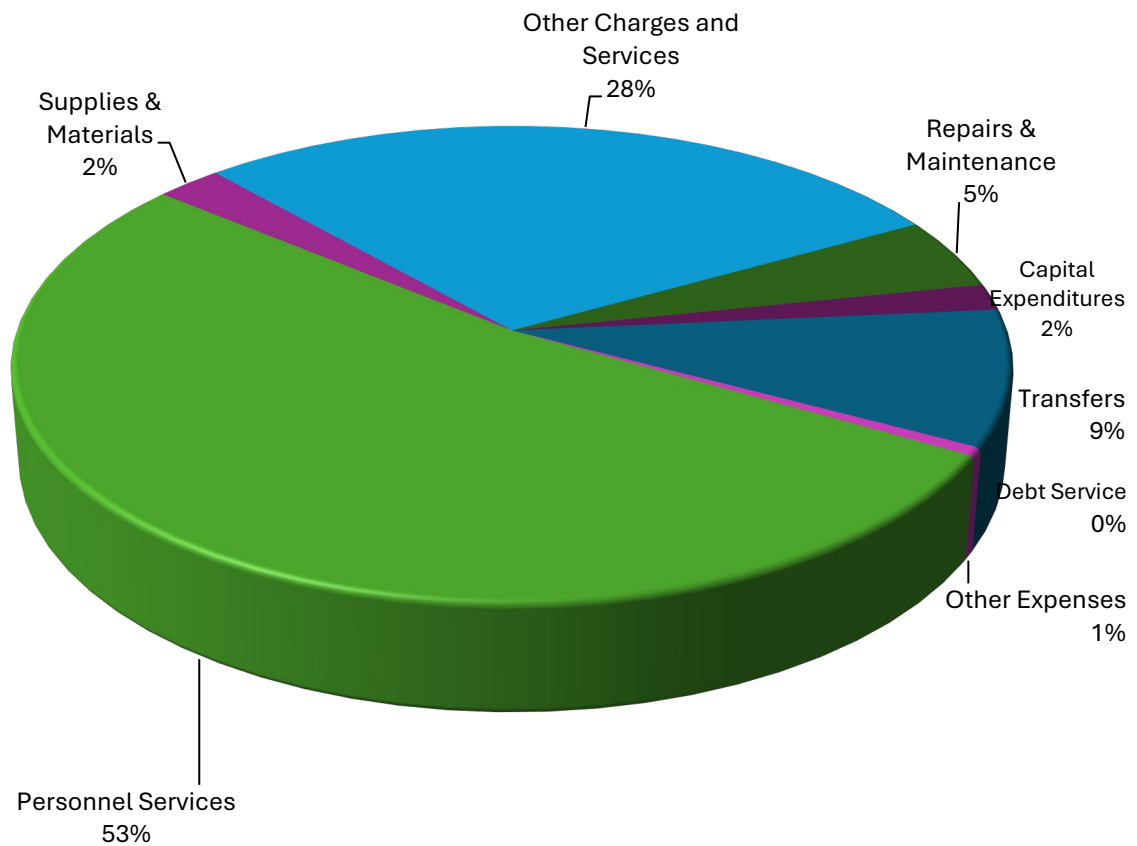
## GENERAL FUND

General Fund Revenues (Continued)	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
<b>Miscellaneous</b>					
Interest Income	188,325	297,014	126,000	165,000	136,000
Liens	41,346	26,596	-	28,000	-
Rental Proceeds	69,050	69,473	45,000	45,000	28,000
Recycling Center	9,995	23,343	15,000	17,870	20,000
PD Grants and Special Rev.	152,219	116,429	147,000	53,000	203,000
Grants- Various Sources	164,320	2,000	35,000	15,000	22,000
Law Enforcement Education	2,121	5,521	5,000	5,550	5,000
Parks- Rental Income	39,880	48,145	45,000	40,000	45,000
Rec Programs	18,956	18,710	20,000	10,000	20,000
Riverside- RV Rentals	91,916	88,488	100,000	90,000	90,000
Riverside Park Fees	32,786	29,662	35,000	33,000	33,000
Service Center Fees	8,516	8,066	10,000	10,000	10,000
Library Fees	8,680	10,785	9,000	8,000	9,000
Donations	54,290	112,211	-	6,360	-
BCISD- Pool Interlocal	75,000	37,500	-	-	-
County- Animal Impound %	88,490	88,808	93,000	93,000	114,000
County- Library Funding	200,000	200,000	200,000	200,000	200,000
Animal Impound- Fees	6,171	4,390	5,000	4,500	5,000
Insurance Claims	208,179	25,167	-	23,246	-
Gain on Disposal of Assets	16,905	146,696	6,750	6,750	-
Other Income- From Gas Co.	44,209	16,000	177,000	177,000	205,000
Other Income- Police	16,910	10,406	12,000	5,000	5,000
Other Income- BCCDC	75,000	55,300	36,000	36,000	18,000
Other Income	81,906	88,517	80,000	78,000	45,000
<b>Total Miscellaneous</b>	<b>1,695,170</b>	<b>1,529,226</b>	<b>1,201,750</b>	<b>1,150,276</b>	<b>1,213,000</b>
<b>Intergovernmental Revenue</b>					
Transfer from FD 25	68,000	68,000	250,000	250,000	150,000
Transfer from Utility	668,000	765,000	1,128,000	1,128,000	1,175,000
Transfer from Fund 23	87,000	-	-	-	-
Transfer from FSA Fund	5,000	-	-	-	-
Transfer from Fund 12	25,000	36,078	156,000	156,000	65,000
<b>Total Intergovernmental</b>	<b>853,000</b>	<b>869,078</b>	<b>1,534,000</b>	<b>1,534,000</b>	<b>1,390,000</b>
<b>Prior Fund Balance</b>					
Other Financing Sources	167,799	72,000	-	-	-
Prior Fund Balance	-	-	1,000,000	-	450,000
<b>Total Fund Balance</b>	<b>167,799</b>	<b>72,000</b>	<b>1,000,000</b>	<b>-</b>	<b>450,000</b>
<b>Total General Fund Revenue</b>	<b>17,625,577</b>	<b>17,993,715</b>	<b>20,121,750</b>	<b>19,301,326</b>	<b>20,500,000</b>

## General Fund Expenditures by Function

Expenses by Function	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	Variance
Personnel Services	8,389,454	9,000,828	10,535,805	9,496,400	10,795,462	259,657
Supplies & Materials	474,932	442,398	495,845	458,878	501,600	5,755
Charges and Services	4,261,931	5,027,794	5,103,750	5,359,054	5,837,938	734,188
Repairs & Maint.	747,895	862,819	885,350	891,620	995,000	109,650
Capital Expenditures	586,758	371,175	981,000	706,159	365,000	(616,000)
Transfers	1,503,325	1,800,874	2,014,000	2,014,000	1,890,000	(124,000)
Debt Service	41,064	88,800	-	-	-	-
Other Expenses	78,656	86,799	100,000	95,000	115,000	15,000
<b>Total Expenditures</b>	<b>16,084,016</b>	<b>17,681,487</b>	<b>20,115,750</b>	<b>19,021,111</b>	<b>20,500,000</b>	<b>384,250</b>

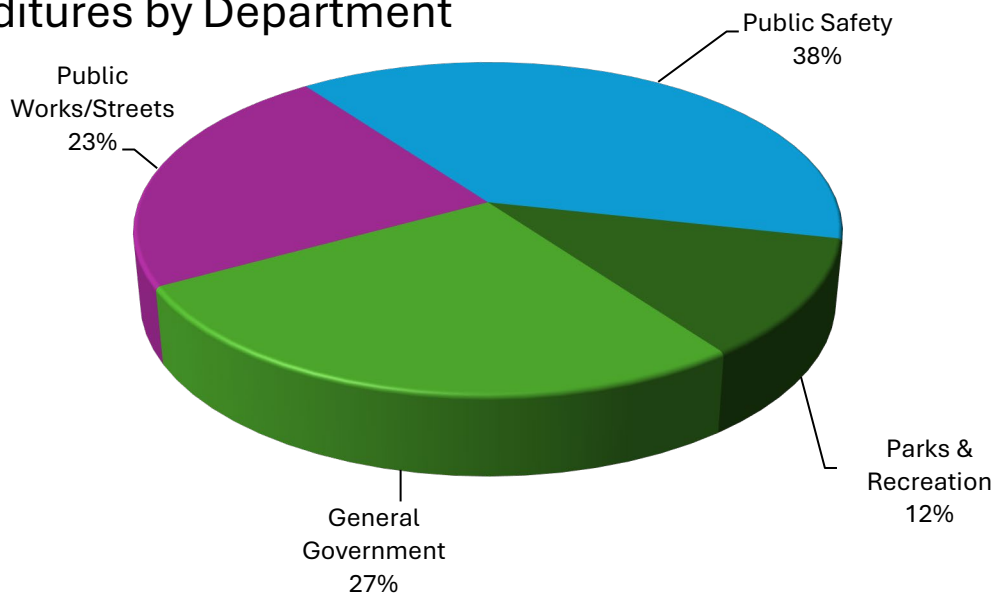
### Expenditures by Function



## General Fund Expenditures by Department

Department	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	Variance	%
City Secretary	108,459	145,987	217,059	208,222	228,097	11,038	5%
City General Services	2,789,435	3,041,387	3,230,750	3,257,600	3,386,348	155,598	5%
Administration	322,891	333,989	371,211	343,023	363,003	(8,208)	-2%
Main Street	61,147	63,682	122,547	116,554	156,481	33,934	28%
Human Resources	294,401	277,583	297,713	291,522	264,076	(33,637)	-11%
Municipal Court	361,992	502,851	533,623	518,078	533,596	(27)	0%
Finance	388,742	431,518	508,954	284,996	345,934	(163,020)	-32%
Planning & Develop.	459,215	488,254	908,187	926,821	1,122,045	213,858	24%
Police	5,207,251	5,328,169	5,775,661	5,483,780	5,966,506	190,845	3%
Animal Impound	229,910	207,535	232,050	224,736	260,000	27,950	12%
Fire	158,433	211,311	543,308	345,492	544,508	1,200	0%
Street and Bridge	3,530,476	4,180,207	4,426,394	4,629,559	4,438,898	12,504	0%
Recycling Center	317,032	236,564	264,955	261,714	269,428	4,473	2%
Parks & Recreation	988,856	1,084,828	1,305,433	1,054,287	1,257,777	(47,656)	-4%
Riverside Park	192,387	214,270	215,055	250,022	273,431	58,376	27%
Recreation	67,716	84,787	94,087	95,161	95,844	1,757	2%
Pool Operations	240,737	475,801	237,100	94,875	69,300	(167,800)	-71%
Library	510,951	635,564	690,427	634,668	668,067	(22,360)	-3%
Communications	-	1,864	141,236	123,456	256,661	115,425	0%
<b>Total Expenditures</b>	<b>16,230,031</b>	<b>17,946,151</b>	<b>20,115,750</b>	<b>19,144,567</b>	<b>20,500,000</b>	<b>384,250</b>	<b>2%</b>

### Expenditures by Department



## Departmental Summaries

### ADMINISTRATION

#### Our Mission

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

#### Description of Our Services

The City Manager exercises leadership in maintaining effective communication between the Mayor, City Council, City employees and the citizens of Bay City. As the City's Chief Executive Officer, the City Manager 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 oversees customer service requests and provides general administrative assistance to other programs.

#### 2026 Strategic Focus\*

##### Safety and Community Appearance\*

*To enhance safety and community appearance*

##### Community and Civic Engagement\*

*To build and enhance communications and civic engagement*

##### Infrastructure\*

*To develop community infrastructure and enhancements to the transportation network and system*

##### Planning and Development\*

*To establish a smooth and transparent planning and development process*

##### Culture and Recreation\*

*To develop culture and recreational opportunities within the City*

##### Operational Excellence\*

*To establish and ensure operational excellence*

**FY 2026 Business Plans (Objectives)**

- Safety and Community Appearance
- Community and Civic Engagement
- Infrastructure
- Planning and Development
- Culture and Recreation
- Operational Excellence

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Collaborated with all City departments to ensure implementation of Strategic Plan

**Budget Summary**

Administration	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	312,690	317,195	358,161	332,103	350,153
Supplies & Materials	2,229	1,872	4,850	3,270	4,650
Other Charges & Services	7,973	14,922	8,200	7,650	8,200
<b>Total Administration</b>	<b>322,891</b>	<b>333,989</b>	<b>371,211</b>	<b>343,023</b>	<b>363,003</b>

**Budgeted Personnel**

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Mayor	1	1	1	1
City Manager	1	1	1	1
Executive Assistant	1	1	1	1
Council Members	5	5	5	5
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

## 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 departments of the City of Bay City
- ❖ Providing daily assistance and/or direction to citizens
- ❖ Safeguarding and enriching the municipal election
- ❖ Ensuring that records management processes meet core values

### Description of Our Services

The City Secretary Department is responsible for open records and information requests, issues vendor and food truck permits, prepares and distributes City Council, Planning Commission, TIRZ Boards, and Variance Committee’s agendas and support materials, along with maintaining accurate official meeting minutes. Other services include overseeing the management and retention of city records, administering City elections, and providing Lien Payoff Statements, Lien Releases, and administrating Lien Payment Contracts.

### 2026 Strategic Focus\*

#### Community and Civic Engagement\*

*To build and enhance communications and civic engagement*

- **Provide enhanced information technology services**
  - Improve sound in Council Chambers and assess technology used to improve efficiencies
  - Stream council meetings to include the viewing of presentations
  - Stream other community meetings
  - Add educational videos for citizens (permitting, code)

**FY 2026 Business Plans (Objectives)**

- Set up public records to access on Laserfiche through public portal
- Perform City-wide Records Audit, retention schedule updates
- Re-organize Records Management Policy and Procedures and include electronic storage
- Improvements to Council Meetings audio and video systems to enhance public participation
- Review and prepare records for electronic storage to provide additional space for long term archival of hard copies while eliminating shorter term hard copy storage.
- Continued organization and update of the City Code of Ordinances both hardcopy and online
- Continue to pursue opportunities which will enhance the Department’s ability to provide accurate and timely information to the City Council, Mayor, all City departments, and the general public
- Prepare City Board Member manuals
- Establish board member recruiting, vetting, and appointing processes and terms of all City Board participation
- Develop web pages for Boards, volunteer interest and public participation.
- Continue to update and enhance the City Secretary’s website information

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Promoted a City Council meeting agenda process for Council members and directors placing items on the agenda
- ✓ Pursued opportunities which will enhance the Department’s ability to provide accurate and timely information to the City Council, Mayor, all City departments, and the general public
- ✓ Maintained records and appointment processes of Board membership and terms of all City Board participation
- ✓ Prepared City Boards Ordinance and defined roles
- ✓ Created public portal of Laserfiche Electronic Document Management
- ✓ Archived, digitally, easement and right-a-ways
- ✓ Prepared City Board and Council Member manuals
- ✓ Established board member recruiting, vetting, and appointing processes and terms of all City Board participation

**Budget Summary**

City Secretary	Actual FY 2023	Actual FY 2024	Actual FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	86,784	130,608	177,709	180,272	184,447
Supplies & Materials	4,995	2,288	14,850	13,950	14,450
Other Charges & Services	16,680	13,092	24,500	14,000	29,200
<b>Total City Secretary</b>	<b>108,459</b>	<b>145,987</b>	<b>217,059</b>	<b>208,222</b>	<b>228,097</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
City Secretary	1	1	1	1
Deputy City Secretary	-	1	1	1
<b>Total</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of Agendas/Meetings/Mins.	41	46	45	45
Number of public hearings	3	3	6	4
Number of new Ordinances approved	18	23	24	24
Number of resolutions approved	31	41	37	40
Number of Liens Recorded	206	175	150	150
Number of Liens Released	56	132	36	35
Number of requests for Public Info.	61	48	240	250
Number of elections prepared for	1	-	2	2
<i>Measuring our Effectiveness</i>				
% of Agendas posted 96 hours prior to meeting	100%	100%	100%	100%



## CITY GENERAL

### Description of Our Services

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

### Contingency

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

### Fixed Asset Replacement Fund Allocations (FARF)

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

### Budget Summary

City General	Actual FY 2023	Actual FY 2024	Amended Budgeted FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	18,238	6,285	15,000	15,000	15,000
Supplies & Materials	20,969	21,140	21,600	19,900	23,100
Other Charges & Services	930,105	1,068,918	901,150	964,700	1,418,248
Repairs & Maintenance	26,756	85,883	94,000	94,000	40,000
Capital Expenditures	290,043	58,287	185,000	150,000	-
Transfers	1,503,325	1,800,874	2,014,000	2,014,000	1,890,000
<b>Total City General</b>	<b>2,789,435</b>	<b>3,041,387</b>	<b>3,230,750</b>	<b>3,257,600</b>	<b>3,386,348</b>

## 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)

### Description of Our Services

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

### 2026 Strategic Focus\*

#### Safety and Community Appearance \*

*To enhance safety and community appearance*

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.

## GENERAL FUND

- ❖ **Community Serving** – Enhance business recruitment and expansion of new and existing businesses. Building community support to create a district where people want to live, work, and play.
- ❖ **Beautification Initiatives and Design** – Activating private/public partnerships in vacant properties to enhance downtown commercial district and improve walkability. Focus on downtown beautification with routine maintenance and partnering with tourism and local artists on more art walks and murals to incorporate community history.

### FY 2026 Business Plans (Objectives)

- Continue relocation and replacement of trees around square
- Add downtown street banners for light poles
- Develop downtown shopping guides and historic residential district guides
- Pursue Historic Preservation Officer certification
- Expand marketing and social media outlets for events
- Highlight Texas Treasure Businesses with state recognition
- Partner with city departments on downtown maintenance schedule
- Expand Christmas light display to other sections of downtown corridor
- Assist with all design and façade improvement projects
- Implement an action plan for phasing the North Downtown Development project

### FY 2025 Accomplishments of Prior Year Business Plan

- ✓ Installed downtown street banners for light poles with communications support
- ✓ Developed updated downtown shopping guides and historic residential district guides and printing for distribution
- ✓ Obtained Historic Preservation Officer Training
- ✓ Continued partnerships with city departments on downtown maintenance and created schedule
- ✓ Assisted with all design and façade improvement projects in downtown and South Side Historic District
- ✓ Continued efforts of North Downtown Development project with TIRZ # 1
- ✓ Expanded marketing and social media outlets for events
- ✓ Replaced downtown light pole Christmas Decorations
- ✓ Secured 380 agreement with developer for Texas Theater
- ✓ Created board training, onboarding, and restructuring
- ✓ Held regional design workshop and tour with Texas Main Street Program Design Team

### Budget Summary

Main Street	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	-	265	79,947	79,481	81,881
Supplies & Materials	-	79	4,100	2,573	4,100
Other Charges & Services	50,547	58,464	18,500	19,500	45,500
Other Expenses	10,600	4,875	20,000	15,000	25,000
<b>Total Main Street</b>	<b>61,147</b>	<b>63,682</b>	<b>122,547</b>	<b>116,554</b>	<b>156,481</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Main Street Manager	-	-	1	1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>

\*Main Street Manager contracted out in prior years\*

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
10-point criteria met/Accredited	No	Yes	Yes	Yes
Façade Grants Awarded	-	3	5	10
Main Street Board Meetings	10	10	10	10

## 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 can provide 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.

### 2026 Strategic Focus\*

#### Operational Excellence \*

*To establish and ensure operational excellence*

#### FY 2026 Business Plans (Objectives)

- Implement market findings from compensation study
- Implement step pay plan for the Police Department
- Continue merit—pay for performance
- Provide an HRIS system for a more automated onboarding process and standardized training courses
- Explore team building opportunities

#### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Implemented longevity City-wide (\$49,000)
- ✓ Conducted compensation survey (\$30,000)
- ✓ Increased applicant pool for open positions by utilizing LinkedIn Recruiter (\$2,500)
- ✓ Held a successful Family Fun Day at Schulman’s (\$7,700)
- ✓ Increased recruitment material (flyers, one-page benefit guide, comprehensive benefit guide)
- ✓ Added additional certifications to the Certification Pay Schedule (Public Works and Police) to aid in recruitment and retention
- ✓ Conducted an Employee Satisfaction Survey
- ✓ Reimbursed \$1,000 in tuition expenses
- ✓ Introduced new supervisory training

### Budget Summary

Human Resources	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	206,342	204,696	237,813	222,247	232,676
Supplies & Materials	5,006	5,822	6,400	7,650	6,400
Other Charges & Services	83,053	67,064	53,500	61,625	25,000
<b>Total Human Resources</b>	<b>294,401</b>	<b>277,583</b>	<b>297,713</b>	<b>291,522</b>	<b>264,076</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Director of Human Resources	1	1	1	1
Personnel Generalist	1	1	1	1
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of new employees processed (F/T)	35	33	30	20
Number of employee separations (F/T)	20	25	20	10
Number of work-related injuries	7	16	10	0
Number of open enrollment changes processed	70	200	211	200
Number of applications received	350	444	350	350
Number of sick hours used per FTE	0	0	0	0
Total number of job postings (Annual)	40	66.24	40	40
Percentage of positions filled internally	35	40	35	30
Turnover rate	10%	7.5%	5.7%	15%
Average tenure of employees (years)	13.25%	18.4%	14.3%	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 for 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.

### 2026 Strategic Focus\*

#### Safety and Community Appearance \*

*To enhance safety and community appearance*

#### Communication and Civic Engagement \*

*To build and enhance communications and civic engagement*

#### Operational Excellence \*

*To establish and ensure operational excellence*

### FY 2026 Business Plans (Objectives)

- Continue to increase traffic safety/public safety campaigns through partnerships with other entities to increase awareness and compliance
- Enhance public information distribution and expand community engagement through our Municipal Court Facebook Page
- Optimize information provided on our web page through news updates, updated forms, slide shows and important date listings
- Continue to provide superior warrant service with our Warrant Officer/Bailiff
- Hold successful 2026 Warrant Resolution Campaign

### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Received 4<sup>th</sup> consecutive Municipal Traffic Safety Initiatives Award from Texas Municipal Courts Education Center for excellence in traffic safety initiatives
- ✓ Held successful 2025 Warrant Resolution Campaign, clearing 78 class c warrants
- ✓ Attended multiple traffic safety/public safety campaigns through partnerships with other entities to increase awareness and compliance
- ✓ Enhanced public information distribution through our Municipal Court Facebook page
- ✓ Fulfilled 100% of all public inquiries/records requests

### Budget Summary

Municipal Court	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	267,790	409,164	445,728	438,175	443,946
Supplies & Materials	5,959	6,054	7,945	8,820	8,700
Other Charges & Services	73,067	81,429	77,450	69,683	78,450
Repairs & Maintenance	15,176	6,204	2,500	1,400	2,500
<b>Total Municipal Court</b>	<b>361,992</b>	<b>502,851</b>	<b>533,623</b>	<b>518,078</b>	<b>533,596</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Municipal Court Judge-Contract	1	1	1	1
Municipal Court Assoc. Judge-Contract	1	1	1	1
Municipal Court Administrator	1	1	1	1
Municipal Juvenile Case Manager	1	1	1	1
Municipal Court Clerk	2	2	2	2
Warrant Officer	-	1	1	1
<b>Total</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of violations filed	2,177	2,799	2,616	2,675
Number of warrants issued	761	721	880	900
Number of juvenile citations	33	35	55	60
Number of warrants cleared	873	765	888	900
Number of completed cases	2,610	1,614	2,296	2,450
Cases satisfied by Community Service	43	101	84	75
Cases satisfied by Jail Time	319	447	392	365
Number of Community Events/Outreach Programs	-	7	11	15
<b>Measuring our Effectiveness</b>				
#of case files created with 24 hrs. of citation receipt	100%	100%	100%	100%

## FINANCE

### Our Mission

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

### Description of Our Services

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

### 2026 Strategic Focus\*

#### Operational Excellence \*

*To establish and ensure operational excellence*

- **Maintain fiscal budget excellence, cost-saving solutions, time efficiencies, and process improvements**

#### FY 2026 Business Plans (Objectives)

- Continue to receive an unmodified (clean opinion) on the Annual Comprehensive Financial Report
- Maximize the City's return on investments in accordance with the adopted investment policy
- Apply for additional transparency star: Contracts & Procurement
- Explore Janitorial vs. Employee options as well as landscaping
- Implement changes to internal purchase order requisition process with City staff
- Explore Tyler Content Management scanning capabilities to create a more paperless environment
- Continue to increase accounts payable ACH payment efforts

#### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Earned Government Finance Officers of America (GFOA) Distinguished Budget, Popular Annual Financial Report and Annual Comprehensive Financial Report Awards
- ✓ Implemented new timekeeping system, ExecuTime, to improve payroll process
- ✓ Explored windstorm insurance options and created risk management fund
- ✓ Transitioned to State's credit card vendor contract from current vendor

### Budget Summary

Finance	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	374,094	388,671	334,954	269,271	326,934
Supplies & Materials	6,956	6,596	7,500	6,100	7,500
Other Charges & Services	7,692	36,251	166,500	9,625	11,500
<b>Total Finance</b>	<b>388,742</b>	<b>431,518</b>	<b>508,954</b>	<b>284,996</b>	<b>345,934</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Finance Director	1	1	-	-
Finance Manager	-	-	1	1
Senior Accountant	1	1	1	1
Payroll Administrator	1	1	1	1
Accounts Payable Clerk	1	1	1	1
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of invoices processed	8,000	8,100	8,250	8,475
Number of vendor checks issued	3,800	4,000	3,900	4,000
Number of payroll checks/ACH issued	1,800	1,800	1,790	1,800
Number of manual journal entries	2,200	2,100	2,075	2,200
<b>Measuring our Effectiveness</b>				
GFOA's Distinguished Budget Presentation Award received	Yes	Yes	Yes	Yes
GFOA's Excellence in Financial Reporting Award received	Yes	Yes	Yes	Yes
General Fund Reserves as % of Target	100%	100%	100%	100%
Audit receives a clean opinion	Yes	Yes	Yes	Yes
Continuing Disclosure report by March 31 <sup>st</sup>	Yes	Yes	Yes	Yes
Compliance with Investment Policy	100%	100%	100%	100%
Quarterly Investment Reports Presented to City Council	4/100%	4/100%	4/100%	4/100%
Average number of working days to close month	10	10	10	15
Average number of working days to issue monthly financial report	15	15	15	15

## PLANNING & DEVELOPMENT

### Our Mission

The Planning and Development Services Division is dedicated to guiding responsible growth, enhancing community livability, and preserving the natural and built environment through inclusive planning, innovative solutions, and transparent development practices. We work collaboratively with residents, businesses, and stakeholders to create vibrant, sustainable, and resilient communities for current and future generations.

### Description of Our Services

The Planning & Development Services Division is under the general direction of the Assistant Director of Public Works. Our team is comprised of Planning & Development, Building Permits and Inspections, Code Compliance Officers, Engineering and GIS. We are dedicated to articulating, disseminating, and enforcing laws, codes and ordinances while ensuring the protection and enhancement of both public and private premises. Through active engagement with our community, we identify and address socio-economic challenges while upholding standards that foster character and pride in our city. We strive to maintain the beauty of Bay City, safeguarding its future for generations to come.

### 2026 Strategic Focus\*

#### Safety and Community Appearance \*

*To enhance safety and community appearance*

- **Improve ordinances to address blighted, vacant or substandard structures**
- **Improve the appearance of vacant buildings downtown**
- **Public education to encourage property and business owners to follow safe building practices and municipal ordinances**

#### Planning and Development \*

*To establish a smooth and transparent planning and development process*

- **Hire Certified City Planner to update and implement a future land use management plan**
- **Create Standard Operating Procedures based on best practices**
- **Consistent application of building code and development standards**

**FY 2026 Business Plans (Objectives)**

- Host roundtable workshops with developers and contractors
- Begin development of a future land use plan
- Use outreach, education and communication to encourage property and business owners to follow safe building and permitting practices thereby minimizing the number of stop work orders issued
- Integrate code compliance efforts with city planning, housing initiatives and revitalization strategies
- Develop clear standard operating procedures and policies for Code Compliance and conduct regular staff training to ensure consistent enforcement practices
- Better promote the use of the online complaint portal to report code violations
- Increase public involvement in planning processes through consultations, surveys, and workshops

**FY 2025 Accomplishments: Prior Year Business Plan**

- ✓ Implemented new software for Code Compliance Officers
- ✓ Updated building codes to reflect the 2021 International Series and 2023 National Electric Code
- ✓ Updated ordinance Chapter 22 – Buildings and Building Regulations and created a better defined “sign” ordinance
- ✓ Revised the Vacant Building Ordinance to streamline the requirements and enforcement process in registering buildings that are blighted and vacant; began enforcement
- ✓ Created and implemented the Substandard Building Ordinance to better define and streamline the requirements and enforcement process; continued enforcement
- ✓ Began utilizing the Planning Commission as the “board” to make determinations and issue orders on substandard buildings
- ✓ Worked closely with the Matagorda County Drainage District #1 regarding the review of drainage plans for projects inside the city limits; City began reviewing plans with the assistance of a third-party engineering firm
- ✓ Created and published Development Guides for contractors and developers
- ✓ Initiated use of surveys and workshops to increase public involvement and improve the development process

**Budget Summary**

Planning and Development	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	318,317	350,550	678,787	517,061	725,945
Supplies & Materials	11,167	15,833	17,400	19,900	33,600
Other Charges & Services	127,496	118,207	210,000	386,360	359,500
Repairs & Maintenance	2,234	3,663	2,000	3,500	3,000
Capital Expenditures	-	-	-	-	-
<b>Total Planning and Development</b>	<b>459,215</b>	<b>488,254</b>	<b>908,187</b>	<b>926,821</b>	<b>1,122,045</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Fire Marshal	1	1	-	-
Code Enforcement Officer	2.5	2.5	2.5	2.5
Maintenance Tech	1	1.5	0.5	1
Administrative Assistant	-	1	-	-
Building Official*	-	-	1	1
Building Permit Advocate*	-	-	2	2
Engineering Tech*	-	-	1	1
Code Compliance Officer	-	-	1	1
City Planning Manager	-	-	1	1
<b>Total</b>	<b>4.5</b>	<b>6</b>	<b>9</b>	<b>9.5</b>

Reflects positions reclassified from other departments\*

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of Liens Filed- Code Enforcement	145	236	450	450
Number of Illegal Dumping Cases- Code Enforcement	30	4	10	10
Number of Illegal Dumping Cases- Felony Pending Trial	2	0	0	0
Number of Substandard Building Inspections	150	30	60	100
Number of Substandard Building Demolitions	17	11	15	20
Number of Code Enforcement Investigations	1,450	773	850	900
Number of Legacy OSSF- Reported/Abandoned	5	0	0	0
Number of Environmental Cases- Spills/Mitigation	2	0	0	0
Building Inspections Performed	386	490	800	800
Electrical Inspections Performed	716	720	560	600
Mechanical Inspections Performed	194	220	375	400
Plumbing Inspections Performed	506	530	500	550
Other Inspections Performed (occupancy, pool, etc.)	190	230	250	250

## POLICE DEPARTMENT

### Our Mission

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.

### 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, 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.

### 2026 Strategic Focus\*

#### Safety and Community Appearance \*

*To enhance safety and community appearance*

#### FY 2026 Business Plans (Objectives)

- Lower citizen complaints by enhancing communication and customer service
- Introduce and support wellness programs that prioritize physical and mental well-being for all department employees
- Deliver ongoing community education and outreach programs, including National Night Out, security inspections, and public safety presentations
- Provide citizens with alternative reporting solutions to report low priority or non-emergency related calls for service to create capacity for high priority call for service and proactivity policing (online reporting)
- Increase transparency to the community regarding agency policies, calls for service and critical incidents by improving our social media presence to including refining the department's website page

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Reinstated Bike Patrol unit and Special Response Team
- ✓ Installed a public awareness billboard focused on the dangers of fentanyl
- ✓ Conducted targeted DWI enforcement and participated in the “End the Streak” campaign
- ✓ Secured the donation of two medical bags (valued at \$1,500 each) for use at large-scale events where immediate medical assistance may not be available
- ✓ Equipped all patrol and detective units with rifle-rated ballistic shields
- ✓ Strengthened Commercial Motor Vehicle enforcement in partnership with DPS
- ✓ Implemented an online reporting system to streamline public access and reporting
- ✓ Organized and held monthly Coffee with a Cop events
- ✓ Launched the first annual Junior Police Academy

**Budget Summary**

Police	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	4,569,798	4,786,398	5,176,811	4,891,098	5,346,366
Supplies & Materials	142,475	112,906	123,800	114,250	113,800
Other Charges & Services	189,416	275,991	378,050	388,532	271,340
Repairs & Maintenance	59,317	46,306	57,000	50,000	55,000
Capital Expenditures	205,181	17,767	40,000	39,900	180,000
Debt Service	41,064	88,800	-	-	-
<b>Total Police</b>	<b>5,207,251</b>	<b>5,328,169</b>	<b>5,775,661</b>	<b>5,483,780</b>	<b>5,966,506</b>

## GENERAL FUND

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Police Chief	1	1	1	1
Police Captain	1	-	-	-
Police Lieutenant	2	3	3	3
Sergeants	7	7	7	7
Corporals	5	5	5	5
Patrol Officers	15	15	15	15
Traffic Officer	1	1	1	1
Detectives	5	5	5	5
Narcotics Officer	1	1	1	1
Warrant Officer	1	-	-	-
Administrative Assistant	1	1	1	1
Admin Clerk (CID)	1	1	1	1
Dispatchers	10	10	10	10
Records Clerk	2	2	2	2
Crime Victim Liaison (Grant)	1	1	1	1
ID Technician	2	2	2	2
<b>Subtotal Police</b>	<b>56</b>	<b>55</b>	<b>55</b>	<b>55</b>
Animal Control Officer	2	2	2	2
<b>Subtotal Animal Control</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Grand Total Police</b>	<b>58</b>	<b>57</b>	<b>57</b>	<b>57</b>



Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of community programs & events attended by personnel	110	115	120	122
Number of training hours received by personnel	3,139	3,200	3,240	3,300
Total number of calls for service	28,152	26,936	26,850	26,890
Number of traffic contacts	4,373	4,330	4,400	4,500
Number of vehicle accidents patrol worked	427	382	420	420
Number of cases assigned to CID	2,436	1,971	2,300	2,200
Number of cases cleared by arrest	150	200	205	200



## 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 serve our community safely and professionally.

### 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 ensure the health, safety, and welfare of the community.

### 2026 Strategic Focus\*

#### Safety and Community Appearance \*

*To enhance safety and community appearance*

#### FY 2026 Business Plans (Objectives)

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

#### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Received in-kind donation from a rescue group, Pups, to supply all animal vaccinations for free
- ✓ Recognized by rescue organizations for maintaining a healthy impound facility
- ✓ Constructed a new shade canopy to enhance animal comfort and welfare
- ✓ Collaborated with Best Friends Animal Society to promote circulation of stray animals to national rescue organizations

### Budget Summary

Animal Impound	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	180,798	189,661	200,200	197,042	202,350
Supplies & Materials	4,202	3,799	3,950	3,987	3,950
Other Charges & Services	5,165	12,536	10,400	12,207	26,200
Repairs & Maintenance	6,984	1,539	17,500	11,500	27,500
Capital Expenditures	32,762	-	-	-	-
<b>Total Animal Impound</b>	<b>229,910</b>	<b>207,535</b>	<b>232,050</b>	<b>224,736</b>	<b>260,000</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Animal Impound Manager	1	1	1	1
Maintenance Tech	1	1	1	1
Maintenance Tech II	1	1	1	1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Euthanized Animals	993	995	995	990
Number of animals picked up (City)	962	970	970	960
Number of animals picked up (County)	509	500	500	490
<b><i>Measuring Our Effectiveness</i></b>				
Average response time to pick up animals	5 minutes	5 minutes	5 minutes	5 minutes

## FIRE

### Our Mission

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

### Description of Our Services

The Bay City Volunteer Fire Department is responsible for fire prevention through community education programs and hands-on training during Fire Prevention Week. Requests are answered promptly for the protection of life and property within the city limits and for the surrounding vicinity. Fire suppression and vehicle accidents are some of the emergency services provided by the Fire Department for the well-being of our community and its guests. The Fire Department also serves as a point of coordination for emergency services during disasters and other emergency situations. The Bay City Volunteer Fire Department also provides mutual aid throughout Matagorda County and has letters of agreement with the South Texas Nuclear Operation Project to aid 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.

### 2026 Strategic Focus\*

#### Safety and Community Appearance \*

*To enhance safety and community appearance*

- **Enhance Fire/EMS Services**

#### FY 2026 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 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	8,471	22,411	211,658	182,234	203,358
Supplies & Materials	11,983	4,312	14,150	7,758	12,150
Other Charges & Services	97,354	129,711	92,500	115,500	122,000
Repairs & Maintenance	40,625	54,877	75,000	40,000	57,000
Capital Expenditures	-	-	150,000	-	150,000
<b>Total Fire</b>	<b>158,433</b>	<b>211,311</b>	<b>543,308</b>	<b>345,492</b>	<b>544,508</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Fire Marshal	-	-	1	1
Maintenance Tech I	-	-	1	1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>



Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of Man-hours for training	960	960	960	960
Number of Man Hours	1,353	1,308	1,330	1,319
Number of Calls Per Year	201	224	212	218
Motor Vehicle Fires	8	10	9	9
Dwelling Fires	7	10	8	9
Rescue Calls	10	11	10	10
Grass Fires	45	20	32	26
Refuse Fires	11	8	9	8
Structure Fires	16	16	16	16
Business Structure Fires	7	1	4	3
Mobile Home Fires	6	3	5	4
Mutual Aid Calls	18	22	20	21
Other Calls	157	140	148	144
Calls Outside City Limits	57	58	57	57
<b><i>Measuring Our Effectiveness</i></b>				
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.

### 2026 Strategic Focus\*

#### Safety and Community Appearance \*

*To enhance safety and community appearance*

- **Improve the curb appeal of the City**

#### Infrastructure \*

*To develop community infrastructure and enhancements to the transportation network and system*

- **Develop and implement a street maintenance plan that prioritizes based on a consistent methodology and communicated to public**
- **Implement Master Drainage Plan improvements as funding permits**
- **Identify, prioritize, maintain, and repair/replace aging city facilities and equipment to continue exploring water system improvements and manholes as funding is available**

**Planning and Development\***

*To establish a smooth and transparent planning and development process*

- **Repair and consider expansion of Nile Valley Road and explore funding sources including TxDOT**

**FY 2026 Business Plans (Objectives)**

- Transition Building Department to Planning and Development Department
- Continue to improve street overlay, repair, and maintenance program to include pavement and specialty markings
- Continue the street rehabilitation program; Goal of at least 10,000 linear feet each year
- Explore an in-house seal coat program
- Explore third party options for contract work on bigger projects
- Continue to empower employees through training and World of Asphalt conference to improve communication, effectiveness, and gain knowledge on road repairs
- Work with other departments to establish a clear procedure for Street Closure Requests

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Continued to clean ditches, repair and upgrade drains and inlets, when possible
- ✓ Provided labor and equipment for Annual Clean Up Events
- ✓ Obtained new equipment for asphalt repairs: Street Sweeper and Dump Truck
- ✓ Maintained tree trimming to ensure safe passage for school buses, EMS services, and maintenance vehicles
- ✓ Provided access to the brush site for citizens and contractors performing work for residential property owners within City limits
- ✓ Continued to utilize City Works to track street repairs, drainage repairs, mowing, and traffic control devices
- ✓ Collaborated with developers for Valor Park & Russel Ranch subdivisions to establish roadways, signage, and inspections
- ✓ Worked with building department on driveway inspections
- ✓ Completed 2 in-house road rehabilitation projects: Old Van Vleck Road & Eagles Road
- ✓ Completed the bidding process for third party contractors to lock in pricing on materials
- ✓ Worked alongside TxDOT for bridge projects and traffic lighting
- ✓ Met with BSNF and Union Pacific to install proper signage and striping at all railways throughout town

### Budget Summary

Street and Bridge	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	702,981	828,846	968,894	840,255	999,898
Supplies & Materials	75,870	83,362	81,000	81,000	81,000
Other Charges & Services	2,360,408	2,797,019	2,839,500	2,890,920	3,007,000
Repairs & Maintenance	389,618	470,980	347,000	395,550	351,000
Capital Expenditures	1,600	-	190,000	421,834	-
<b>Total Street and Bridge</b>	<b>3,530,476</b>	<b>4,180,207</b>	<b>4,426,394</b>	<b>4,629,559</b>	<b>4,438,898</b>

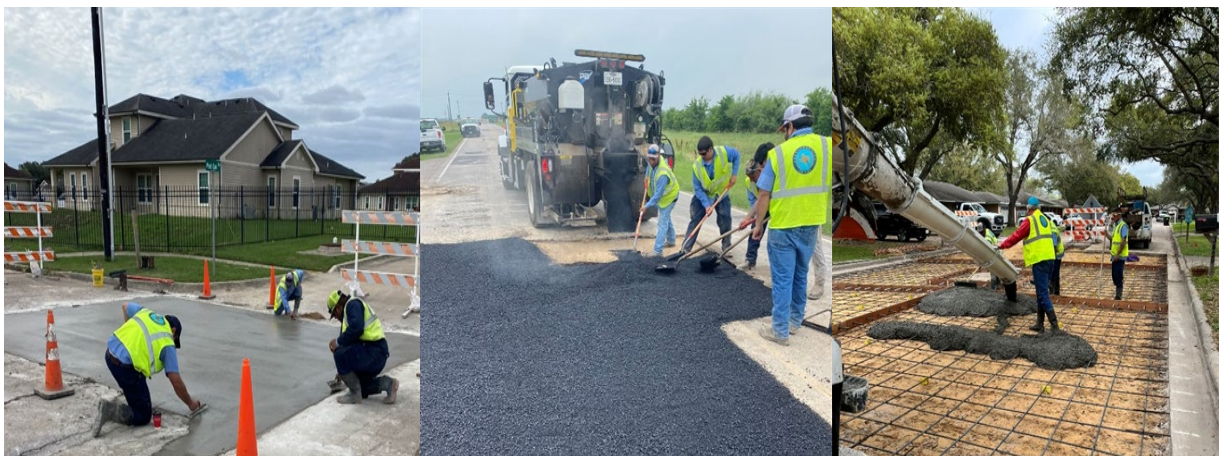
### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Assistant Director of Public Works	1	1	1	1
Street & Bridge Supervisor	1	1	1	1
Street & Bridge Crew Leader	1	1	2	2
Equipment Operator	4	4	4	4
Street Sweeper Operator	1	1	-	-
Concrete Finisher Helper	1	1	-	-
Maintenance Technician II	2	2	1	1
Maintenance Technician I	1	1	3	3
Construction Inspector	1	-	-	-
Building Official	1	1	-	-
Building Permit Technician	1	1	-	-
Administrative Assistant I	1	1	1	1
<b>Total</b>	<b>16</b>	<b>15</b>	<b>13</b>	<b>13</b>



Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Miles of street sweeping	30	40	40	40
Asphalt Repair Work Orders	176	209	131	150
Storm Drain Cleaning Work Orders	13	20	20	35
Ditch Cleaning Work Orders	45	50	65	65
Concrete Pavement Repair Work Orders	14	20	10	15
Culvert Work Orders	16	50	30	35
Sidewalk Work Orders	2	5	0	3
City ROW Mowing Work Orders	3	30	15	25
Sign Work Orders	2	25	35	35
Street Sweeping Work Orders	25	25	25	25
Traffic Control Work Orders	31	50	60	65
Tree Trimming Work Orders	74	50	30	40
Utility Asphalt Repair Work Orders	29	50	45	50
Utility Concrete Repair Work Orders	26	25	25	40
Driveway Culvert Installation	19	25	10	20
Miles of street sweeping	30	40	40	40
Asphalt Repair Work Orders	176	209	131	150
Storm Drain Cleaning Work Orders	13	20	20	35
Ditch Cleaning Work Orders	45	50	65	65
Concrete Pavement Repair Work Orders	14	20	10	15



## 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.

### 2026 Strategic Focus\*

#### Safety and Community Appearance \*

*To enhance safety and community appearance*

- **Improve the curb appeal of the City**

#### FY 2026 Business Plans (Objectives)

- Seek grant opportunities to add new equipment to expand services (trailers, hoppers, etc.)
- Increase revenues by marketing the Recycling Center, and implementing more efficient sorting practices to reduce contamination in recycled materials
- Continue to increase customer service by engaging customers at drop-off and educating them on the proper way to recycle
- Increase public education efforts by on social media about recycling and how recycling improves the community
- Continue to increase public outreach campaigns to new businesses to place more recycling dumpsters to collect cardboard
- Expand services to include latex paint, e-waste, glass, white goods, and tires
- Continue to build partnerships with neighboring Recycling Centers
- Seek out ways to improve services through partnerships

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Increased customer service by speaking with customers at drop-off and helping inform about the recycling procedures
- ✓ Informed new businesses about the Recycling Program and sign dumpster/trailer agreements when necessary or add to the wait list
- ✓ Collected and sorted various recycling materials which ultimately diverted 250 tons of waste and 2800 gallons of oil from the landfill
- ✓ Received Certificate of Recognition for recycling efforts presented by Keep Texas Recycling
- ✓ Continued to grow our partnership with Keep Texas Recycling (KTR) and the new Program Manager
- ✓ Continued to distribute the Recycling Center Guide at the Recycling Center and other City facilities
- ✓ With the assistance of KTR, designed graphics for signs at the Recycling Center as well as magnets for the recycle bin trailers
- ✓ Obtained new signage for the Recycle Center to help with direction at customer drop off site
- ✓ Increased Public Education efforts by posting “recycling tips” on social media and the City’s website
- ✓ Created daily checklists for employees to improve efficiency
- ✓ Recycling efforts resulted in the following environmental savings: 2.7 million trees; 798,516 kW hours of electricity; 320 waterway miles cleaned; 550,00 cubic yds of landfill space; 11,686 pounds of air pollution; \$5.8 million estimated landfill fees (between all business partnered with KTR)
- ✓ Continued to hold and participate in annual clean up events to increase public education and proper disposal information

**Budget Summary**

Recycling Center	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	162,164	191,406	205,255	200,694	192,228
Supplies & Materials	7,164	7,330	5,500	6,000	6,000
Other Charges and Services	20,139	9,314	15,200	19,750	27,200
Repairs & Maintenance	20,012	28,514	19,000	35,270	44,000
Capital Expenditures	107,553	-	20,000	-	-
<b>Total Recycling Center</b>	<b>317,032</b>	<b>236,564</b>	<b>264,955</b>	<b>261,714</b>	<b>269,428</b>

**Budgeted Personnel**

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
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
<b>Total</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>

Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Recycled Plastic - Tons	15.46	16.78	17.5	18
Recycled Cardboard - Tons	225.05	173.27	200	230
Recycled Mixed Paper - Tons	39.98	20.26	30	35
Recycled Oil - Gallons	3,150	3,100	3,100	3,200
Recycled Aluminum – Pounds	600	700	800	900



**\*Recycling Center Recognized for Outstanding Recycling Efforts in 2023 by Keep Texas Beautiful\***

## 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 enriches 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 for 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.

### 2026 Strategic Focus\*

#### Culture and Recreation \*

*To develop culture and recreational opportunities within the City*

- **Upgrade, consolidate, and maintain existing parks facilities by doing the following:**
  - Implement parks improvement plan based on the most recent Master Plan
  - Explore other management options for Riverside Park
  - Determine size location and plan for a centralized sports facility
  - Develop a plan for a community amphitheater
  - Repair existing concession stand(s) and provide adequate parking at existing utilized fields
  - Add parks and recreation signage and any damaged existing signs
  - Promote/market easy ways to secure reservations

**FY 2026 Business Plans (Objectives)**

- Repair/replace chimney at USO
- Develop signage standards for parks
- Install high efficiency LED lighting at existing parks
- Seek grant funding to extend Southern Pacific Trailway
- Create butterfly garden at Amistad Park; enhance/replace gardens at USO & Armory
- Increase visibility of rental facilities
- Receive direction for combined sports venue

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Replaced roofs at USO building and Train Depot
- ✓ Installed new flooring at Train Depot
- ✓ Developed reservation brochure
- ✓ Repaired gazebo at Liberty Park
- ✓ Developed Park’s Standard Operating Procedures
- ✓ Replaced equipment at Barkway dog park
- ✓ Completed repairs at Little League, Girls Softball fields
- ✓ Repaired lighting at ball fields

**Budget Summary**

Parks	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	607,250	523,626	688,483	562,262	686,777
Supplies & Materials	43,452	55,795	49,100	41,500	51,000
Other Charges & Services	97,024	86,662	99,500	144,100	129,000
Repairs & Maintenance	151,196	123,624	212,350	212,000	356,000
Capital Expenditures	89,935	295,121	256,000	94,425	35,000
<b>Total Parks</b>	<b>988,856</b>	<b>1,084,828</b>	<b>1,305,433</b>	<b>1,054,287</b>	<b>1,257,777</b>



### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Parks Director	1	1	1	1
Recreational Manager	1	1	1	1
Aquatic/Rec. Specialist	-	-	1	1
Admin. Assistant	1	1	1	1
Lead Park Specialist	1	1	1	1
Park Specialist	6	6	6	6
Temporary Worker	2	2	2	2
<b>Total</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Acres of park grounds maintained	168	168	168	168
Number of Parks maintained	25	25	25	25
Grant applications submitted	0	0	0	1
Pavilion Rentals	133	120	130	150
Park Rentals	4	5	10	12
Train Depot Rentals	74	66	75	75
USO Rentals	175	185	230	250



## 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 enriches 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.

### 2026 Strategic Focus\*

#### Culture and Recreation \*

*To develop culture and recreational opportunities within the City*

- **Upgrade, consolidate, and maintain existing parks facilities by doing the following:**
  - Explore paddling trail on Colorado River
  - Explore other management options for Riverside Park
  - Promote/market easy ways to secure reservations

#### FY 2026 Business Plans (Objectives)

- Apply for the Texas Parks and Wildlife boating access engineering grant
- Seek grant funding for monarch way station and wildflower gardens
- Expand Go Wild! Program
- Create birding/nature pamphlet
- Add additional events (Halloween Smoke-Off, Zombie Run)
- Continue to promote Eco-Tourism and camping at the park
- Update marketing materials for Riverside

## GENERAL FUND

### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Completed dredging of the boat launch
- ✓ Continued nature programs to enhance visitor experience (kite making, fish prints, owls, etc.)
- ✓ Received certification as a Wildlife Habitat from National Wildlife Federation
- ✓ Updated park map; completed new brochure

### Budget Summary

Riverside Park	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	124,298	151,013	147,255	143,022	147,431
Supplies & Materials	15,228	15,962	19,300	23,400	21,500
Other Charges & Services	37,822	31,822	32,500	63,200	73,500
Repairs & Maintenance	9,339	15,473	16,000	20,400	31,000
Capital Expenditures	5,700	-	-	-	-
<b>Total Riverside Park</b>	<b>192,387</b>	<b>214,270</b>	<b>215,055</b>	<b>250,022</b>	<b>273,431</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Park Ranger	1	1	1	1
Park Secretary	1	1	1	1
Temporary Worker	1	1	1	1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Acres of park grounds maintained	103	103	103	103
Annual number of guests	24,400	30,000	32,000	32,500

## 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 enriches the quality of life for present and future generations in a safe and secure environment.

### Description of Our Services

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

### 2026 Strategic Focus\*

#### Culture and Recreation \*

*To develop culture and recreational opportunities within the City*

- **Improve community events**
  - Marketing
  - Increase attendance (5% annually)

#### FY 2026 Business Plans (Objectives)

- Collaborate with Economic Action Committee to create Senior Programs
- Increase public attendance at events
- Research new methods to market programs, events, and facilities
- Create more partnership opportunities with other agencies and individuals to host leisure classes and events

#### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Maintained relations with partners of unfunded programs

### Budget Summary

Recreation	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	(1,034)	2,797	14,087	15,161	5,844
Other Charges and Services	693	66	-	-	-
Other Expenses	68,056	81,924	80,000	80,000	90,000
<b>Total Recreation</b>	<b>67,716</b>	<b>84,787</b>	<b>94,087</b>	<b>95,161</b>	<b>95,844</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Temporary Workers	3	3	3	3
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of direct programs	52	41	41	45
Number of indirect programs	15	17	17	18
Program attendance	12,000	17,000	25,000	25,500



**\*Annual Easter Egg Hunt at LeTulle Park\***

## POOLS

### Our Mission

In partnership with our citizens, the Parks and Recreation Department provides programs, facilities, and services which respond to changing needs within our communities. We strive to protect and preserve a park system that promotes quality recreational, cultural, and outdoor experiences for the community and enriches 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.

### 2026 Strategic Focus\*

#### Culture and Recreation \*

*To develop culture and recreational opportunities within the City*

#### FY 2026 Business Plans (Objectives)

- Develop options for Valiant Pool site
- Incorporate possible new splashpad within the 5-year plan

#### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Outsourced operations of Hilliard Pool site to YMCA
- ✓ Received grant from Step Into Swim for Learn to Swim program

### Budget Summary

Pool Operations	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	115,835	114,077	-	5,275	-
Supplies & Materials	66,132	46,298	31,700	27,200	27,200
Other Charges & Services	37,732	42,104	32,400	44,400	24,100
Repairs & Maintenance	21,038	10,522	33,000	18,000	18,000
Capital Expenditures	-	262,800	140,000	-	-
<b>Total Pool Operations</b>	<b>240,737</b>	<b>475,801</b>	<b>237,100</b>	<b>94,875</b>	<b>69,300</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Aquatic Supervisor	1	1	-	-
Temps. (Lifeguards)	20	14	-	-
<b>Total</b>	<b>21</b>	<b>15</b>	<b>-</b>	<b>-</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of Pools maintained	2	2	1	1
Operating Hours Available to Public	750	450	450	425
Total Number of Customers	5,629	6,000	6,500	6,000



## LIBRARY

### Our Mission

The Bay City Public Library (BCPL) 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 26,000.

### 2026 Strategic Focus\*

#### Community and Civic Engagement\*

*To build and enhance communications and civic engagement*

#### Culture and Recreation \*

*To develop culture and recreational opportunities within the City*



\*Public Library- Today

## GENERAL FUND

### FY 2026 Business Plans (Objectives)

- Train one staff as a notary
- Create and implement MOU (Memorandum of Understanding) with Friends of the Library organizations
- Add digital signage at library
- Continue to develop and implement programming based off public input
- Develop and implement circulation improvement strategies

### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Added Hoopla digital library services
- ✓ Added Teen and Adult Services Librarian to oversee programming and adult/teen services
- ✓ Provided art programming through Save the Children grants
- ✓ Implemented More Than Books campaign
- ✓ Developed Community Information Guides
- ✓ Created Library Advisory Board
- ✓ Hired 720 Designs to review current space needs
- ✓ Implemented monthly program planning meetings

## Budget Summary

Library	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted Budget FY 2026
Personnel Services	334,638	383,159	487,027	405,746	483,267
Supplies & Materials	51,147	52,950	72,700	71,620	73,000
Other Charges & Services	119,565	184,220	120,700	147,303	101,800
Repairs & Maintenance	5,601	15,235	10,000	10,000	10,000
<b>Total Library</b>	<b>510,951</b>	<b>635,564</b>	<b>690,427</b>	<b>634,668</b>	<b>668,067</b>

## Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Library Director	1	1	1	1
Specialists	3	3	2	2
Cultural Arts Manager	-	1	1	1
Programming Manager	-	-	1	1
Assistants	3	2	3	3
Temporary Workers	.5	1	1	1
<b>Total</b>	<b>7.5</b>	<b>7.5</b>	<b>9</b>	<b>9</b>

Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Total Library Circulation	40,634	37,801	36,000	36,000
Total Library Visits	24,676	36,355	32,208	33,000
Population Served	29,144	28,925	29,109	29,109
Number of Programs	322	366	378	350
Program Attendance	5,422	6,908	5,850	6,000
Public Computer Use	3,986	3,938	3,040	3,500
<b>Measuring Our Effectiveness</b>				
Achievement of Excellence in Libraries Award	Yes	Yes	Yes	Yes
TSLAC Accredited Library	Yes	Yes	Yes	Yes



## Communications & Marketing

### Our Mission

The Communications and Marketing Department ensures that those that live, work, visit, and play in Bay City are engaged and informed of the services of the city.

### Description of Our Services

The Communications and Marketing Department is responsible for the city's internal and external communication efforts. These collaborative efforts include engaging residents, visitors, and employees alike through multiple communication methods, including social media, website, city app, newsletters, alerts, marketing campaigns, and print and digital content.

### 2026 Strategic Focus\*

#### Community and Civic Engagement\*


*To build and enhance communications and civic engagement*

#BayCityTx4U | News

**TOWN HALL MEETING**  
APRIL 21 @ 6:00 PM  
USO/SERVICE CENTER (2105 AVE H)

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**Your City, Your Team**



**Scotty Crow Jones, CPM**  
City Manager since 2024.

**“What experiences do you bring to this position that you think help you serve Bay City well?”**  
*I bring over 20 years of experience in municipal finance, having served as Director of Finance for both Bay City and Port Lavaca. Most recently, I was promoted to Assistant City Manager. Over the years, I've managed a variety of departments - including Economic Development, Human Resources, Utility Billing, IT, Municipal Court, and Tourism - which has given me a well-rounded understanding of how city government works and how to serve our community effectively.*

**Can you briefly describe the responsibilities of your department and how it serves the community?**  
*The City Manager's Office oversees day-to-day city operations, works closely with all departments, and ensures City Council goals are carried out to serve residents efficiently. The City Manager is not elected, but hired by the City Council, much like a board of directors who hires a Chief Executive Officer to manage a company or a coach hired to assemble a team to do great things!*

**What inspired you to pursue a career in public service or city government?**  
*A College professor in an accounting class said most of you will never work in a government setting so we are going to move through this section pretty fast. I was immediately intrigued! When the job in Bay City opened up in 2003 - I decided to jump from corporate America into servant leadership.*

**What do you enjoy most about working for Bay City?**  
*I have the opportunity to be a part of positive change in the community I grew up in.*

**What are your goals or vision for your department in the next few years?**  
*Bay City and Matagorda County are in a period of transformation. I want to see continued growth, improved streets, and redevelopment in areas that need it most. With new water wells to support future capacity and stronger partnerships among local leaders, I believe we can build a better, more connected community—together.*

**Tell us a fun fact about yourself or something people might not know about you.**  
*I recharge by watching sunsets over Matagorda Bay or floating the Frio. Before working in local government, I was on track to be a teacher and loved every minute in the classroom.*

**What is a project or accomplishment you're particularly proud of in your role?**  
*Helping develop a new strategic plan and launching the City's Communications Department have been major milestones. These efforts are helping us modernize how we operate, communicate, and serve the public. It's been incredibly rewarding to work with a rock star team across all departments to move Bay City forward.*

**DID YOU KNOW?**

Bay City Regional Airport is owned and operated by the City - supporting business, tourism, and emergency response.

Bay City was founded in 1894 and became a Home Rule City in 1989.

**BAYCITYTX4U APP**

REPORT ISSUES, PAY BILLS, AND STAY INFORMED—  
ALL FROM YOUR PHONE.

DOWNLOAD THE BAYCITYTX4U APP TODAY!



**PROPOSED CHARTER AMENDMENTS**

FOR MORE INFORMATION, VISIT [WWW.CITYOFBAYCITY.ORG](http://WWW.CITYOFBAYCITY.ORG)

LA VENTURA EN ESPAÑOL: VISITA [WWW.CITYOFBAYCITY.ORG](http://WWW.CITYOFBAYCITY.ORG)



\*First BayCityTX4U News article in April 2025

CITY OF BAY CITY ANNUAL BUDGET FY 2026

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**FY 2026 Business Plans (Objectives)**

- Conduct and implement City branding
- Create city-wide content calendar and template library
- Develop a Citizen Feedback Survey
- Create and implement staff and elected official trainings
- Apply for a TAMI (Texas Association of Municipal Information Officers) award
- Create educational videos for citizens for city processes
- Begin gateway signage review

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Hired Communications Manager
- ✓ Developed and implemented Communications Plan & Crisis Communication Plan
- ✓ Developed first Year in Review publication
- ✓ Increased signups for SeeClickFix app by 140%
- ✓ Hosted two community meetings (Charter Election & Rail Road Quiet Zone)
- ✓ Implemented monthly #BayCityTX4UNews articles in Bay City Tribune
- ✓ Developed #WeAreBayCityTX positive promo video series
- ✓ Developed recruitment marketing brochures

**Budget Summary**

Communications	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted Budget FY 2026
Personnel Services	-	1,864	108,036	47,071	166,961
Supplies & Materials	-	-	10,000	3,600	9,500
Other Charges & Services	-	-	23,200	72,785	80,200
<b>Total Communications</b>	-	<b>1,864</b>	<b>141,236</b>	<b>123,456</b>	<b>256,661</b>

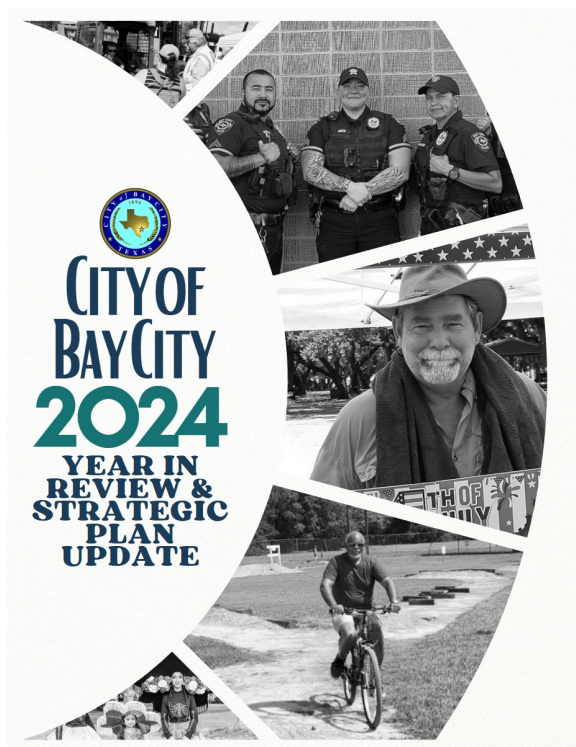
**Budgeted Personnel**

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Communications Manager	-	-	1	1
Communications Specialist	-	-	1	1
<b>Total</b>	-	-	<b>2</b>	<b>2</b>

Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of Newsletters & news articles	-	10	10	36
Number of Community Events attended	-	-	4	10
Number of social media posts	-	300	520	520
Number of meetings streamed	-	-	2	4
Number of notices sent through app/alert	-	25	65	52
<b><i>Measuring Our Effectiveness</i></b>				
Number of City app accounts	-	77	185	250
Number of Facebook fans/followers (City only)	-	11,900	12,000	12,500
Number of Instagram fans/followers (City only)	-	184	200	250
Number of website visits (City website only)	-	120,000	140,000	140,000

*\*Performance measures to begin tracking in FY 24- creation of new department\**



Raymundo "Ray" Beltran III outside of his office on Tuesday morning in Bay City.

Kevin Van Hal

## MAKING CONNECTIONS

Bay City hires first ever communications manager

By Kevin Van Hal  
news@baycitytribune.com

Raymundo "Ray" Beltran III, Bay City's first ever communications manager, said, "This role came at the right time, and it felt like the right fit. I'm excited to build something from the ground up as a communications affairs advisor in the petrochemical industry, where he managed stakeholder communication in the Bayport In-

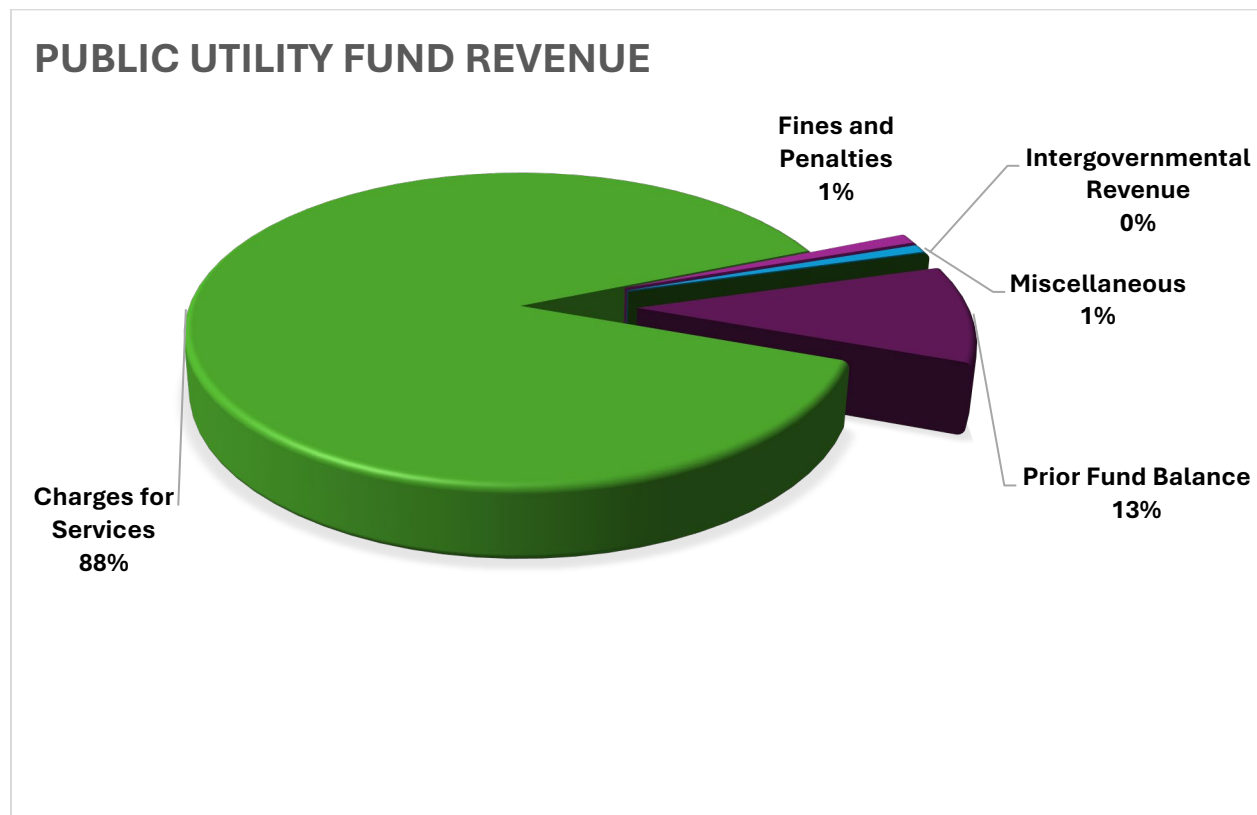


## PUBLIC UTILITY FUND

The Public Utility Fund accounts for the operations of the Utility Billing, Utility Operations, Utility Maintenance, and Water Wastewater Treatment Plant Departments.

## Public Utility Fund Revenue

Revenue Summary	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	Variance
Charges for Services	10,958,101	12,557,141	13,095,000	13,758,000	14,645,000	1,550,000
Fines and Penalties	190,345	166,606	180,000	170,000	170,000	-10,000
Miscellaneous	166,692	266,775	125,000	162,489	135,000	10,000
Intergovernmental	29,000	-	-	-	-	-
Prior Fund Balance	-	-	2,054,000	-	1,650,000	-404,000
<b>Total Revenues</b>	<b>11,344,138</b>	<b>12,990,522</b>	<b>15,454,000</b>	<b>14,090,489</b>	<b>16,600,000</b>	<b>1,146,000</b>



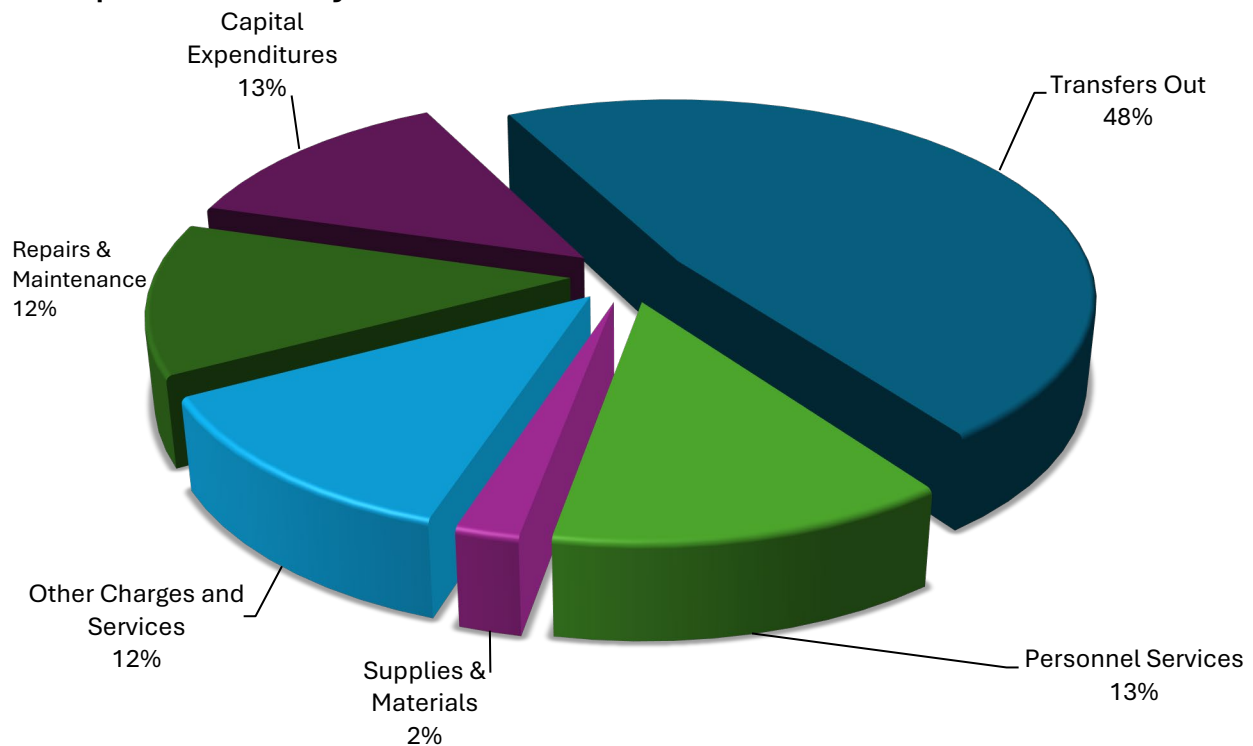
## Public Utility Revenue Detail

Public Utility Fund Revenue	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
<b>Charges for Services</b>					
Water Receipts	5,215,070	5,912,698	6,286,000	6,290,000	6,400,000
Commercial Water Sales	3,965	2,748	3,500	3,000	5,000
Water Taps	24,712	47,347	50,000	165,000	170,000
Service Charges	132,069	144,536	150,000	145,000	150,000
Sewer Receipts	5,567,305	6,388,372	6,528,000	7,000,000	7,750,000
Sewer Surcharges	4,944	19,904	27,500	-	-
Sewer Taps	10,037	41,536	50,000	155,000	170,000
Contract Revenue	-	-	-	-	-
<b>Total Charges for Services</b>	<b>10,958,101</b>	<b>12,557,141</b>	<b>13,095,000</b>	<b>13,758,000</b>	<b>14,645,000</b>
<b>Fines &amp; Forfeitures</b>					
Late Payment Penalties	190,345	166,606	180,000	170,000	170,000
<b>Total Fine &amp; Forfeitures</b>	<b>190,345</b>	<b>166,606</b>	<b>180,000</b>	<b>170,000</b>	<b>170,000</b>
<b>Miscellaneous</b>					
Interest Income	135,627	207,238	110,000	150,000	120,000
Insurance Claims	15,155	43,937	-	2,489	-
Other Income	15,910	15,600	15,000	10,000	15,000
<b>Total Miscellaneous</b>	<b>166,692</b>	<b>266,775</b>	<b>125,000</b>	<b>162,489</b>	<b>135,000</b>
<b>Intergovernmental</b>					
Transfer from Fund 23	29,000	-	-	-	-
<b>Total Intergovernmental</b>	<b>29,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Fund Balance</b>					
Prior Fund Balance	-	-	2,054,000	-	1,650,000
<b>Total Prior Fund Balance</b>	<b>-</b>	<b>-</b>	<b>2,054,000</b>	<b>-</b>	<b>1,650,000</b>
<b>Total Public Utility Revenue</b>	<b>11,344,138</b>	<b>12,990,522</b>	<b>15,454,000</b>	<b>14,090,489</b>	<b>16,600,000</b>

## Public Utility Expenditures by Function

Expenditures by Function	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	Variance
Personnel Services	1,907,394	1,870,536	2,266,870	1,809,530	2,144,916	-121,954
Supplies & Materials	326,089	357,780	307,000	331,115	347,300	40,300
Other Charges and Services	2,952,778	3,484,873	1,461,600	1,745,257	2,023,600	562,000
Repairs & Maint.	1,474,237	2,303,661	1,684,500	1,673,555	2,052,000	367,500
Capital Expenditures	-	-	2,038,000	139,229	2,150,000	112,000
Transfers Out	4,640,391	5,612,895	7,696,030	7,696,030	7,882,184	186,154
Debt Service	8,692	8,288	-	-	-	-
<b>Total Expenditures</b>	<b>11,309,581</b>	<b>13,638,032</b>	<b>15,454,000</b>	<b>13,394,716</b>	<b>16,600,000</b>	<b>1,146,000</b>

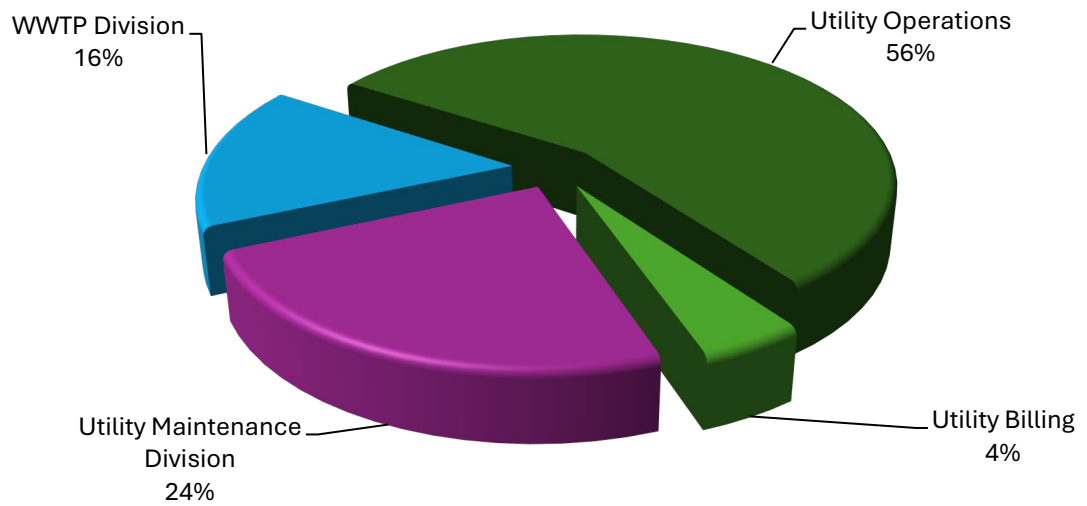
### Expenditure by Function



## Public Utility Expenditures by Department

Expenditures by Department	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	Variance
Utility Billing	517,183	670,015	708,158	631,751	761,953	53,795
Utility Operations	7,140,111	8,214,721	8,905,818	8,871,948	9,258,293	352,475
Utility Maintenance	1,838,384	2,983,752	3,230,503	1,971,792	3,964,950	734,447
WWTP	1,813,903	1,769,544	2,609,521	1,919,225	2,614,804	5,283
<b>Total Expenses</b>	<b>11,309,581</b>	<b>13,638,032</b>	<b>15,454,000</b>	<b>13,394,716</b>	<b>16,600,000</b>	<b>1,146,000</b>

### Expenditure by Department



## Departmental Summaries

### UTILITY BILLING

#### Our Mission

The mission of the City of Bay City Utility Billing 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

The Utility Billing Department is under the general direction of the Finance Manager. 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.

#### 2026 Strategic Focus\*

##### Operational Excellence\*

*To establish and ensure operational excellence*

- **Deliver excellence in customer service**

#### FY 2026 Business Plans (Objectives)

- Continue to proactively utilize AMI system to ascertain meter issues
- Conduct audit of residential sanitation accounts
- Review and update ordinances and policies for uniformity
- Continue to encourage customers to utilize “Eye on Water App” to customers to monitor their water usage

#### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Updated the Utility Billing website by adding the billing calendar and instructions for “Eye On Water” for transparent communication
- ✓ Updated online forms and applications to fillable format and upload accessibility
- ✓ Established Standard Operating Procedures
- ✓ Completed audit of commercial sanitation accounts

### Budget Summary

Utility Billing	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	274,546	334,477	435,458	375,361	427,303
Supplies & Materials	39,769	41,482	45,700	49,465	48,650
Other Charges & Services	202,826	292,923	192,500	200,870	256,500
Repairs & Maintenance	44	1,132	34,500	6,055	29,500
<b>Total Utility Billing</b>	<b>517,183</b>	<b>670,015</b>	<b>708,158</b>	<b>631,751</b>	<b>761,953</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Utility Billing Supervisor	-	-	1	1
Utility Billing Clerk	3	3	2	3
Customer Service Coordinator	-	1	1	-
Customer Service Technician I	-	1	1	1
Customer Service Technician II	1	1	1	1
<b>Total</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>6</b>

### Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of accounts as of 9/30	6,896	6,898	6,930	7,030
Number of bills generated	51,338	65,489	79,640	93,840
Number of service orders generated	10,248	7,789	7,800	7,820
Number of new service accounts	830	911	915	1,010
Number of final accounts	803	866	890	945
Number of disconnections (non-payment)	1,925	1,684	1,690	1,700
Number of utility payments processed	39,519*	79,774	79,780	79,820

#### *Measuring Our Effectiveness*

Percentage of monthly bills posted to customer accounts on time	100%	100%	100%	100%
Annual average –Percentage of overall AMI effectiveness (good reads/total AMI reads)	99.8%	99.8%	99.8%	99.8%

\*Amount does not reflect all months due to not tracked

## UTILITY 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 time sheets 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.

The Code Compliance Division administers the contracts for sanitation operations and household hazardous waste services in the City; enforces municipal ordinances related to Utility, Solid Waste and Streets; supports the Building Official by issuing stop work orders; compiles all regulatory reports for the water and wastewater divisions (TWDB reports, Consumer Confidence Reports, Coastal Plains Groundwater Conservation District permits and annual water use, monthly operating reports for water wells, discharge monitoring reports for WWTP); serves as Water Conservation Coordinator; manages/enforces the City's Cross Connection Control program; manages/enforces grease trap maintenance; assists the Recycling Center with public education and grants.

### 2026 Strategic Focus\*

#### Safety and Community Appearance\*

*To enhance safety and community appearance*

#### Community and Civic Engagement\*

*To build and enhance communications and civic engagement*

#### Infrastructure\*

*To develop community infrastructure and enhancements to the transportation network and system*

#### Planning and Development\*

*To establish a smooth and transparent planning and development process*

#### Operational Excellence\*

*To establish and ensure operational excellence*

**FY 2026 Business Plans (Objectives)**

- Arrange additional training for new and existing MSB Administrative Assistants in Cityworks geared toward: 1) improving GIS asset management; 2) reporting; 3) capturing equipment hours, labor hours, and materials for all work orders
- Arrange additional training for new and existing MSB Administrative Assistants in Building Inspections Incode program and city ordinances geared toward permitting process.
- Coordinate with a local vendor to schedule fire extinguisher inspections and/or replacements.
- Continue to assist in the planning for monthly safety meetings
- Equally apply division policies, city ordinances and model codes for all developers and citizens.
- Continue to expand the program to chip brush at the Brush Site
- Continue to provide administrative services for GovDeals annual auction of obsolete equipment and miscellaneous items
- Continue to promote new sanitation services and public education relating to water conservation, solid waste, recycling, and grease ordinance
- Continue to provide administrative services for all grants, contracts and bid documentation submitted and received by the Public Works department
- Continue to provide administrative services, inspections and scheduling for city contractors working on street, drainage, and utilities projects for the Public Works department
- Continue to increase advertising efforts and continue to grow the Fall and Spring Citywide Cleanup Events

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Utility Foreman, City Planning Manager and Office Manager attended the Work Source Career Fair, to educate and recruit new applicants or prospective employees
- ✓ Continued to add/remove vehicles and employees to Fluid Secure, our Fuel Management System
- ✓ Added all three diesel and unleaded pumps to fuel system to generators for disaster events
- ✓ Coordinated efforts between city employees and city contractors to complete utility projects in an efficient and timely manner, thereby aiding the city in continuing to provide excellent customer service to our citizens
- ✓ Continued development of “Standard Operating Procedures” for Public Works Department
- ✓ Updated Public Works department website pages
- ✓ Implemented new work order system, See Click Fix, to allow citizens ability to report concerns and follow along with repair updates

**Budget Summary**

Utility Operations	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	494,322	488,508	511,488	373,786	381,959
Supplies & Materials	21,381	21,001	11,300	16,650	15,650
Other Charges & Services	1,954,992	2,056,008	503,000	638,112	848,000
Repairs & Maintenance	20,332	28,022	84,000	80,500	130,500
Transfers Out	-	-	100,000	66,870	-
Debt Service	4,640,391	5,612,895	7,696,030	7,696,030	7,882,184
<b>Total Utility Operations</b>	<b>7,140,111</b>	<b>8,214,721</b>	<b>8,905,818</b>	<b>8,871,948</b>	<b>9,258,293</b>

**Budgeted Personnel**

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Director of Public Works	1	1	1	1
Assistant Director of Public Works	1	1	1	1
Office Manager	1	1	1	1
Engineering Technician	1	1	-	-
City Planning Manager	1	1	-	-
Code Compliance Officer	-	1	-	-
<b>Total</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>3</b>

## 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.

### 2026 Strategic Focus\*

#### Infrastructure\*

*To develop community infrastructure and enhancements to the transportation network and system*

#### FY 2026 Business Plans (Objectives)

- Continue to improve infrastructure by continuing line replacement/extension program of aging water and sewer lines and associated components
- Continue initiating Capital Improvement Projects identified in the Water System Analysis and Master Plan
- Continue identifying all water mains less than two inches and develop scopes of work to upsize lines to meet water supply demand
- Sustain quality of life by continuing to maintain adequate pressure of 50 to 55 psi throughout the water system at a volume to meet the demands of the citizens
- Improve quality of life by continuing to respond quickly and efficiently, within twenty-four (24) hours, to complaints regarding water leaks to reduce water loss
- Increase effectiveness by expanding on the grease trap inspection program using Cityworks to document and schedule inspections. Review and update City Ordinance related to grease traps. Partner with Code Enforcement to ensure proper enforcement
- Continue to utilize Cityworks to record and document all repairs and projects as well as related costs

## ENTERPRISE FUNDS

- Develop and implement a backflow prevention program and utilize Cityworks to track inspections. Review City Ordinance related to backflow prevention, make necessary changes and partner with Code Enforcement to ensure proper enforcement
- Increase efficiency by developing and implementing an inventory control program by using City Works
- Implement Customer Service Inspector for all new water turn-ons. Phase in duties to become compliant with the state laws (TCEQ). Currently non-compliant
- Establish a two-man crew: Duties to include manhole ID's and fire hydrant preventative maintenance
- Continue to improve quality of life by responding quickly and efficiently, within twenty-four (24) hours, to complaints regarding water leaks to reduce water loss
- Continue to improve efficiency by reducing the need for manual meter reading by improving the efficiency of maintenance of the City's Advanced Meter Infrastructure (AMI) water meter system
- Continue to educate Bay City residents on the harmful effects of fats, oils, and grease on the City's wastewater collection system to obtain their assistance in reducing the amount of fats, oils and grease introduced into the system
- Continue to work with Utility Billing to improve efficiency and reduce water loss by working with Bay City residents to address potential water leaks at their homes/businesses to reduce water loss. Educate residents on Water Conservation
- Increase code compliance efforts and improve effectiveness by partnering with Code Enforcement and the Building Department to review and revise the grease ordinance and ensure proper enforcement
- Continue to improve livability and quality of life by working with plumbers servicing Bay City residents to help identify and eliminate water leaks and properly address reported sewer issues to ensure they are handled in a timely manner to minimize the customer's disruption in service
- Continue developing streamline maintenance plan with meter meter supplier for the life of the AMI system to address failing Metering Interface Units (MIU's)



**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Installed numerous water and sewer taps for both residential and commercial properties
- ✓ Replaced and/or installed several manholes throughout the City
- ✓ Repaired numerous water and sewer lines throughout the City
- ✓ Encouraged employee training in Backflow Prevention Inspection, Valve and Hydrant Maintenance, Water Class D License, Fundamentals of Permit Technician, and many others

**Budget Summary**

Utility Maintenance	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	558,801	538,503	700,203	636,042	753,650
Supplies & Materials	43,240	55,709	44,800	59,800	57,800
Other Charges & Services	40,605	307,165	57,500	57,950	58,500
Repairs & Maintenance	1,159,210	2,082,375	1,228,000	1,218,000	1,655,000
Capital Expenditures	36,528	-	1,200,000	-	1,440,000
<b>Total Utility Maintenance</b>	<b>1,838,384</b>	<b>2,983,752</b>	<b>3,230,503</b>	<b>1,971,792</b>	<b>3,964,950</b>

**Budgeted Personnel**

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Utility Foreman	1	1	1	1
Crew Leader	3	2	2	2
Administrative Assistant I	1	1	1	1
Maintenance Technician II	1	2	2	2
Maintenance Technician I	2	3	3	3
Customer Service Supervisor	1	-	-	-
Customer Service Technician I	2	-	-	-
Customer Service Technician II	1	-	-	-
Vactor Truck Operator	1	1	1	1
<b>Total</b>	<b>13</b>	<b>10</b>	<b>10</b>	<b>10</b>



Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Total length of water mains (miles)	120	145	145	150
Total length of sewer mains (miles)	115	140	140	140
Total number of fire hydrants	370	375	375	375
Number of water leaks	543	570	570	550
Number of new water taps	60	120	200	200
Number of new sewer taps	55	120	200	200
Number of water lines located	960	980	980	980
Number of sewer lines located	960	980	980	980
Linear feet water line replaced/ installed	5,500	3,800	4,143	5,000
Linear feet sewer line replaced/installed	3,500	2,800	2,800	2,500
Estimated gallons of water loss associated with reported water leaks	325,000,000	325,000,000	325,000,000	275,000,000
Number of sewer overflows per year	9	5	5	0
Number of sewer stops	230	200	200	200
<b><i>Measuring Our Effectiveness</i></b>				
Annual Water Loss	36%	38%	38%	29%



## 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.

### 2026 Strategic Focus\*

#### Infrastructure\*

*To develop community infrastructure and enhancements to the transportation network and system*

#### FY 2026 Business Plans (Objectives)

- Continue to improve infrastructure by implementing Capital Improvement Projects identified in the Sanitary Sewer and Drinking Water Master Plans
- Maintain facilities by continuing the consistent Preventative Maintenance plan on water well equipment, lift station equipment and Wastewater Treatment Plant equipment; continue documenting the activities using Cityworks.
- Continue to maintain quality of life by ensuring that all 26 lift stations are inspected regularly and are adequately maintained to ensure consistent, uninterrupted service to citizens.
- Continue to improve effectiveness and efficiency by updating the Operating & Maintenance (O&M) Manual for the WWTP.
- Continue maintaining infrastructure and effectiveness to ensure that operations are in accordance with the Texas Commission on Environmental Quality (TCEQ) and other regulatory agencies
- Continue to 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

## ENTERPRISE FUNDS

- Identifying manholes in need of rehabilitation

### FY 2025 Accomplishments of Prior Year Business Plans

#### WATER PLANTS AND WELLS:

- ✓ Awarded the Texas Water Development Board funding for water and wastewater improvements
- ✓ Passed TCEQ Inspection

#### SEWER LIFT STATIONS:

- ✓ Completed repairs to Avenue C Lift Station
- ✓ Replaced pump and restored power to FM 457 Lift Station
- ✓ Wired 9 pumps at Wastewater Treatment Plant
- ✓ Replaced receptable at Bucks Bayou Lift Station

#### WWTP

- ✓ Completed repairs on Clarifier #2
- ✓ Passed TCEQ Inspection

## Budget Summary

Water and Wastewater Treatment Plant	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	579,725	509,047	619,721	424,341	582,004
Supplies & Materials	221,700	239,588	205,200	205,200	225,200
Other Charges & Services	754,355	828,777	708,600	848,325	860,600
Repairs & Maintenance	294,651	192,132	338,000	369,000	237,000
Capital Expenditures	(36,528)	-	738,000	72,359	710,000
<b>Total WWTP</b>	<b>1,813,903</b>	<b>1,769,544</b>	<b>2,609,521</b>	<b>1,919,225</b>	<b>2,614,804</b>

## Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Utility Superintendent	1	1	1	1
Plant Operator III	3	3	3	3
Plant Operator II	1	1	1	1
Plant Operator I	1	1	1	1
Administrative Assistant I	1	1	1	1
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>

Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of water samples collected for bacteriological testing	394	394	384	390
Number of fire hydrants flushed	612	612	612	742
Estimated gallons of water loss associated with routine fire hydrant flushing	250,000	250,000	245,000	450,000
Cubic Yards of sludge removed/number of loads hauled	3,566 322	3566 322	3,500 320	3,700 335
<b>Measuring our Effectiveness</b>				
Number of TCEQ violations – groundwater	-	1	-	-
Gallons of water produced per year	917,800,000	917,800,000	925,000,000	930,000,000
Number of TCEQ violations – wastewater	-	-	-	-
Total gallons of wastewater treated per year	58,000,000	58,000,000	650,000,000	655,000,000



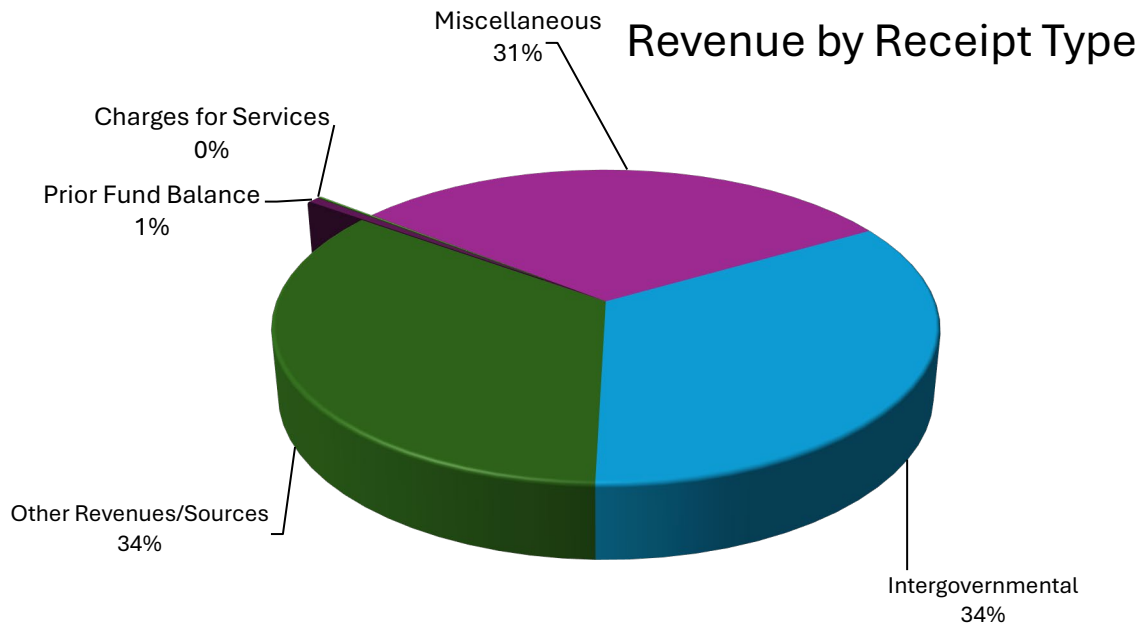


# AIRPORT FUND

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

## Airport Fund Revenue

Revenue Summary	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	Variance
Charges for Services	200	150	-	200	1,000	1,000
Miscellaneous	194,485	631,323	250,100	632,950	248,000	(2,100)
Transfers In	225,000	267,000	350,000	350,000	270,000	(80,000)
Other Revenues/Sources	203,737	207,168	250,500	224,500	276,000	25,500
Prior Fund Balance	-	-	310,000	-	5,000	(305,000)
<b>Total Revenues</b>	<b>623,422</b>	<b>1,105,641</b>	<b>1,160,600</b>	<b>1,207,650</b>	<b>800,000</b>	<b>-360,600</b>

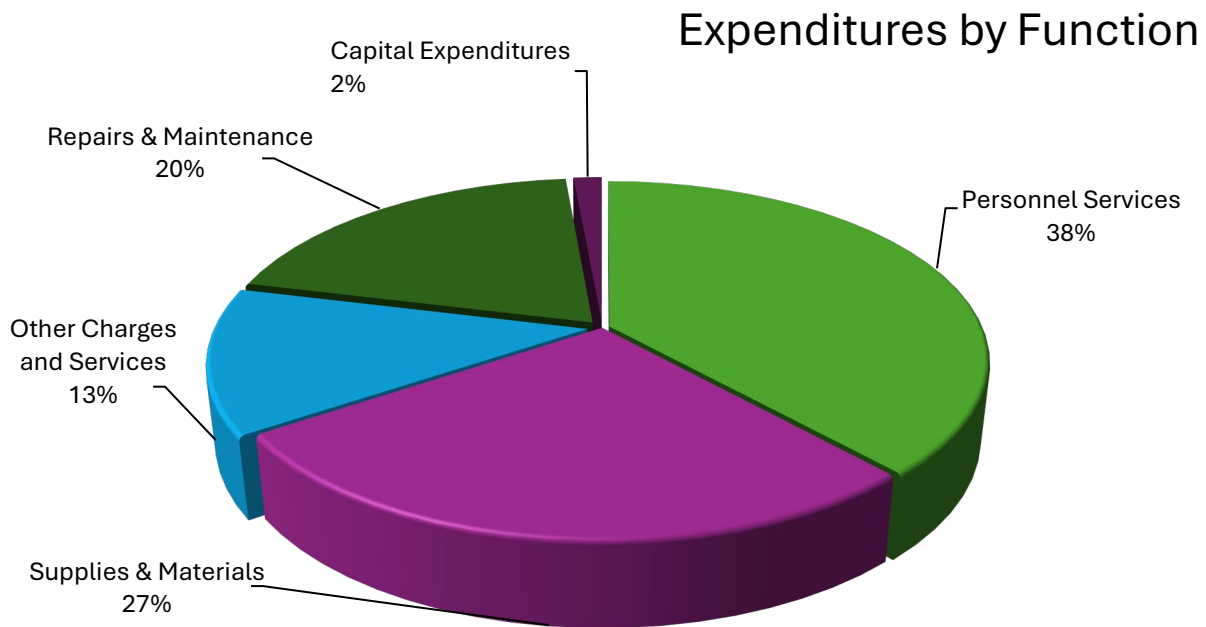


## Airport Revenue Detail

Airport Fund Revenue	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
<b>Charges for Services</b>					
Late Fees	200	150	-	200	1,000
<b>Total Charges for Services</b>	<b>200</b>	<b>150</b>	<b>-</b>	<b>200</b>	<b>1,000</b>
<b>Miscellaneous</b>					
Interest Income	3,302	2,686	500	150	500
Capital Contribution	-	372,542	-	-	-
T-Hanger Rental Fees	131,063	139,989	135,000	137,500	135,000
Tie Down Fees	2,284	7,949	2,500	2,500	2,500
Tx Dept. of Transportation	49,731	101,800	100,000	460,000	100,000
Insurance Claims	-	1,000	-	-	-
Gain on Disposal of Assets	-	-	-	-	-
Other Income	8,105	5,358	12,100	32,800	10,000
<b>Total Miscellaneous</b>	<b>194,485</b>	<b>631,323</b>	<b>250,100</b>	<b>632,950</b>	<b>248,000</b>
<b>Intergovernmental</b>					
Transfer from General FD	225,000	267,000	350,000	350,000	270,000
<b>Total Intergovernmental</b>	<b>225,000</b>	<b>267,000</b>	<b>350,000</b>	<b>350,000</b>	<b>270,000</b>
<b>Other Revenues/Sources</b>					
Jet Fuel	117,752	132,630	175,000	150,000	185,000
Aviation Fuel	85,866	72,833	75,000	72,500	90,000
Aviation Oil	119	1,704	500	2,000	1,000
<b>Total Other Revenue</b>	<b>203,737</b>	<b>207,168</b>	<b>250,500</b>	<b>224,500</b>	<b>276,000</b>
<b>Prior Fund Balance</b>					
Prior Fund Balance	-	-	310,000	-	5,000
<b>Total Prior Fund Balance</b>	<b>-</b>	<b>-</b>	<b>310,000</b>	<b>-</b>	<b>5,000</b>
<b>Total Airport Revenue</b>	<b>623,422</b>	<b>1,105,641</b>	<b>1,160,600</b>	<b>1,207,650</b>	<b>800,000</b>

## Airport Expenditures by Function

Expenditures by Function	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026	Variance
Personnel Services	212,691	222,876	275,325	280,213	306,075	30,750
Supplies & Materials	162,516	153,793	216,775	218,575	218,875	2,100
Other Charges and Services	342,808	373,472	93,000	128,154	105,500	12,500
Repairs & Maint.	127,143	130,490	135,500	135,550	158,000	22,500
Capital Expenditures	-	-	440,000	440,000	11,550	(428,450)
<b>Total Expenditures</b>	<b>845,158</b>	<b>880,631</b>	<b>1,160,600</b>	<b>1,202,492</b>	<b>800,000</b>	<b>-360,600</b>



## 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.
- Soliciting aviation-compatible businesses to build operational infrastructure based on the Airport.

### **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

2026 Strategic Focus\*

Infrastructure\*

*To develop community infrastructure and enhancements to the transportation network and system*

- **Identify Airport improvements to support industrial development**

**FY 2026 Business Plans (Objectives)**

- Continue to promote Airport as a destination for business and general aviation
- Complete engineering and design for Main APRON strengthening - \$80,750 Grant, \$4,700 City, Total \$94,000
- Host 8th annual “Santa’s Fly-In Storytime”
- Locate and secure grant funding to replace water well to include fire suppression and bulk water station
- Submit FAA grant for new terminal building- \$6,703,485 Grant, \$352,815 City, Total \$7,056,300
- Investigate renewable fuels (electric, hydrogen, 100 no lead) for aircraft to airport
- Complete door replacement to hangars B11 & C11- \$58,502 RAMP Grant, \$6,500 City, Total \$65,002
- Complete PAPI light install on runway 13/31 on south end- \$41,400 RAMP Grant, \$4,600 City, Total \$46,000
- Complete design and funding negotiations on Williams Energy office building site
- Complete design for A row hangar replacement

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Promoted Airport through websites and magazine publications
- ✓ Complete installation of wildlife fencing along west runway property line - \$400,900 Grant, \$21,100 City (city billed \$40,550), Total \$422,000.
- ✓ Complete Runway 13/31 construction - \$4,125,850 Grant, \$217,150 City, Total \$4,343,000
- ✓ Adopted Airport Layout Plan section, incorporating short-, medium-, long-, and extended-term planning. - \$203,616 Grant, \$22,624 City, Total \$226,240
- ✓ Complete Main Hangar door replacement - \$238,238
- ✓ Completed taxi lane and t-hangar re-striping and marking
- ✓ Completed public parking lot paint re-striping
- ✓ Completed painting of segmented circle – \$3,510 RAMP Grant, \$390 City, Total \$3,900
- ✓ Completed install of game fence next to t-hangar’s - \$6,551.50 RAMP Grant, \$727.94 City, Total \$7,279.44
- ✓ Completed install of ADA ramp & Handrails – \$3,600 RAMP Grant, \$400 City, Total \$4,000
- ✓ Completed install of new electrical service for A&B row t-hangars – \$8,751 RAMP Grant, \$972 City, Total \$9,723
- ✓ Completed repairs to t-hangar B11 damaged by Beryl
- ✓ Complete repairs to t-hangar D11 damaged by Beryl – \$29,252 RAMP Grant, \$3,250 City, Total \$32,502
- ✓ Hosted the 7<sup>th</sup> annual “Santa’s Fly-In Storytime” in partnership with the Library, TxDOT Aviation, PHI LifeFlight, Texas DPS Aviation Division, US Coast Guard, and Van Vleck ISD drama department

**Budgeted Personnel**

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Airport Manager	1	1	1	1
Airport Secretary	1	1	1	1
Lineman	1.5	1.5	1.5	1.5
Temporary Worker	1	1	1	1
<b>Total</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>



Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Number of daily airfield inspections	247	247	247	247
Number of airfield lighting repairs	1	5	3	3
Number of airfield fence repairs	4	3	2	0
Number of aircraft fueled	874	865	918	1,000
Acres of airport grounds mowed/ maintained	181	181	181	181
Number of courtesy car rentals/usage	103	62	101	100
Estimated number of take offs & landings	8,740	8,984	9,000	10,000
Usage/inquires to paid websites for Airport information	3,000	5,239	8,000	8,000
<b><i>Measuring Our Effectiveness</i></b>				
T-hangar tenant occupancy	88%	98%	99%	100%
% of time airfield operational	90%	90%	80%	80%
Value of TxDOT Aviation RAMP funding obtained	\$50,000	\$100,000	\$100,000	\$100,000





## HOTEL/MOTEL FUND

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

## Hotel/Motel Tax Fund

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

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

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

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

### Hotels and Motels within Bay City

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

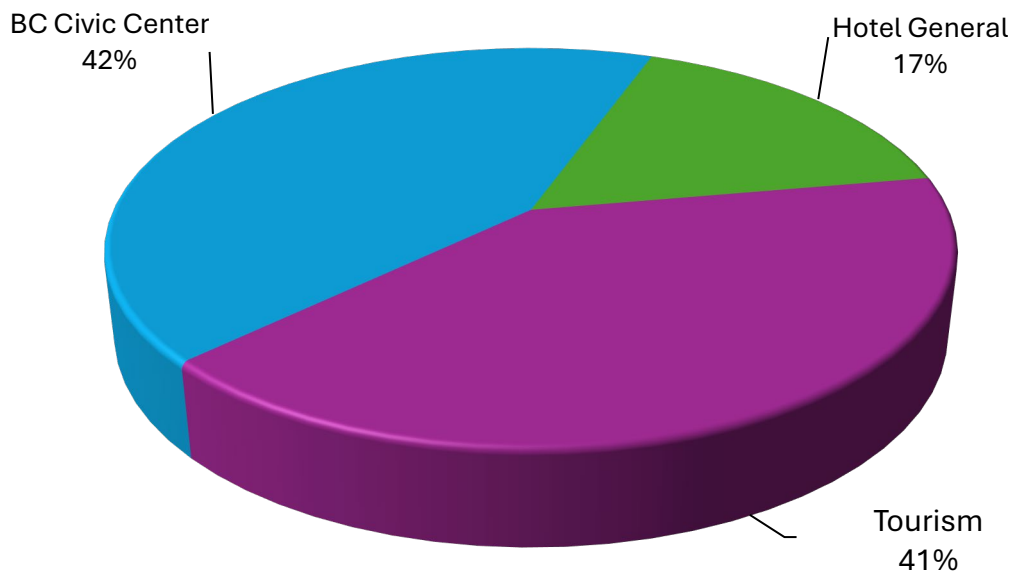
## Hotel / Motel Revenue

Revenue Summary	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Hotel Occupancy Tax	713,852	813,993	650,000	800,000	785,000
Miscellaneous	185,259	149,073	125,000	315,000	187,000
Prior Fund Balance	-	-	200,000	-	10,000
<b>Total Revenue</b>	<b>899,111</b>	<b>963,066</b>	<b>975,000</b>	<b>1,115,000</b>	<b>982,000</b>

## Hotel / Motel Expenditures

Hotel/Motel Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Hotel General	98,671	78,700	251,500	251,500	151,500
Tourism	199,470	248,567	354,000	339,550	443,800
Civic Center	445,188	400,556	369,500	322,700	386,700
Bay City Theatre	233	356	-	331	-
<b>Total Hotel/Motel</b>	<b>743,563</b>	<b>728,180</b>	<b>975,000</b>	<b>914,081</b>	<b>982,000</b>

## Expenditures by Department



## HOTEL GENERAL

### Description of Our Services

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

### Budget Summary

Hotel General	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Other Charges and Services	30,671	10,700	1,500	1,500	1,500
Transfers	68,000	68,000	250,000	250,000	150,000
<b>Total Hotel General</b>	<b>98,671</b>	<b>78,700</b>	<b>251,500</b>	<b>251,500</b>	<b>151,500</b>



Matagorda County Museum

## TOURISM

### Our Purpose

The Tourism Department's activity 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.

### 2026 Strategic Focus\*

#### Community and Civic Engagement\*

*To build and enhance communications and civic engagement*

#### Culture and Recreation\*

*To develop culture and recreational opportunities within the City*

#### Operational Excellence\*

*To establish and ensure operational excellence*



## SPECIAL REVENUE FUNDS

### FY 2026 Business Plans (Objectives)

- Partner with Main Street to film Main Street Reborn series
- Market Visitor Center to local entities
- Host annual Hotelier round table
- Create tourist itineraries
- Promote main tourist events
- Research larger tourism marquee at Civic Center
- Begin Wayfinding project in conjunction with City gateway signage project
- Invest in more public art displays
- Re-establish Eco-tourism and Arts subcommittees
- Host two ArtWalks per year – Camofest and Summertime
- Host Travel Influencer
- Develop plan for increased Short-Term rentals participation

### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Reviewed & revised Tourism/Tourism Council Organizational structure
- ✓ Re-established the Visitor Information Booth (Kiosk)
- ✓ Created and executed a Tourism Marketing Plan
- ✓ Led the initiative to have Matagorda County designated as the official Birding Capital of Texas
- ✓ Completed new branding and website for Visit Bay City
- ✓ Developed Pocket Visitor Guide in-house
- ✓ Partnered with Bay City Tribune to provide Annual Visitor Guide as insert.
- ✓ Created new Birding Guide
- ✓ Expanded advertising to include digital billboards, Texas Monthly digital placements, and a Spotlight City on Expedition Texas tv show
- ✓ Obtained market data and developed Tourist Personas
- ✓ Developed Artist Network for collaboration
- ✓ Moved HOT Tax Sponsorships to an annual review

## Budget Summary

Tourism	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	79,737	88,983	97,500	96,700	17,000
Supplies & Materials	221	6,211	8,500	7,150	9,500
Other Charges and Services	119,512	153,374	248,000	235,700	342,300
<b>Total Tourism</b>	<b>199,470</b>	<b>248,568</b>	<b>354,000</b>	<b>339,550</b>	<b>368,800</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Tourism Director	1	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

### Performance Measures

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
<b><i>Our Workload</i></b>				
Advertising	\$45,910	\$68,767	\$70,000	\$104,500
Number of Art Events Held	0	1	2	2
<b><i>Measuring Our Effectiveness</i></b>				
Number of HOT Tax Sponsorships	5	6	6	10
Visitor Spend (\$Million)	\$58.6	\$68.6	-	-
<i>*Data is released a year behind</i>				

## 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.

### 2026 Strategic Focus\*

#### Culture and Recreation\*

*To develop culture and recreational opportunities within the City*

#### FY 2026 Business Plans (Objectives)

- Maximize utilization of the Civic Center by the public and community organizations
- Provide staff to set-up, supervise, and maintain a presence at the center, and ensure every service is afforded to the Customer
- Conduct routine repair and preventative maintenance to the facility and parking lot and ensure it is maintained at the same or higher level as was designed to provide 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

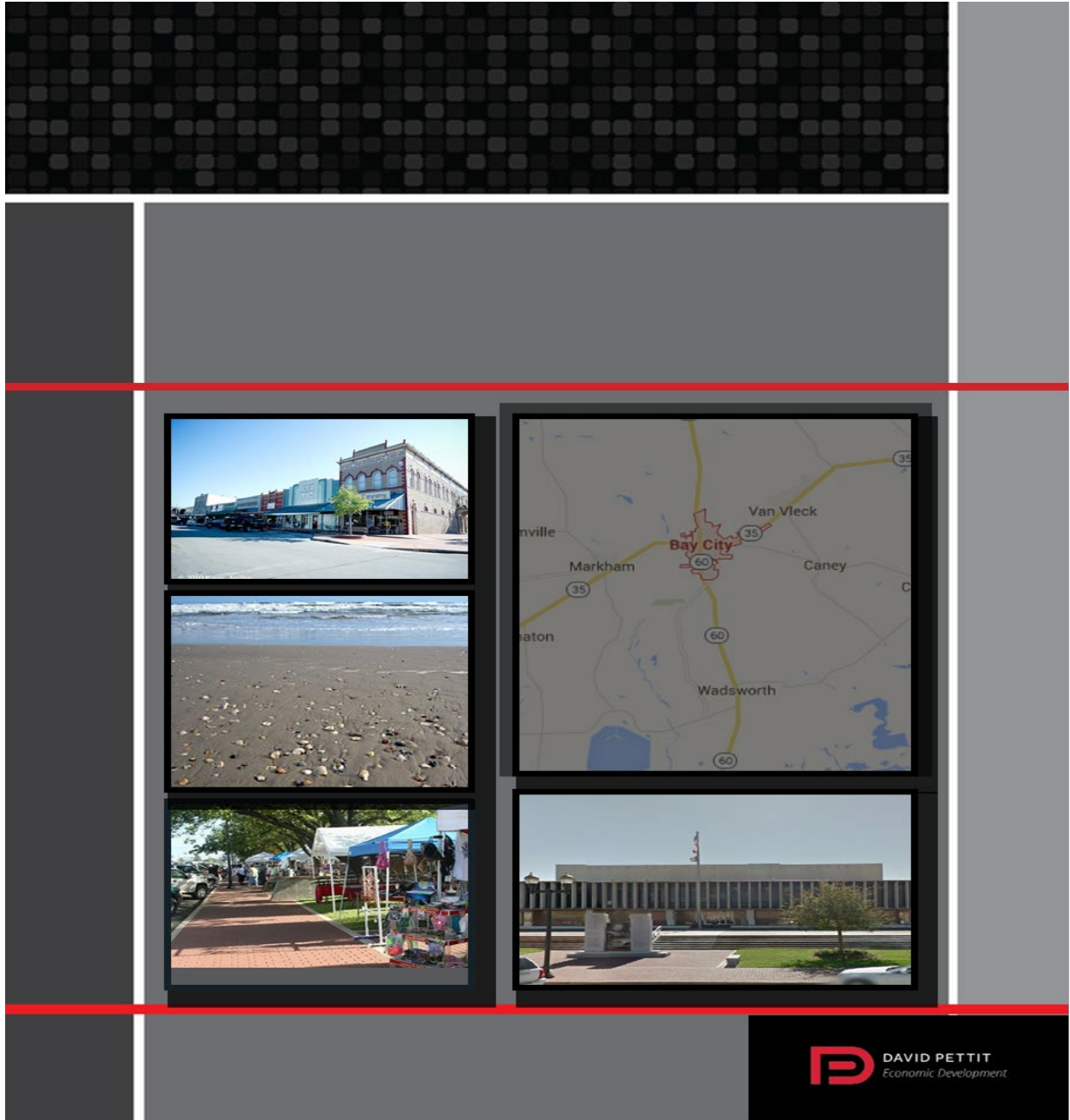
## SPECIAL REVENUE FUNDS

### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Held several successful events throughout the year
- ✓ Continued to have business training opportunities
- ✓ Provided staff to set up, supervise and maintain a presence at the center and to ensure every service is afforded to all customers
- ✓ 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 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Supplies and Materials	5,172	6,357	7,500	6,500	6,200
Other Charges and Services	243,344	300,373	279,000	271,200	278,500
Repairs and Maintenance	95,458	93,826	83,000	45,000	102,000
Capital Expenditures	101,214	-	-	-	-
<b>Total Civic Center</b>	<b>445,188</b>	<b>400,556</b>	<b>369,500</b>	<b>322,700</b>	<b>386,700</b>



## 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 1 Fund Revenue

Revenue Summary	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Miscellaneous	81,592	128,085	112,500	112,217	154,000
Transfers In	71,917	104,645	97,500	97,155	140,000
<b>Total Revenue</b>	<b>153,509</b>	<b>232,730</b>	<b>210,000</b>	<b>209,372</b>	<b>294,000</b>

### TIRZ 1 Fund Expenditures

TIRZ 1 Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
TIRZ 1	4,014	22,774	210,000	5,071	217,000
TIRZ 1A- Valor Park	-	-	-	-	77,000
<b>Total TIRZ 1</b>	<b>4,014</b>	<b>22,774</b>	<b>210,000</b>	<b>5,071</b>	<b>294,000</b>

### TIRZ 2 Fund Revenue

Revenue Summary	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Miscellaneous	81,868	97,601	94,500	93,296	98,000
Transfers In	72,268	79,465	80,500	80,371	87,000
<b>Total Revenue</b>	<b>154,136</b>	<b>177,066</b>	<b>175,000</b>	<b>173,667</b>	<b>185,000</b>

### TIRZ 2 Fund Expenditures

TIRZ 2 Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Supplies & Materials	191	171	-	-	-
Other Charges and Services	303,850	134,301	175,000	4,207	185,000
Transfers Out	-	-	-	-	-
<b>Total TIRZ 2</b>	<b>304,041</b>	<b>134,472</b>	<b>175,000</b>	<b>4,207</b>	<b>185,000</b>

### TIRZ 3 Fund Revenue

Revenue Summary	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Miscellaneous	-	28,761	24,500	22,844	23,000
Transfers In	-	26,943	25,500	25,435	25,000
<b>Total Revenue</b>	<b>-</b>	<b>55,704</b>	<b>50,000</b>	<b>48,279</b>	<b>48,000</b>

### TIRZ 3 Fund Expenditures

TIRZ 3 Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Other Charges and Services	-	2,781	50,000	2,409	-
Transfers Out	-	-	-	-	48,000
<b>Total TIRZ 1</b>	<b>-</b>	<b>2,781</b>	<b>50,000</b>	<b>2,409</b>	<b>48,000</b>

### TIRZ 4 Fund Revenue

Revenue Summary	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Miscellaneous	-	554	500	517	12,000
Transfers In	-	470	500	469	11,000
<b>Total Revenue</b>	<b>-</b>	<b>1,024</b>	<b>1,000</b>	<b>986</b>	<b>23,000</b>

### TIRZ 4 Fund Expenditures

TIRZ 4 Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Other Charges and Services	-	26	1,000	25	23,000
Transfers Out	-	-	-	-	-
<b>Total TIRZ 2</b>	<b>-</b>	<b>26</b>	<b>1,000</b>	<b>25</b>	<b>23,000</b>



### 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 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 established by cities, other taxing jurisdictions such as a county or junior college can 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. Matagorda County, Matagorda County Hospital District, and Port of Bay City will each contribute 100% of their incremental tax revenue within the zone.

	2015 Base Year	2023 Taxable	Increment
TIRZ 1	23,875,760	42,236,180	18,360,420



\*TIRZ #1 Boundary

## TAX INCREMENT REINVESTMENT ZONE #1A

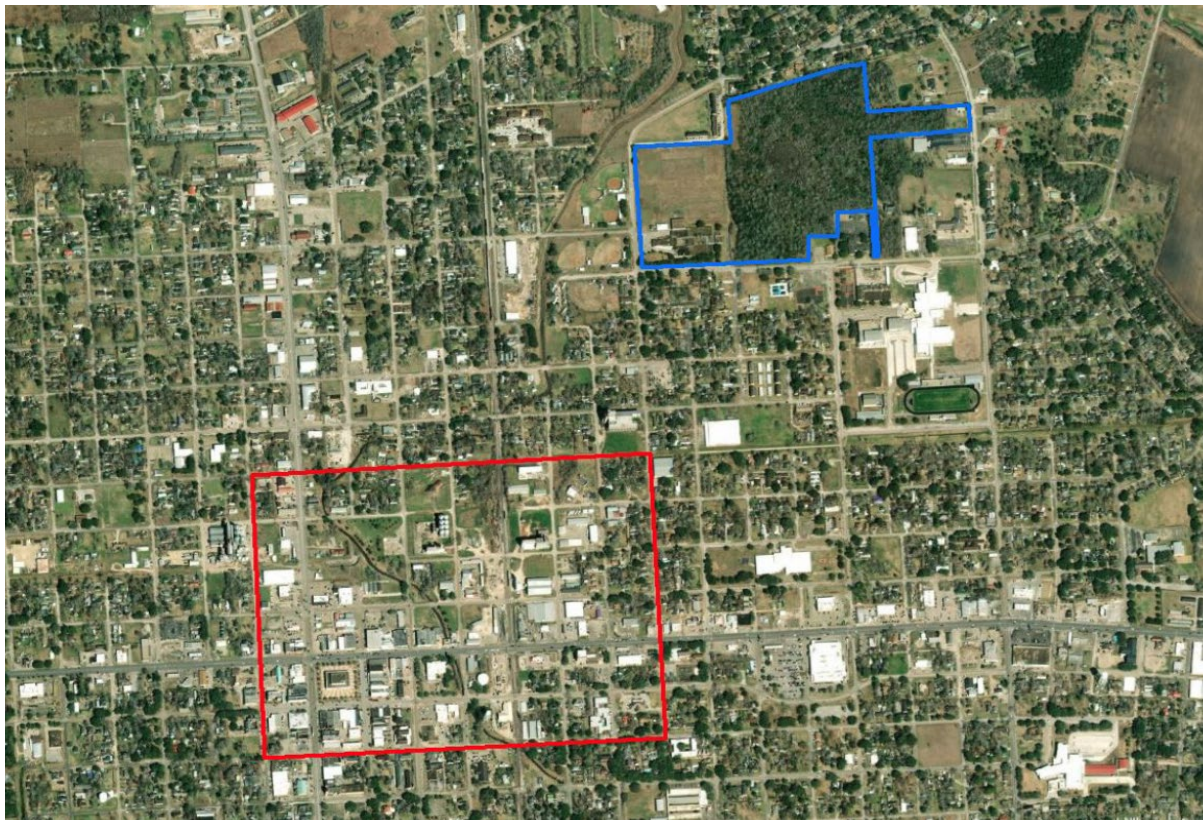
In 2022, TIRZ #1 was expanded to encompass approximately 54.441 acres bringing total acreage to 214.41 acres. The expanded boundaries are non-contiguous to the north of the original TIRZ boundaries.

While the sites hold great potential due to location, they lack the infrastructure necessary to support commercial and residential development. As such, the sites will not be developed to their full potential but for the creation of a TIRZ.

### TIRZ Revenue Overview

The City of Bay City TIRZ #1A base value was established in 2022 with a real property taxable value base of \$2,151,750. The City of Bay City agreed to contribute 100% of its incremental tax revenue to the TIRZ fund. Matagorda County, Matagorda County Hospital District, and Port of Bay City will each contribute 100% of their incremental tax revenue within the zone.

	2021 Base Year	2023 Taxable	Increment
TIRZ 1A	2,151,750	417,450	(1,734,300)



- TIRZ #1 Boundary
- TIRZ #1A 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.

Most 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. Matagorda County, Matagorda County Hospital District, and Port of Bay City each contribute 100% of their incremental tax revenue within the zone.

	<b>2015 Base Year</b>	<b>2023 Taxable</b>	<b>Increment</b>
TIRZ 2	2,099,193	16,041,720	13,942,527



\*TIRZ 2 Boundary

## TAX INCREMENT REINVESTMENT ZONE #2A

In 2021, the TIRZ was expanded to encompass approximately 147.27 acres bringing total acreage to 491.27 acres. The expanded boundaries are contiguous to the west of the original TIRZ boundaries.

### TIRZ Revenue Overview

The City of Bay City TIRZ #2 base value was established in 2021 with a real property taxable value base of \$16,020. The City of Bay City agreed to contribute 100% of its incremental tax revenue to the TIRZ fund. Matagorda County, Matagorda County Hospital District, and Port of Bay City each contribute 100% of their incremental tax revenue within the zone.

	2021 Base Year	2023 Taxable	Increment
TIRZ 2A	16,020	16,020	0



- TIRZ #2 Boundary
- TIRZ #2A Boundary

### TAX INCREMENT REINVESTMENT ZONE #3

The City of Bay City Tax Increment Reinvestment Zone Number Three (TIRZ #3) 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.

#### TIRZ Revenue Overview

The City of Bay City TIRZ #3 was established in 2017 with a real property taxable value base of \$349,100. The City of Bay City agreed to contribute 90% of its incremental tax revenue to the TIRZ fund for a period of 30 years. Matagorda County and Matagorda County Hospital each contribute 90% of their incremental tax revenue within the zone.

	2017 Base Year	2023 Taxable	Increment
TIRZ 3	349,100	5,601,520	5,252,420



\*TIRZ 3 Boundary

## TAX INCREMENT REINVESTMENT ZONE #4

The City of Bay City Tax Increment Reinvestment Zone Number Four (TIRZ #4) consists of 49.71 acres of land located on the eastern portion of Bay City. Bay City TIRZ #4 is bounded by 7<sup>th</sup> Street to the south, Rose Street to the west, and Old Van Vleck Road to the east.

The land within the zone is primarily vacant inadequate. As such, the site will not be developed to its full potential but for the creation of a TIRZ. The purpose of TIRZ #4 is to help pay for infrastructure costs associated with the development of 189 single family homes.

### TIRZ Revenue Overview

The City of Bay City TIRZ #4 was established in 2022 with a real property taxable value base of \$191,200. The City of Bay City agreed to contribute 50% of its incremental tax revenue to the TIRZ fund for a period of 36 years. Matagorda County, Matagorda County Hospital District, and Port of Bay City will each contribute 50% of their incremental tax revenue within the zone.

	2022 Base Year	2023 Taxable	Increment
TIRZ 4	191,200	355,990	164,790



\*TIRZ #4 Boundary



## FORFEITURE FUND

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

### Forfeiture Fund Revenue

Revenue Summary	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Miscellaneous	18,155	16,651	5,000	14,655	5,000
Prior Year Fund Balance	-	-	5,000	-	5,000
<b>Total Revenue</b>	<b>18,155</b>	<b>16,651</b>	<b>10,000</b>	<b>14,655</b>	<b>10,000</b>

### Forfeiture Fund Expenditures

Police Forfeiture Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	1,597	-	-	-	-
Supplies & Materials	17	114	5,000	-	5,000
Other Charges & Services	16,446	6,103	5,000	7,630	5,000
Repairs & Maintenance	537	5,983	-	17	-
Transfers	-	26,500	-	-	-
<b>Total Forfeiture</b>	<b>18,597</b>	<b>38,700</b>	<b>10,000</b>	<b>7,647</b>	<b>10,000</b>



## 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 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Fines & Penalties	3,490	4,106	4,500	5,299	4,500
Miscellaneous	22	22	-	21	-
Prior Year Fund Balance	-	-	2,500	-	2,500
<b>Total Revenue</b>	<b>3,512</b>	<b>4,128</b>	<b>7,000</b>	<b>5,320</b>	<b>7,000</b>

## Building Security Expenditures

Building Security Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	1,527	212	2,050	1,193	2,050
Supplies & Materials	29	28	50	10	50
Other Charges & Services	381	-	2,000	330	2,000
Repairs & Maintenance	1,684	-	2,900	-	2,900
<b>Total Expense</b>	<b>3,620</b>	<b>240</b>	<b>7,000</b>	<b>1,533</b>	<b>7,000</b>



## 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 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Fines & Penalties	2,941	3,407	3,000	4,364	3,000
Miscellaneous	16	13	-	15	-
Prior Year Fund Balance	-	-	2,000	-	2,000
<b>Total Revenue</b>	<b>2,957</b>	<b>3,420</b>	<b>5,000</b>	<b>4,379</b>	<b>5,000</b>

## Court Technology Expenditures

Court Technology Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	1,200	-	-	-	-
Supplies & Materials	21	21	-	10	-
Other Charges & Services	1,769	2,359	5,000	3,571	5,000
<b>Total Court Tech.</b>	<b>2,990</b>	<b>2,380</b>	<b>5,000</b>	<b>3,681</b>	<b>5,000</b>





## 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 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Miscellaneous	22,022	16,941	2,000	20,000	31,000
Transfers In	806,000	972,000	1,030,000	1,030,000	1,078,000
<b>Total Revenue</b>	<b>828,022</b>	<b>988,941</b>	<b>1,032,000</b>	<b>1,050,000</b>	<b>1,109,000</b>

## Information Technology Fund Expenditures

Information Technology Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	189,066	225,277	231,000	225,592	226,500
Supplies & Materials	4,106	4,422	11,900	9,350	10,600
Other Charges & Services	530,334	571,541	783,600	811,404	801,400
Repairs & Maintenance	3,975	5,620	5,500	3,000	5,500
Capital Expenditures	-	-	-	-	65,000
Debt Service	136,681	145,114	-	-	-
<b>Total IT</b>	<b>864,163</b>	<b>951,975</b>	<b>1,032,000</b>	<b>1,049,346</b>	<b>1,109,000</b>

## 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 downtime 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) and miscellaneous electronic systems (faxes, badge printers, etc.). It also oversees 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:

- 195 Computers
- 50 Printers
- 25 Servers
- 15 Patrol Cars

## INTERNAL SERVICE FUNDS

### FY 2026 Business Plans (Objectives)

- Replace aging network hardware
- Upgrade Council Chambers audio/video quality
- Continue to provide fast & reliable access to all information systems
- Apple iPhone and Software Management
- Integrate Office 365 with Window (DUO MFA)
- Change domain from .org to .gov

### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Assisted with the implementation of Executime
- ✓ Continued to provide fast & reliable access to all information systems
- ✓ Facilitated the collection, storage, and security of electronic data
- ✓ Assisted with the implementation of Lexis/Nexis at PD
- ✓ Upgraded computers to Windows 11
- ✓ Replaced 50 computers that were not able to be upgraded to Windows 11
- ✓ Implement MFA (Multi Factor Authentication)
- ✓ Implemented Barracuda Email security
- ✓ Upgraded Library to City Hall fiber
- ✓ Completed firewall upgrades
- ✓ Implemented an Incident Response Plan

## Budget Summary

Information Technology	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	189,066	225,277	231,000	225,592	226,500
Supplies & Materials	4,106	4,422	11,900	9,350	10,600
Other Charges & Services	530,334	571,541	783,600	811,404	801,400
Repairs & Maintenance	3,975	5,620	5,500	3,000	5,500
Capital Expenditures	-	-	-	-	65,000
Debt Service	136,681	145,114	-	-	-
<b>Total IT</b>	<b>864,163</b>	<b>951,975</b>	<b>1,032,000</b>	<b>1,049,346</b>	<b>1,109,000</b>

**Budgeted Personnel**

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Information Technology Manager	1	1	1	1
Information Technology Technician	1	1	1	1
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

**Performance Measures**

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Information Technology work orders completed	950	1,000	1,194	1,244
Workstations and Servers maintained	239	239	220	220
Telephones supported	145	145	145	232
% of Network uptime during business hours	99	99	99	99
Network Printers supported	50	51	50	50





# 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 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Miscellaneous	8,816	775	-	3,296	-
Transfers In	654,000	674,000	690,000	633,182	736,000
<b>Total Revenue</b>	<b>662,816</b>	<b>674,775</b>	<b>690,000</b>	<b>636,478</b>	<b>736,000</b>

## Maintenance Fund Expenditures by Department

Total Expenditures	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Equipment Maintenance	200,081	229,736	268,585	223,469	292,259
Facility Maintenance	336,491	361,641	421,415	409,713	443,741
<b>Total Expenditures</b>	<b>536,572</b>	<b>591,377</b>	<b>690,000</b>	<b>633,182</b>	<b>736,000</b>



## 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 manages 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.

### 2026 Strategic Focus\*

#### Infrastructure\*

*To develop community infrastructure and enhancements to the transportation network and system*

**FY 2026 Business Plans (Objectives)**

- Continue to empower employees through training to ensure the highest quality work possible by the department
- Research and stay informed on new tools, techniques, and software that will assist the department in maintaining a high standard of performance
- Service, troubleshoot, and perform complex automotive repairs on engines and related components of electrical, mechanical, and computerized vehicle systems
- Use CityWorks to evaluate ways to improve PM procedures for City’s fleet and present recommendations as warranted
- Continue using state of the art oil on all new vehicles and equipment which allows mechanics to services vehicles every 6,000 miles instead of every 3,000 miles, reducing time and wear and tear on engines and transmissions

**FY 2025 Accomplishments of Prior Year Business Plans**

- ✓ Utilized vehicle lifts to reduce time for vehicle services and repairs on city fleet
- ✓ Ensured that the fleet fueling station met all state and federal guidelines and that all departments have problem-free access to all fleet fueling facilities
- ✓ Continued to utilize CityWorks to track service, parts, and repair costs for city fleet
- ✓ Multi-tasked to perform emergency repairs on high priority equipment (police vehicles, vactor and backhoe) and still stay on schedule for routine repairs
- ✓ Completed approximately 400 service and repair jobs this year
- ✓ Worked well as a two-man team to work on service, repairs, and annual maintenance jobs while still maintaining a heavy workload

**Budget Summary**

Equipment Maintenance	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	176,929	195,934	238,485	193,877	237,659
Supplies & Materials	10,829	10,781	10,700	10,700	10,700
Other Charges & Services	10,108	20,859	15,400	15,892	9,900
Repairs & Maintenance	2,215	2,161	4,000	3,000	4,000
Capital Expenditures	-	-	-	-	30,000
<b>Total Maintenance</b>	<b>200,081</b>	<b>229,736</b>	<b>268,585</b>	<b>223,469</b>	<b>292,259</b>

**Budgeted Personnel**

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Lead Mechanic	1	1	1	1
Mechanic	2	2	2	2
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

## Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
A/C repairs	8	20	3	6
Air System repairs	3	4	0	5
Axle repairs	1	0	0	2
Battery/Charging System repairs	30	35	19	20
Bearing repairs	5	3	1	3
Belt/Hoses repairs	9	13	3	5
Blades repairs	11	10	5	10
Brakes/ABS repairs	24	45	16	20
Check Engine Light repairs	20	38	7	12
Cooling System repairs	5	15	2	5
Drive Line repairs	2	13	0	3
Electrical repairs	15	18	4	7
Engine repairs	28	25	8	13
Exhaust repairs	2	5	6	5
Fuel System	15	45	8	6
Hydraulic System repairs	18	10	6	5
Interior/Exterior repairs	112	150	53	70
Lights repairs	32	50	16	25
Service repairs	85	125	56	75
Small Engine repairs	6	8	5	10
Suspension/Steering repairs	6	10	2	5
Tire repair/replacement	47	85	36	30
Transmission repairs	8	15	2	4
Welding repairs	13	20	7	5
<b>Total Work Orders Completed</b>	<b>505</b>	<b>762</b>	<b>264</b>	<b>351</b>

## 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 people, including, but not limited to electricians, heating ventilation and air conditioning technicians, and maintenance personnel. When the workload exceeds the manpower 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.

### 2026 Strategic Focus\*

#### Infrastructure\*

*To develop community infrastructure and enhancements to the transportation network and system*

#### FY 2026 Business Plans (Objectives)

- Perform annual on-site inspections of all City facilities, diagnose problems, and execute repairs and upgrades, as approved by the Director and document in City Works
- Continue oversight of all City generators through on-site inspections, preventative maintenance program and repairs
- Continue to empower employees by training
- Use CityWorks to track routine work orders associated with our City facilities
- Investigate and implement energy conservation methods
- Initiate and prioritize work orders as needed for facilities
- Work with engineers and contractors on installation of new generators

## INTERNAL SERVICE FUNDS

### FY 2025 Accomplishments of Prior Year Business Plans

- ✓ Installed new wire to the Nile Valley Bridge lights (original wire was missing.)
- ✓ Installed new electrical service at P&R garage. Also new LED lighting.
- ✓ Wired new scale at the Recycle Center.
- ✓ Installed new booster pump at Mockingbird Well.
- ✓ Repaired downtown lighting and receptacles on the light poles.
- ✓ Removed the SCADA tower at the Hamman Road Lift Station so AEP could reroute their wires temporarily while the bridge is being reconstructed.
- ✓ Wired the new jockey pump at the Cottonwood Lift Station.
- ✓ Wired (2) Connex boxes in the airport main hangar.
- ✓ Verified locations of streetlights that are not working, get pole numbers, and contact AEP
- ✓ Repaired minor plumbing problems at various facilities and coordinated with a licensed plumber for major repairs
- ✓ Replaced the fan clutch on Unit 954 (portable generator) out at the Wastewater Treatment Plant.
- ✓ Replaced the coil in the starter for Booster Pump 1 at 2316 Avenue B Well.

### Budget Summary

Facility Maintenance	Actual FY 2023	Actual FY 2024	Amended Budget FY 2025	Projected FY 2025	Adopted FY 2026
Personnel Services	297,884	311,583	354,215	341,573	355,241
Supplies & Materials	14,491	10,706	13,200	10,500	10,500
Other Charges and Services	7,929	3,768	19,000	19,140	43,500
Repairs & Maintenance	16,188	35,585	35,000	38,500	34,500
Capital Expenditures	-	-	-	-	-
<b>Total Facility Maintenance</b>	<b>336,491</b>	<b>361,641</b>	<b>421,415</b>	<b>409,713</b>	<b>443,741</b>

### Budgeted Personnel

Position	Actual FY 2023	Actual FY 2024	Actual FY 2025	Budgeted FY 2026
Master Electrician	1	1	1	1
Electrician Helper	1	1	1	1
Facilities Maintenance Tech II	2	2	2	2
Facilities Maintenance Tech I	1	1	1	1
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

## Performance Measures

<i>Our Workload</i>	Actual FY 2023	Actual FY 2024	Projected FY 2025	Estimated FY 2026
Electrical work orders	413	311	168	239
Plumbing work orders	31	22	15	18
Air Conditioner repair work orders	126	129	71	100
Carpenter work orders	76	12	5	8
Street Light work orders	1	6	18	12
Trim Tree Limb work orders	5	0	6	3
Generator Repairs	106	58	58	58
Miscellaneous Repairs	158	140	86	113
<b>Total work orders completed</b>	<b>916</b>	<b>678</b>	<b>427</b>	<b>551</b>

## Capital Expenditures

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

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

More information regarding the City's Fixed Asset Capitalization Policy can be found in the appendix section of this document on page 255.

## Capital Improvement Plan

Presented herewith is the adopted FY 2026 Capital Improvement Plan (CIP) as approved on September 23, 2025. This document reflects input from City Staff, City Council and City Advisory Boards. This document serves as both a budget for FY 2026 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 2026 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 2026 Strategic Plan.

The CIP for General Fund projects follow a three-year pattern between Park Focus and Street Focus. For two years, the City has designated funds for 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, 2026 is a street year so there will be less focus on parks unless grants are involved.

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

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

### **Overview of the City's CIP:**

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

### **Impact of Capital Projects on the Operating Budget**

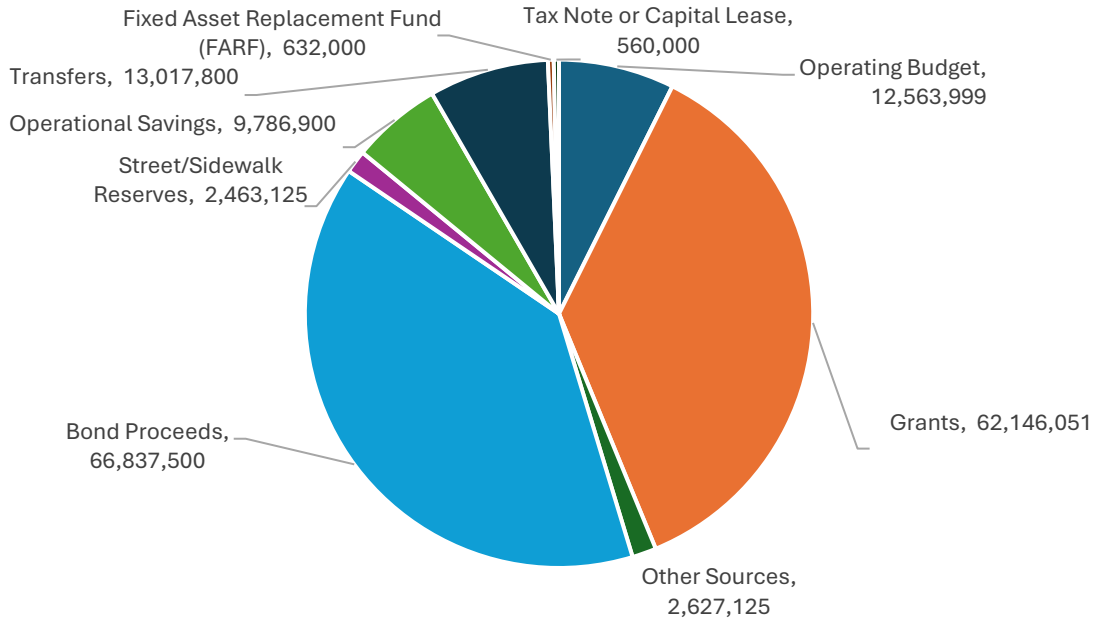
Capital projects impact the operating budget in two main ways. First, since the City is committed to systematically investing in infrastructure, each year's funds are set aside in the operating budget to provide cash financing toward some projects. Second, the City must generate enough operating revenues to cover any payments for general obligation and revenue debt incurred for long-term financing of capital projects approved this year and from prior years. The impact represents funds that would otherwise be available to pay for other programs, services, or projects. In addition, completed capital projects usually require additional funding to cover ongoing maintenance, utilities, other operating costs, and sometimes additional personnel or equipment. This year, the total estimated impact of the capital budget on the operating budget is approximately \$2,154,250, \$434,250 belonging to General Fund and the remaining \$1,720,000 belonging to the Public Utility Fund.

The following pages outline the CIP approved by the City Council for 2026-2030. The Capital Improvement plan is produced as a separate document from the Operating Budget. A copy of the FY 2026-2030 CIP can be found on the City's website at [www.baycitytx.gov](http://www.baycitytx.gov).

## Capital Improvement Program Project Financing

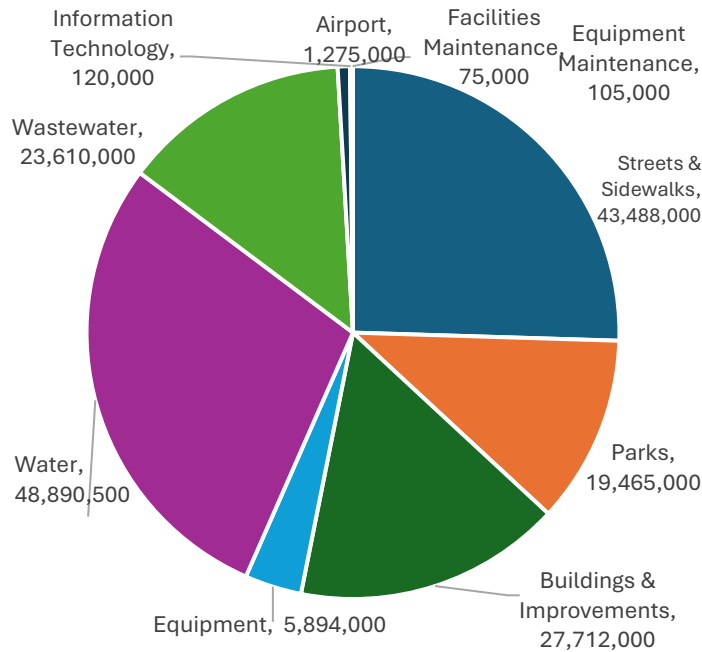
### Where the City of Bay City CIP Dollars Come From

All Funds 2026-2030 Adopted CIP (\$170,634,500)



### Where the City of Bay City CIP Dollars Go

All Funds 2026-2030 Adopted CIP (\$170,634,500)



## 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 2026 CIP is being funded by bonds, grants, current revenues, and reserves.

*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 2026	Budget FY 2027	Budget FY 2028	Budget FY 2029	Budget FY 2030	Five Year CIP Total
<b>General Fund</b>						
Streets	12,243,000	12,905,000	1,440,000	1,500,000	15,400,000	43,488,000
Parks	560,000	1,150,000	8,430,000	725,000	8,600,000	19,465,000
Buildings	12,300,000	8,150,000	1,050,000	250,000	-	21,750,000
Equipment	1,619,000	1,193,000	367,000	226,000	329,000	3,734,000
<b>Total</b>	<b>\$ 26,722,000</b>	<b>\$23,398,000</b>	<b>\$ 11,287,000</b>	<b>\$ 2,701,000</b>	<b>\$24,329,000</b>	<b>\$ 88,437,000</b>
<b>Utility Fund</b>						
Water	27,920,500	9,355,000	6,865,000	1,850,000	2,900,000	48,890,500
Wastewater	10,180,000	7,370,000	2,100,000	2,730,000	1,230,000	23,610,000
Buildings	100,000	150,000	200,000	200,000	300,000	950,000
Equipment	280,000	622,000	390,000	455,000	175,000	1,922,000
<b>Total Utility</b>	<b>\$ 38,480,500</b>	<b>\$17,497,000</b>	<b>\$ 9,555,000</b>	<b>\$ 5,235,000</b>	<b>\$ 4,605,000</b>	<b>\$ 75,372,500</b>
<b>Airport Fund</b>	<b>\$ 231,000</b>	<b>\$ 928,000</b>	<b>\$ 25,000</b>	<b>\$ 151,000</b>	<b>\$ 5,190,000</b>	<b>\$ 6,525,000</b>
<b>Internal Service Fund</b>	<b>\$ 95,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ 300,000</b>
<b>Total All Funds</b>	<b>\$ 65,528,500</b>	<b>\$41,898,000</b>	<b>\$ 20,942,000</b>	<b>\$ 8,087,000</b>	<b>\$ 34,179,000</b>	<b>\$ 170,634,500</b>
<i>Five Year Total</i>						<b>\$ 170,634,500</b>

**FIVE-YEAR CAPITAL IMPROVEMENT- BY FUND**

**General Fund**

Project Description	Budget FY 2026	Budget FY 2027	Budget FY 2028	Budget FY 2029	Budget FY 2030
<b>Streets &amp; Sidewalks</b>					
Street Reconstruction Project Engineering- Highland	\$ -	\$ 4,500,000	\$ -	\$ -	\$ -
Street Reconstruction Project Engineering- Moore	\$ -	\$ 4,800,000	\$ -	\$ -	\$ -
Street Reconstruction Project- Nichols & Norvell	\$ -	\$ -	\$ -	\$ -	\$ 4,500,000
Street Resurface Project- LeTulle	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -
Street Resurface Project- Marguerite (TIRZ 3)	\$ -	\$ -	\$ -	\$ 300,000	\$ -
Street Condition Assessment	\$ -	\$ -	\$ -	\$ 250,000	\$ -
Street Resurface Projects	\$ 300,000	\$ 300,000	\$ 350,000	\$ 350,000	\$ 350,000
Sidewalk New/Replace Project	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Bridge Replacement- 8 <sup>th</sup> Street	\$ 1,055,000	\$ -	\$ -	\$ -	\$ -
Bridge Replacement- Avenue H	\$ 1,193,000	\$ -	\$ -	\$ -	\$ -
Bridge Replacement- Hamman Rd.	\$ 815,000	\$ -	\$ -	\$ -	\$ -
Bridge Replacement- 6 <sup>th</sup> & Ave. I	\$ 2,400,000	\$ -	\$ -	\$ -	\$ -
Nile Valley Drive- Bridge Rehab.	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -
Nile Valley Drive- Phase II Construction (SH60 to Nichols)	\$ -	\$ -	\$ -	\$ 550,000	\$ 9,000,000
Nile Valley Drive- Phase III Design (Nichols to SH35)	\$ 600,000	\$ -	\$ -	\$ -	\$ -
Nile Valley Drive- Phase IV- North Loop (Planning & Acquisition)	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
Diversion Channel Improvements- CDBG-DR Grant (Harvey)	\$ 885,000	\$ -	\$ -	\$ -	\$ -
Cottonwood Creek Improvements- RESTORE Act Grant	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Drainage Construction- Grant (MIT-MOD)	\$ 3,100,000	\$ -	\$ -	\$ -	\$ -
Tenie Holmes Drainage Improvements	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Del Norte & Live Oak Drainage Improvements- Mitigation Grant	\$ 745,000	\$ -	\$ 940,000	\$ -	\$ -
Storm Water Management Plan	\$ 650,000	\$ -	\$ -	\$ -	\$ -
Railroad Quiet Zone	\$ 50,000	\$ 105,000	\$ 100,000	\$ -	\$ -
<b>Street &amp; Sidewalks Subtotals</b>	<b>\$ 12,243,000</b>	<b>\$ 12,905,000</b>	<b>\$ 1,440,000</b>	<b>\$ 1,500,000</b>	<b>\$ 15,400,000</b>
<b>Parks</b>					
Southern Pacific Trailway-TXDOT	\$ 7,400,000	\$ -	\$ -	\$ -	\$ -
Southern Pacific Trailway- Cottonwood to Dog Park	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Park Improvements- Riverside Boat Access (Ramp)	\$ 15,000	\$ 250,000	\$ -	\$ -	\$ -

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Park Improvements-LeTulle Eastside Playground	\$ -	\$ -	\$ -	\$ -	\$ 350,000
Park Improvements- LeTulle Walkways/Paths	\$ 20,000	\$ 50,000	\$ -	\$ -	\$ -
Park Improvements- LeTulle Pavilions	\$ -	\$ 250,000	\$ -	\$ -	\$ -
Park Improvements- Amistad Restrooms	\$ -	\$ -	\$ 165,000	\$ -	\$ -
Park Improvements- Lighting at Various Parks	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ -
Field Lights- Joe Davis, Little League	\$ 25,000	\$ -	\$ -	\$ 100,000	\$ 400,000
Field Lights- Girls Softball	\$ -	\$ -	\$ -	\$ 100,000	\$ 400,000
Field Lights- Sports Complex	\$ 75,000	\$ -	\$ -	\$ 100,000	\$ 400,000
Building Improvements- New Sports Complex	\$ -	\$ -	\$ 100,000	\$ -	\$ 1,500,000
Building Improvements- Sports Complex Restrooms/Concessions	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Building Improvements- Sports Complex Roof	\$ 50,000	\$ 250,000	\$ -	\$ -	\$ -
Building Improvements- New Recreation Center	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Aquatics- Valiant Pool Demolition	\$ -	\$ -	\$ 140,000	\$ -	\$ -
Aquatics- Regional Aquatic Center	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
<b>Parks Subtotals</b>	<b>\$ 560,000</b>	<b>\$ 1,150,000</b>	<b>\$ 8,430,000</b>	<b>\$ 725,000</b>	<b>\$ 8,600,000</b>

### Building & Improvements

Fire Department Roof/Weatherproofing	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Fire Department Interior Improvements	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -
PD- Public Safety Building	\$ 12,000,000	\$ 8,000,000	\$ -	\$ -	\$ -
PD- Old Building Demolition	\$ -	\$ -	\$ -	\$ 250,000	\$ -
New Restroom (Downtown)	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Animal Impound Building	\$ -	\$ 100,000	\$ 1,000,000	\$ -	\$ -
<b>Bldgs. &amp; Improvements Subtotals</b>	<b>\$ 12,300,000</b>	<b>\$ 8,150,000</b>	<b>\$ 1,050,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>

<b>Equipment Subtotals</b>	<b>\$ 1,619,000</b>	<b>\$ 1,193,000</b>	<b>\$ 367,000</b>	<b>\$ 226,000</b>	<b>\$ 329,000</b>
<b>General Fund CIP Fund Totals</b>	<b>\$ 26,722,000</b>	<b>\$ 23,398,000</b>	<b>\$ 11,287,000</b>	<b>\$ 2,701,000</b>	<b>\$ 24,329,000</b>

### Source of Funds:

Operating Budget	\$ 434,250	\$ 629,500	\$ 427,500	\$ 525,000	\$ 487,500
Grants(EDA,TDA,H-GAC,LCRA,ETC.)	\$ 12,101,600	\$ 5,257,500	\$ 8,355,000	\$ 750,000	\$ 11,575,000
Transfers (TIRZ, etc.)	\$ 150,000	\$ -	\$ 400,000	\$ 300,000	\$ 6,500,000
Other Sources (BCCDC, Interlocals)	\$ 711,125	\$ 868,000	\$ 510,500	\$ 250,000	\$ 237,500
Bond/Loan Proceeds	\$ 12,000,000	\$ 14,300,000	\$ -	\$ -	\$ 4,500,000
Operational Savings (Reserves)	\$ 581,900	\$ 1,490,000	\$ 840,000	\$ 300,000	\$ 300,000
Tax Note or Capital Lease	\$ -	\$ 260,000	\$ 125,000	\$ -	\$ 175,000
Street/Sidewalk (Reserves)- Fund 28	\$ 708,125	\$ 555,000	\$ 450,000	\$ 350,000	\$ 400,000
Fixed Asset Replacement Fund	\$ 35,000	\$ 38,000	\$ 179,000	\$ 226,000	\$ 154,000
<b>Total Resources Planned</b>	<b>\$ 26,722,000</b>	<b>\$ 23,398,000</b>	<b>\$ 11,287,000</b>	<b>\$ 2,701,000</b>	<b>\$ 24,329,000</b>

## Utility Fund

Project Description	Budget FY 2026	Budget FY 2027	Budget FY 2028	Budget FY 2029	Budget FY 2030
<b>Utility Water</b>					
Lead and Copper Rule- Lead Service Line Replacement	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Fire Hydrant Replacement & Preventative Maintenance Program	\$ 200,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000
6 <sup>th</sup> & Ave I WTP- Arsenic Mitigation	\$ 3,180,000	\$ -	\$ -	\$ -	\$ -
Chateaux Oaks- Waterline Replacements	\$ 400,000	\$ 1,600,000	\$ -	\$ -	\$ -
Duncan & Whitson St.-1.5" to 6" Water Main, 700 LF	\$ -	\$ 75,000	\$ -	\$ -	\$ -
Ave F. & Ave G. 4" Water Main Rear Easement	\$ -	\$ -	\$ 275,000	\$ -	\$ -
Ave A. & Moore Ave- 2" to 6" Water Main Rear Easement	\$ 35,000	\$ -	\$ -	\$ -	\$ -
Water Improvements- Highland	\$ -	\$ 550,000	\$ -	\$ -	\$ -
Water Improvements- Moore	\$ -	\$ 1,480,000	\$ -	\$ -	\$ -
Water Improvements- Nichols & Norvell	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
Walnut Ave 2" to 6" Water Main	\$ -	\$ -	\$ 90,000	\$ -	\$ -
B/T Golden Ave & Kilowatt- Remove 2" Water Main	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Holly, Shantilly, Renwick- 2" Water Main No Access- Add Main	\$ -	\$ 200,000	\$ -	\$ -	\$ -
NW Quadrant Phase 2- Upsize Water Mains	\$ -	\$ 1,800,000	\$ -	\$ -	\$ -
Install Master Meters- All RV Parks, Trailer Parks and Apartments	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -
Water Plant Recoatings	\$ 500,000	\$ -	\$ 1,000,000	\$ -	\$ 500,000
Public Water System- Airport Well Mockingbird Water Well No. 7- Rework	\$ -	\$ 425,000	\$ 1,100,000	\$ -	\$ -
Mockingbird Water Plant No. 7- Rework	\$ -	\$ 550,000	\$ -	\$ -	\$ -
Mockingbird Water Plant No. 2- Electrical Improvements	\$ 2,338,000	\$ -	\$ -	\$ -	\$ -
4 <sup>th</sup> St. & Ave B Water Plant No. 1- Electrical Improvements	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -
New Water Plant- North Side	\$ 12,000,000	\$ -	\$ -	\$ -	\$ -
New Water Plant- East Side	\$ 3,022,500	\$ -	\$ -	\$ -	\$ -
12-Inch Water Transmission Line (New Water Plant- North Side)	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -
12-Inch New Water Line Extension- SH35 East	\$ -	\$ 250,000	\$ 1,100,000	\$ 250,000	\$ -
12-Inch Waterline Replacement- 5 <sup>th</sup> St.	\$ 2,670,000	\$ -	\$ -	\$ -	\$ -
12-Inch New Waterline Extension SH60 N.	\$ -	\$ 300,000	\$ 300,000	\$ 900,000	\$ -
12-Inch New Waterline, 12 <sup>th</sup> St. East	\$ -	\$ 1,750,000	\$ -	\$ -	\$ -
12-Inch New Waterline- Nichols Ave. South	\$ 400,000	\$ -	\$ 2,300,000	\$ -	\$ -

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12- Inch New Waterline- SH60 South	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
<b>Utility Water Subtotals</b>	<b>\$ 27,290,500</b>	<b>\$ 9,355,000</b>	<b>\$ 6,865,000</b>	<b>\$ 1,850,000</b>	<b>\$ 2,900,000</b>
<b>Wastewater System</b>					
Manhole Rehab Program	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Lift Station Rehab Program	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -
Lift Station Monitoring	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -
Smoke Testing Sewer Lines	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000
Ave B to Ave E, 6 <sup>th</sup> St- 8" Sewer Main	\$ 170,000	\$ -	\$ -	\$ -	\$ -
WWTP & Cottonwood LS Rehab- Construction	\$ 3,600,000	\$ -	\$ -	\$ -	\$ -
WWTP Improvements- Aeration, Blowers, RAS/WAS	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ -
Gravity Sewer Rehab Main Trunkline to Sewer Plant	\$ -	\$ 450,000	\$ 1,500,000	\$ 775,000	\$ -
New Sewerline Extension- SH35 East	\$ -	\$ -	\$ 100,000	\$ 900,000	\$ -
Sewer Improvements- Highland	\$ -	\$ 385,000	\$ -	\$ -	\$ -
Sewer Improvements- Moore	\$ -	\$ 1,100,000	\$ -	\$ -	\$ -
Sewer Improvements- Nichols & Norvell	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Sewer Improvements- Del Norte	\$ 500,000	\$ -	\$ -	\$ -	\$ -
13 LS 16- Del Norte Rehabilitation	\$ 700,000	\$ -	\$ -	\$ -	\$ -
12b LS 11- Baybrook Rehabilitation	\$ -	\$ -	\$ -	\$ 270,000	\$ -
15 LS 17- FM 457 Rehabilitation	\$ -	\$ -	\$ 350,000	\$ -	\$ -
11b LS 9- McDonald Meadows Rehab.	\$ -	\$ -	\$ -	\$ 260,000	\$ -
17 LS 13- Bayridge Rehabilitation	\$ -	\$ -	\$ -	\$ 375,000	\$ -
19 LS 15- Bell Rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ 330,000
21 LS 3- Doris Rehabilitation	\$ -	\$ 225,000	\$ -	\$ -	\$ -
<b>Wastewater Subtotals</b>	<b>\$ 10,180,000</b>	<b>\$ 7,370,000</b>	<b>\$ 2,100,000</b>	<b>\$ 2,730,000</b>	<b>\$ 1,230,000</b>
<b>Building &amp; Improvements</b>					
MSB- Remodel Women's Restroom	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Extend Equip./Maint. Storage Bldgs.	\$ -	\$ -	\$ -	\$ 200,000	\$ -
Replace MSB Shop Roof	\$ -	\$ -	\$ 150,000	\$ -	\$ -
Coat MSB Shop Ceiling	\$ -	\$ 50,000	\$ -	\$ -	\$ -
MSB Warehouse Exterior Improvements	\$ -	\$ 100,000	\$ -	\$ -	\$ -
MSB Renovations (New Lobby Restrooms)	\$ 100,000	\$ -	\$ -	\$ -	\$ -
WWTP- Renovate Warehouse	\$ -	\$ -	\$ -	\$ -	\$ 300,000
<b>Bldg. &amp; Improvements Subtotals</b>	<b>\$ 100,000</b>	<b>\$ 150,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 300,000</b>
<b>Equipment Subtotals</b>	<b>\$ 280,000</b>	<b>\$ 622,000</b>	<b>\$ 390,000</b>	<b>\$ 455,000</b>	<b>\$ 175,000</b>
<b>Utility System CIP Fund Totals</b>	<b>\$ 38,480,500</b>	<b>\$ 17,497,000</b>	<b>\$ 9,555,000</b>	<b>\$ 5,235,000</b>	<b>\$ 4,605,000</b>

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Operating Budget	\$ 1,720,000	\$ 1,707,000	\$ 1,655,000	\$ 1,335,000	\$ 3,605,000
Grants (EDA,TDA,H-GAC,LCRA,TXDOT)	\$ 15,000,000	\$ 4,425,000	\$ 1,400,000	\$ 900,000	\$ 1,000,000
Transfers (TIRZ, etc.)	\$ -	\$ 700,000	\$ 2,700,000	\$ 1,925,000	\$ -
Bond/ Loan Proceeds	\$ 20,210,500	\$ 8,515,000	\$ 2,300,000	\$ -	\$ -
Operational Savings	\$ 1,550,000	\$ 2,150,000	\$ 1,500,000	\$ 1,075,000	\$ -
<b>Total Resources Planned</b>	<b>\$ 38,480,500</b>	<b>\$ 17,497,000</b>	<b>\$ 9,555,000</b>	<b>\$ 5,235,000</b>	<b>\$ 4,605,000</b>

## Airport Fund

Project Description	Budget FY 2026	Budget FY 2027	Budget FY 2028	Budget FY 2029	Budget FY 2030
Main Apron Strengthening- Engineering & Design	\$ 94,000	\$ -	\$ -	\$ -	\$ -
Main Apron Strengthening	\$ -	\$ 928,000	\$ -	\$ -	\$ -
Apron, Taxiway, Runway Seal Coat- Engineering & Design	\$ -	\$ -	\$ -	\$ -	\$ 87,000
Apron Expansion- Engineering & Design	\$ -	\$ -	\$ -	\$ -	\$ 166,000
<b>Airport Projects Subtotals</b>	<b>\$ 94,000</b>	<b>\$ 928,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 253,000</b>

Maintenance Barn & A Row	\$ -	\$ -	\$ -	\$ -	\$ 1,820,000
Design- B, C, D Row Hangars	\$ -	\$ -	\$ -	\$ 75,000	\$ -
B, C, D Row Hangar Replacement	\$ -	\$ -	\$ -	\$ -	\$ 3,117,000
<b>Bldg. &amp; Improvements Subtotals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,000</b>	<b>\$ 4,937,000</b>

<b>Equipment Subtotals</b>	<b>\$ 137,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 76,000</b>	<b>\$ -</b>
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Operating Budget	\$ 11,550	\$ -	\$ 2,500	\$ 76,100	\$ 16,599
Grants (EDA,TDA,H-GAC,LCRA,TXDOT)	\$ 219,450	\$ 835,200	\$ 22,500	\$ 68,400	\$ 236,401
Transfers (TIRZ, etc.)	\$ -	\$ 42,800	\$ -	\$ -	\$ -
Bond/ Loan Proceeds	\$ -	\$ -	\$ -	\$ 75,000	\$ 4,937,000
Other Sources (i.e. BCCDC, Interlocals, Donations, etc.)	\$ -	\$ 50,000	\$ -	\$ -	\$ -
<b>Total Resources Planned</b>	<b>\$ 231,000</b>	<b>\$ 928,000</b>	<b>\$ 25,000</b>	<b>\$ 151,000</b>	<b>\$ 5,190,000</b>

## Internal Service Fund

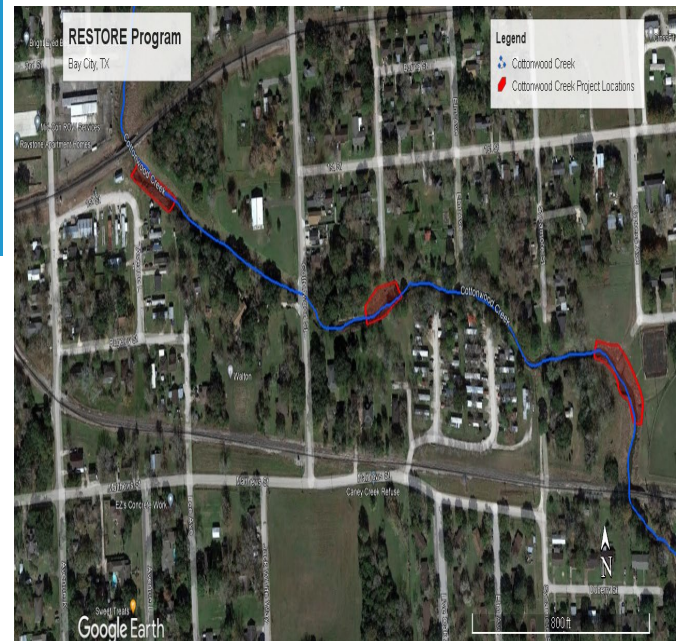
Project Description	Budget FY 2026	Budget FY 2027	Budget FY 2028	Budget FY 2029	Budget FY 2030
Information Technology	\$ 65,000	\$ -	\$ -	\$ -	\$ 55,000
Equipment Maintenance	\$ 30,000	\$ -	\$ 75,000	\$ -	\$ -
Facilities Maintenance	\$ -	\$ 75,000	\$ -	\$ -	\$ -
<b>Internal Service Fund CIP Subtotals</b>	<b>\$ 95,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ 55,000</b>
Transfers	\$ 95,000	\$ 75,000	\$ 75,000	\$ -	\$ 55,000
<b>Total Resources Planned</b>	<b>\$ 95,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ 55,000</b>

## General Fund – Cottonwood Creek Improvements RESTORE Act Grant FY 2026

Infrastructure (Strategic Focus)

Project Scope	
<p>Cottonwood Creek Improvements, funded through the RESTORE Act, target severely eroded natural creek banks and undermined concrete sloped paving at three critical locations. The project will stabilize failing creek banks by re-grading and then establishing vegetation growth on new gentler slopes. Areas that experience high water velocities will be protected through hard armoring techniques, such as articulating concrete blocks or gabions. These methods will not only protect against the higher erosive forces but also promote vegetation growth, in the spaces designed to hold soil, contributing to the ecological enhancement of the creek.</p> <p>In addition to these measures, the project will widen sections of the creek and remove accumulated sediment and debris from the creek bed to improve water flow. Additionally, a new headwall will be installed to provide necessary reinforcement and stability at an eroded drainage outfall.</p>	
Project Name:	Cottonwood Creek Improvements-RESTORE Act Grant
Construction Start:	TBD
Project Completion:	Oct. 2026
Current Phase:	N/A
Project Contact Information	
City Project Manager:	Herb Blomquist
Phone Number:	(979) 323-1659
Email Address:	hblomquist@baycitytx.gov
Grant Administrator:	COBC
Engineer:	TBD
General Contractor:	TBD
City Construction Inspection:	Wesslee Davis
City Engineering Tech:	Gabriel Lopez

Approved Project Funding	
Funding Source	Fiscal Year 2026
Grant Funds	\$250,000
Certificate of Obligations	N/A
Project Budget & Expenditures	
Project Budget:	\$250,000
Expended to Date:	\$0
Operational Impact	
<p>The creek bank stabilization project along Cottonwood Creek will significantly reduce flooding and enhance stormwater conveyance. These improvements will benefit the downtown area by lowering the risk of upstream flooding. The project's use of nature-based and hard armor techniques will not only enhance the creek's structural integrity but also improve water quality and ecological health, making for a more resilient and environmentally sustainable creek.</p>	
Current Activity	
<p>The project is currently in the application writing step. The application will be submitted to the RESTORE Council, through TCEQ, for approval of the funds allocated to Bay City after Hurricane Harvey.</p>	



General Fund – Cottonwood Creek Improvements RESTORE Act Grant FY26

1st Street and Avenue L



Live Oak and Cottonwood Creek



Cypress Avenue and Rugley Street (Community Park)

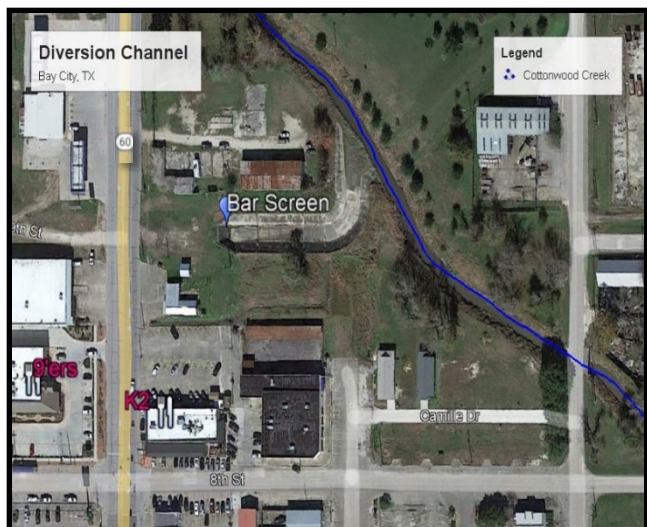


## General Fund – Diversion Channel Improvements, Phase II, CDBG-DR Grant (Harvey) FY 2026

Infrastructure (Strategic Focus)

Project Scope
Flood waters from Cottonwood Creek, carrying debris, are caught by a bar screen at the diversion channel. The project scope includes installing an automatic trash rack system on this bar screen with an automatic cleaner and a backup generator to ensure removal of debris and function during power outages in storms.
The scope also involves installing flap gates with a SCADA system at the channel's outfall to the Colorado River, preventing backflow into the city and allowing real-time flood control.
Project Name: Diversion Channel Improvements (C142)
Construction Start: TBD
Project Completion: TBD
Current Phase: 1
Project Contact Information
City Project Manager: Herb Blomquist
Phone Number: 979-323-1659
Email Address: hblomquist@baycitytx.gov
Grant Administrator: GLO - CDBG-DR Grant (Harvey) (GrantWorks)
Engineer: Quiddity (Jones and Carter)
General Contractor: TBD
City Construction Inspection: Wesslee Davis
City Engineering Tech: Gabriel Lopez

Approved Project Funding	
Funding Source	Fiscal Year 2026
Grant Funds	\$981,500
Certificate of Obligations	N/A
Project Budget & Expenditures	
Project Budget:	\$981,500
Expended to Date:	\$96,500
Operational Impact	
With the diversion channel free from trash/debris build up, the city (especially downtown) will be relieved of flooding due to mitigation improvements.	
Current Activity	
The engineering design plans and benefit cost analysis for this project have been completed. The project was submitted to FEMA and is currently under review to approve funding for construction phase.	



## General Fund – Drainage Improvements – GLO-MIT-MOD Project Grant FY26

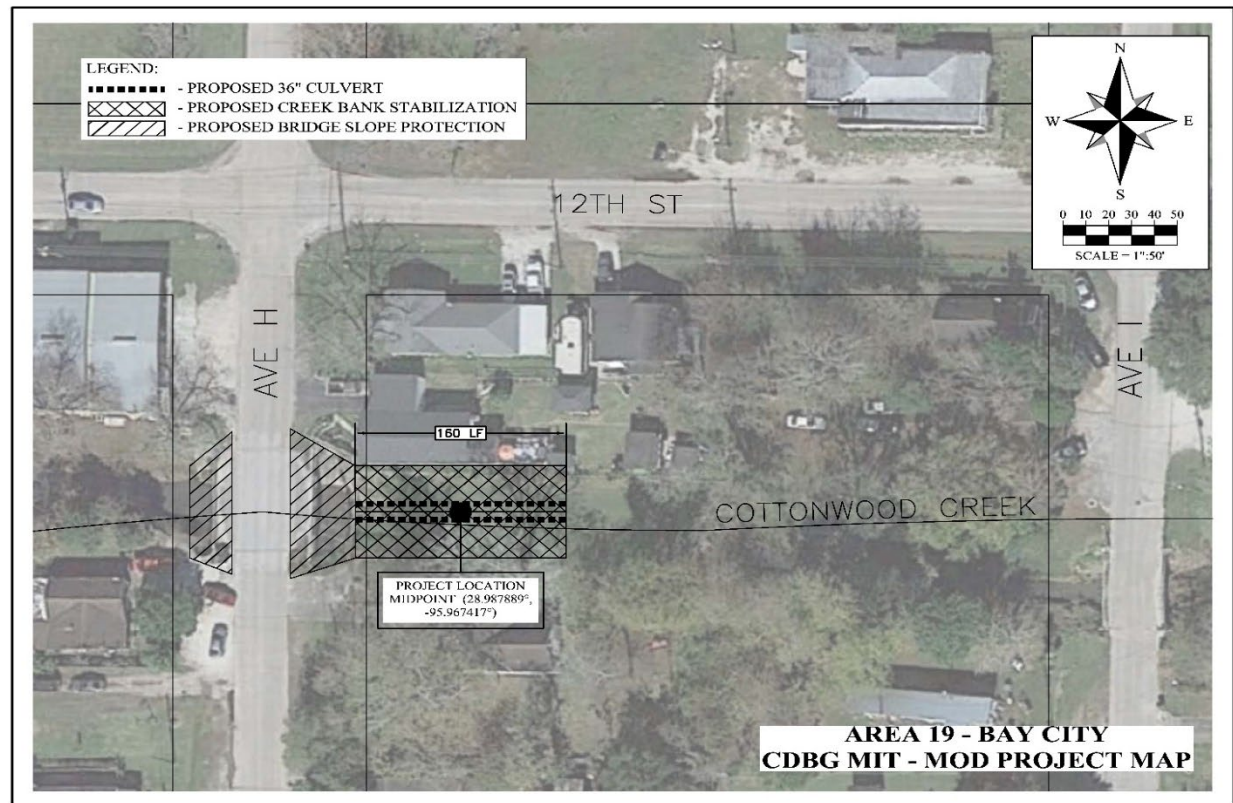
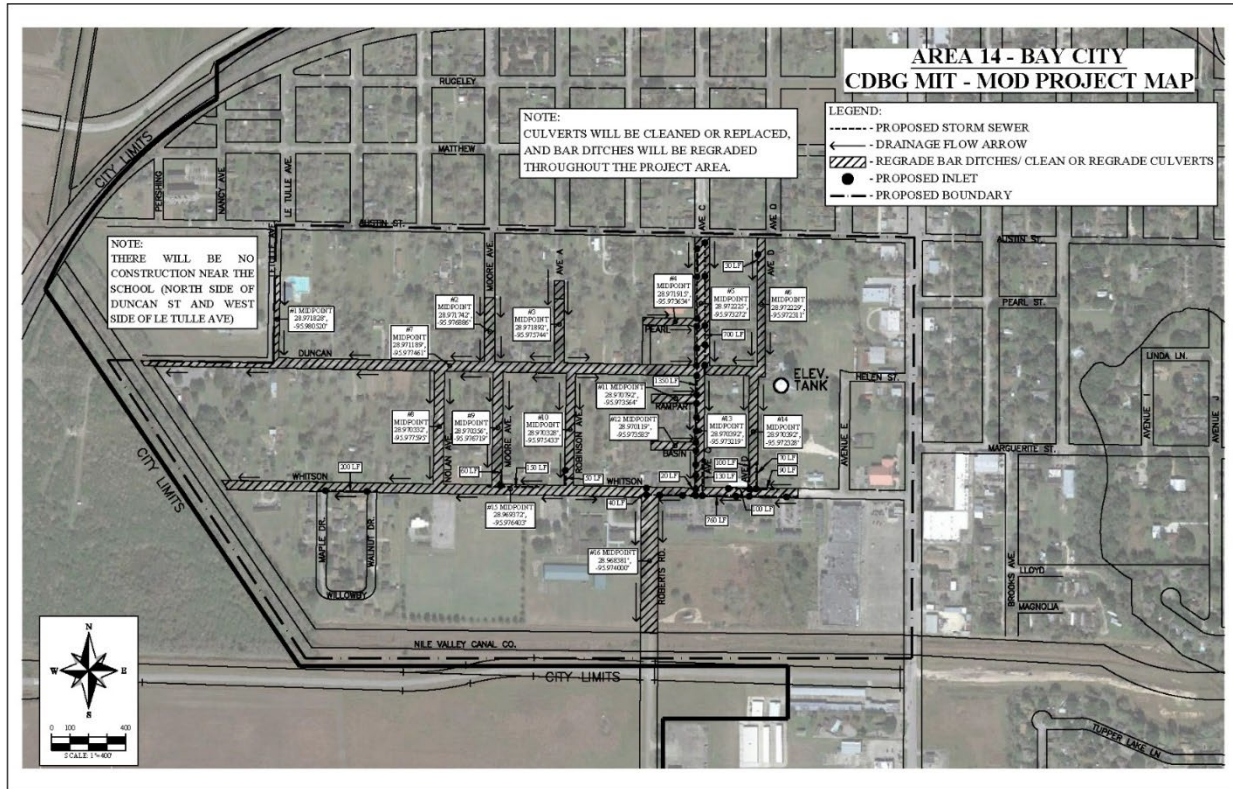
Infrastructure (Strategic Focus)

Project Scope	
<p>The scope of this project will focus on addressing drainage improvements at two different locations. The first, Area 14, lies along Cottonwood Creek near Ave H. The second, Area 19, extends across the southwest neighborhood of Bay City.</p> <p>Improvements for Area 19 involve removing 320 feet of undersized culverts within the creek that currently restrict flow and contribute to increased upstream flooding during heavy rain. This work will also include stabilizing the banks at the culvert removal site and providing slope protection for the adjacent Ave H Bridge.</p> <p>In Area 14, the project will re-grade 15,000 linear feet of bar ditches and 7,600 linear feet of outfall channel. Additionally, the scope for Area 14 includes replacing 3,521 linear feet of culverts and installing 38 new storm inlets along with 3,850 linear feet of storm sewer.</p>	
Project Name:	Drainage Improvements – GLO – MIT-MOD Project
Construction Start:	TBD
Project Completion:	TBD
Current Phase:	N/A
Project Contact Information	
City Project Manager:	Herb Blomquist
Phone Number:	(979) 323-1659
Email Address:	hblomquist@baycitytx.gov
Grant Administrator:	GrantWorks
Engineer:	John Mercer
General Contractor:	TBD
City Construction Inspection:	Wesslee Davis
City Engineering Tech:	Gabriel Lopez

Approved Project Funding	
Funding Source	Fiscal Year 2026
Grant Funds	\$3,100,000
Certificate of Obligations	N/A
Project Budget & Expenditures	
Project Budget:	\$3,100,000
Expended to Date:	\$0
Operational Impact	
<p>The drainage improvements will significantly mitigate flood risks and enhance stormwater management in Bay City. In Area 14, the removal of the obstructing culverts and creek bank stabilization will notably decrease upstream flooding, safeguarding the adjacent Ave H Bridge and surrounding residential properties. In Area 19, re-grading of ditches and outfall channel, coupled with the replacement of culverts and installation of new storm inlets and sewers, will lead to improved drainage throughout the City’s southwest neighborhood. Overall, these improvements will enhance long-term community safety and infrastructure resilience.</p>	
Current Activity	
<p>The application for the \$3,100,00 in allocated MIT-MOD funds has been submitted to GLO and is currently being reviewed. RFIs are currently being addressed to provide additional project information.</p>	



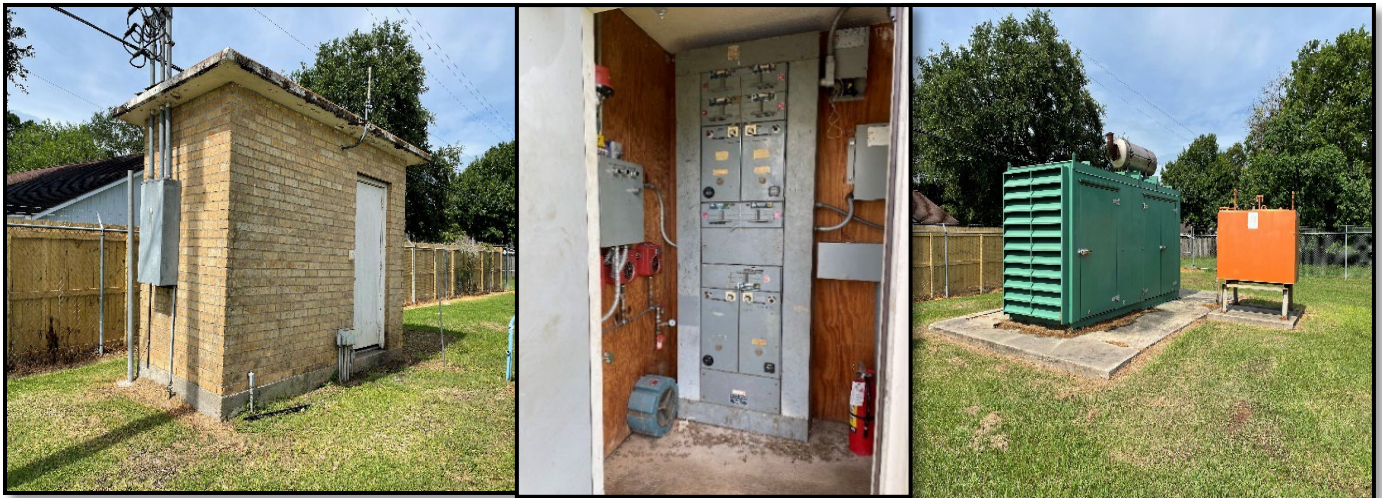
General Fund – Drainage Improvements – GLO-MIT-MOD Project Grant FY26



## General Fund – Mockingbird Water Plant No.2 Electrical Improvements FY26

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
<p>Mockingbird Water Plant No.2 needs new electrical improvements. This project includes, new electrical service entrance and system, as well as a new natural gas generator with new natural gas line, also a new pre-cast concrete building with HVAC system and site lighting. During the FY 2024, the city has budgeted \$1,000,000 towards these improvements.</p> <p>Project Name: Mockingbird Water Plant No.2 - Electrical Improvements</p> <p>Construction Start: TBD</p> <p>Project Completion: TBD</p> <p>Current Phase: N/A</p> <p><b>Project Contact Information</b></p> <p>City Project Manager: Herb Blomquist</p> <p>Phone Number: 979-323-1659</p> <p>Email Address: hblomquist@baycitytx.gov</p> <p>Grant Administrator: N/A</p> <p>Engineer: Garver</p> <p>General Contractor: TBD</p> <p>City Construction Inspection: Ozzie Martinez</p> <p>City Engineering Tech: Gabriel Lopez</p>		<b>Funding Source</b>	<b>Fiscal Year 2026</b>
		Grant Funds	N/A
		Certificate of Obligations	
		<b>Project Budget &amp; Expenditures</b>	
		Project Budget:	\$1,000,000
		Expended to Date:	\$155,000
		<b>Operational Impact</b>	
		To protect the health and safety of the citizens of Bay City and to continue providing a superior water supply, routine maintenance measures are to be in place and regularly upgraded. With the electrical improvements completed, the plant will function at its optimal operation.	
		<b>Current Activity</b>	
		The construction portion of this project is currently unfunded. However, engineering is complete, and the City is seeking grant opportunities to fund the construction of this project.	

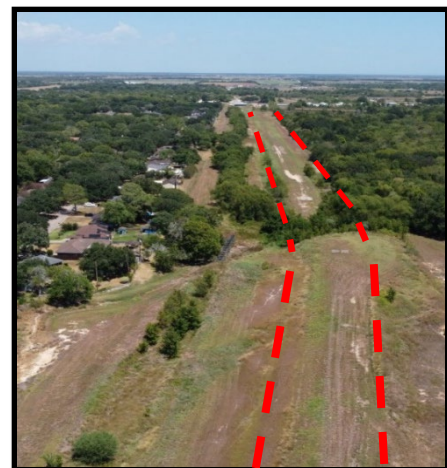
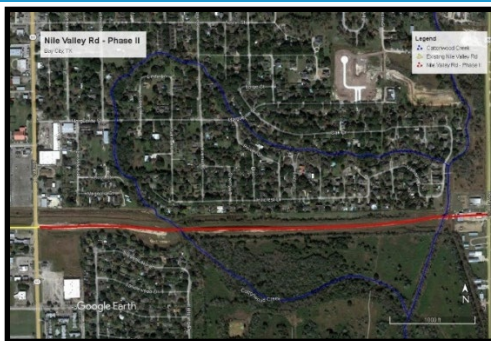


## General Fund – Nile Valley Project, Phase II (Design), FY 2026

Infrastructure (Strategic Focus)

Project Scope
Nile Valley Road Phase II is a one-mile segment of roadway that will span from HWY 60 to Nichols Ave. Phase II will serve as an extension of the existing truck bypass that connects HWY 35 and HWY 60. This will help alleviate downtown freight congestion and provide an alternate route for faster emergency responses.
The scope of this project involves the preliminary engineering design of the proposed road. The design documents and cost estimates produced will be used in the pursuit of various funding opportunities. When funding becomes available, the preliminary design documents will be used to complete the full construction design.
The preliminary design will address elements such as roadway alignment, drainage configuration, pavement design, bridge design and utility relocations. This will include conducting topographical surveys, hydraulic and hydrological studies, geotechnical investigation, and environmental impact assessments to ensure that the road meets all functional, safety, and environmental standards.
Project Name: Nile Valley Project, Phase II (Design)
Construction Start: TBD
Project Completion: TBD
Current Phase: Phase II
Project Contact Information
City Project Manager: Herb Blomquist
Phone Number: 979-323-1659
Email Address: <a href="mailto:hblomquist@cityofbaycity.org">hblomquist@cityofbaycity.org</a>
Grant Administrator: N/A
Engineer: TBD
General Contractor: TBD
City Construction Inspection: Wesslee Davis
City Engineering Tech: Gabriel Lopez

Approved Project Funding	
Funding Source	Fiscal Year 2026
Grant Funds	N/A
Certificate of Obligations	\$120,000
Project Budget & Expenditures	
Project Budget:	\$120,000
Expended to Date:	\$0
Operational Impact	
Nile Valley Road Phase II will reduce traffic congestion in downtown Bay City by redirecting freight traffic through a more efficient route. This will not only shorten travel times for daily commuters and commercial transport but also enhance road safety. The proposed road will also provide a quicker, alternative path for emergency vehicles, greatly enhancing response times in critical situations.	
Current Activity	
The project is currently underway. An RFQ for engineering services is being prepared and will be issued in early 2024. The engineering consultant selected will initiate preliminary design when FY 2024 funding opportunities become available. Phase II is anticipated to be submitted to TxDOT and USDOT and should be eligible for reimbursement if awarded.	
Additionally, an application to fund the full design and bidding documents of Nile Valley Phase II, estimated to cost \$840,000, was submitted to USDOT in September and is currently under review.	



## General Fund – Nile Valley Drive – UPRR Bridge Rehab FY 2026

Infrastructure (Strategic Focus)

Project Scope	
This project will address the rehabilitation and re-coating of the steel girders on the Nile Valley Dr Bridge that spans over the UPRR.	
Project Name:	Nile Valley Dr UPRR Bridge Rehab
Construction Start:	TBD
Project Completion:	TBD
Current Phase:	N/A
Project Contact Information	
City Project Manager:	Herb Blomquist
Phone Number:	(979) 323-1659
Email Address:	<a href="mailto:hblomquist@cityofbaycity.org">hblomquist@cityofbaycity.org</a>
Grant Administrator:	N/A
Engineer:	N/A
General Contractor:	TBD
City Construction Inspection:	Wesslee Davis
City Engineering Tech:	Gabriel Lopez

Approved Project Funding	
Funding Source	Fiscal Year 2026
Grant Funds	N/A
Certificate of Obligations	\$500,000
Project Budget & Expenditures	
Project Budget:	\$500,000
Expended to Date:	\$0
Operational Impact	
Recoating the steel girders will help preserve the structural integrity of the bridge. Recoating will also ensure the longevity of the bridge and keep maintenance cost low throughout it's life cycle.	
Current Activity	
Staff preparing bid documents to bid project.	

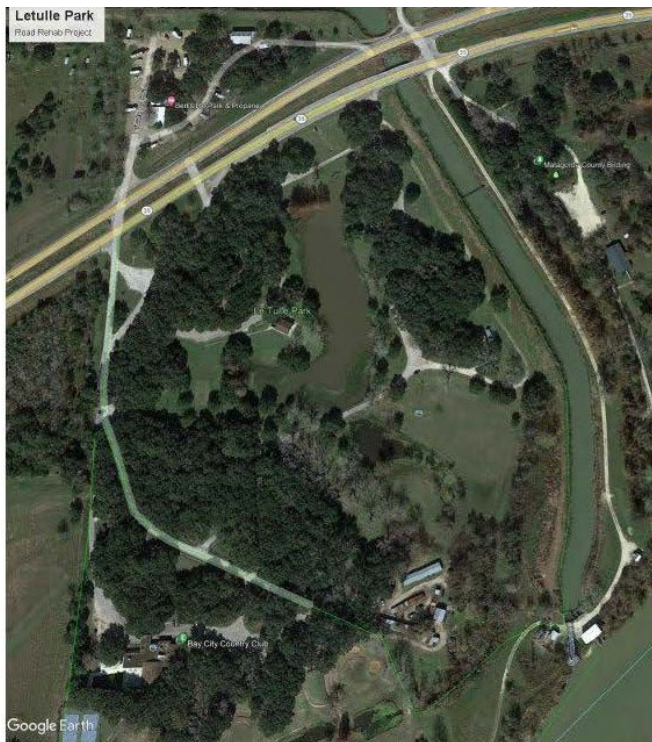


## General Fund – Letulle Park Street Resurfacing Project FY 2026

Infrastructure (Strategic Focus)

Project Scope	
The City has allocated \$200,000 to Letulle Park Street Resurfacing Project in 2026. The resurface project will be completed in-house by the Street & Bridge Department. Approved funding is for materials only.	
Project Name: Letulle Park Street Resurface Project	
Construction Start: TBD	
Project Completion: TBD	
Current Phase: N/A	
Project Contact Information	
City Project Manager:	Herb Blomquist
Phone Number:	(979) 323-1659
Email Address:	<a href="mailto:hblomquist@cityofbaycity.org">hblomquist@cityofbaycity.org</a>
Grant Administrator:	N/A
Engineer:	TBD
General Contractor:	TBD
City Construction Inspection:	Wesslee Davis
City Engineering Tech:	Gabriel Lopez

Approved Project Funding	
Funding Source	Fiscal Year 2026
Grant Funds	N/A
Certificate of Obligations	N/A
Project Budget & Expenditures	
Project Budget:	\$250,000
Expended to Date:	N/A
Operational Impact	
To uphold a quality standard of life for patrons of Letulle Park, maintenance of streets is a necessity. Letulle Park streets are in dire need of resurfacing.	
Current Activity	
The project began in phases starting FY 2024 to minimize the impact to park patrons.	



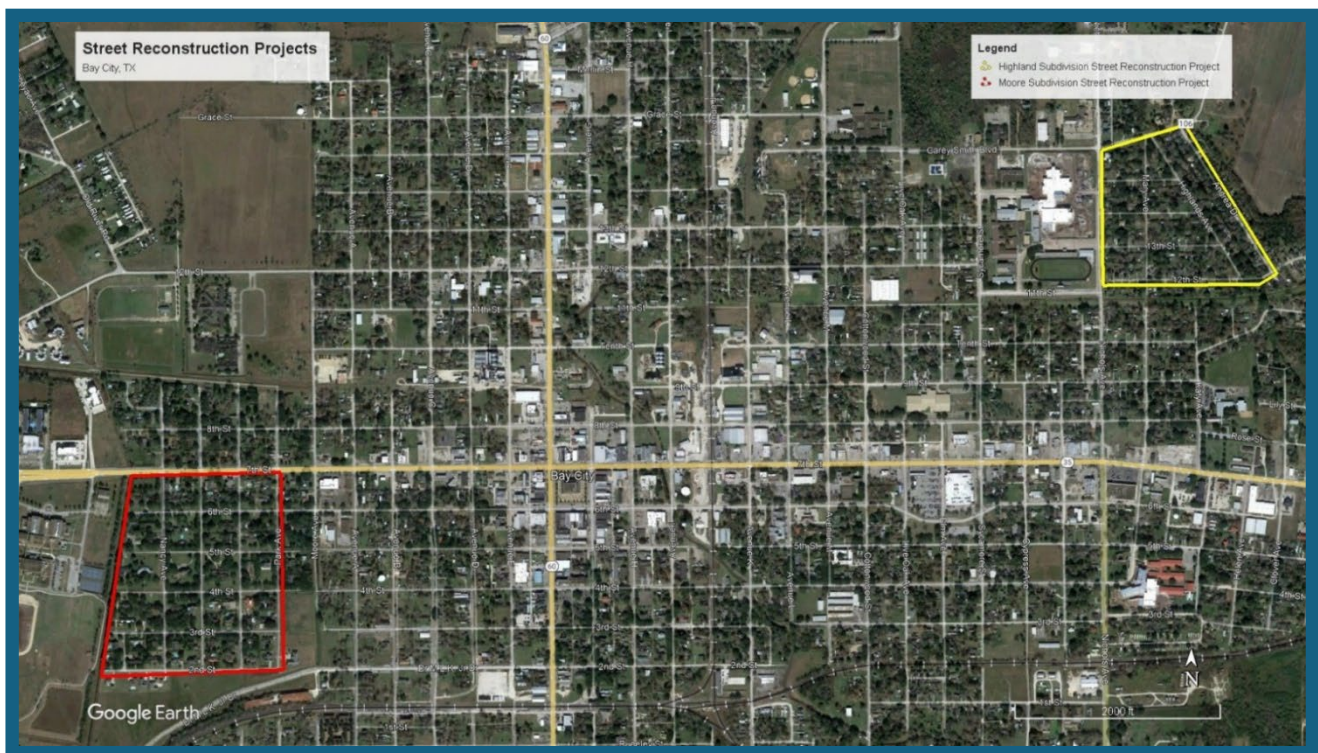
**Fiscal Year 2024-25**  
 Project: Letulle Park Road Rehab Project  
 Estimate: \$550,000  
 Budget Source: American Rescue Plan (ARP)

## General Fund – Street Reconstruction Projects – Moore & Highland - FY 2026

Infrastructure (Strategic Focus)

Project Scope	
The City has allocated \$750,000 to this street reconstruction project in 2024. Design and engineering will be done in 2024 for Moore Addition and Highland Addition. Construction to begin in FY 2027.	
Project Name: Street Reconstruction Projects	
Construction Start: TBD	
Project Completion: TBD	
Current Phase: N/A	
Project Contact Information	
City Project Manager:	Herb Blomquist
Phone Number:	(979) 323-1659
Email Address:	<a href="mailto:hblomquist@cityofbaycity.org">hblomquist@cityofbaycity.org</a>
Grant Administrator:	N/A
Engineer:	TBD
General Contractor:	TBD
City Construction Inspection:	Wesslee Davis
City Engineering Tech:	Gabriel Lopez

Approved Project Funding	
Funding Source	Fiscal Year 2026
Grant Funds	N/A
Certificate of Obligations	\$750,000
Project Budget & Expenditures	
Project Budget:	\$8,250,000
Expended to Date:	N/A
Operational Impact	
To uphold a quality standard of life for Bay City citizens, maintenance of streets is a necessity. Moore Subdivision and Highland Subdivision are in dire need of rehabilitation. The Moore and Highland Subdivision Reconstruction and Waterline Improvement project will enhance living standards for this area.	
Current Activity	
Request for Qualifications to hire engineering services will be issued in early 2024 to commence engineering design.	



## CAPITAL OUTLAY

Fiscal Year 2026 Capital Expenditures

### GOVERNMENTAL FUNDS

#### GENERAL FUND

#### Vehicles and Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
110	City General	Generators	4	1,319,000*
150	Police	SUV Patrol Units- Tahoes	2	180,000*
150	Police	In-Car Video (27,000/year)	13	27,000
150	Police	Tasers (22,000/year)	38	22,000
150	Police	Flock Cameras	12	36,000
180	Parks	Landscape Trailer	1	8,000***
180	Parks	ZTR Mower	1	27,000***
<b>Total General Fund Equipment</b>				<b>1,619,000</b>

Supported by Current Revenues- \$97,000; Operational Reserves- \$131,900; \*Supported by Grants- \$1,337,100

\*\*Other Financing Sources- \$18,000; \*\*\*Fixed Asset Replacement Fund- \$35,000

#### Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
110	General	Downtown Restroom	1	150,000
150	Police	Public Safety Building- Phase II	1	12,000,000**
165	Fire	Weatherproofing Project	1	150,000
175	Streets	Street Resurface- LeTulle Phase II	1	150,000
175	Streets	Street Resurface Projects	1	300,000
175	Streets	Sidewalk New/Replace Project	1	50,000
175	Streets	Bridge Replacement- 6 <sup>th</sup> & Ave I	1	2,400,000*
175	Streets	Bridge Replacement- Ave H	1	1,193,000*
175	Streets	Bridge Replacement- 8 <sup>th</sup> Street	1	1,055,000*
175	Streets	Bridge Replacement- Hamman Rd	1	815,000*
175	Streets	Cottonwood Creek Improvements	1	250,000*
175	Streets	Drainage Construction- Mit Mod	1	3,100,000*
175	Streets	Del Norte & Live Oak- Drainage Improvements	1	745,000*
175	Streets	Nile Valley- Phase III Feasibility/Design (Nichols-SH35)	1	600,000*

## CAPITAL

175	Streets	Diversion Channel Improvements- CDBG-DR (Harvey)	1	885,000*
175	Streets	Stormwater Management Plan	1	650,000*
175	Streets	Railroad Quiet Zone	1	50,000
180	Parks	Walking Path- LeTulle	1	20,000
180	Parks	Field Lighting- Various Parks	1	75,000
180	Parks	Field Lighting- Joe Davis, Little League	1	25,000
180	Parks	Field Lighting- Sports Complex	1	75,000
180	Parks	Sports Complex Roof	1	50,000
181	Parks	Boat Access Engineering- Riverside	1	15,000*
183	Aquatics	Regional Aquatic Center	1	300,000
<b>Total General Fund Projects</b>				<b>25,103,000</b>

Supported by Current Revenues- \$1,012,375; Operational Reserves- \$618,100; Street Reserve- \$708,125

\*Supported by Grants- \$10,764,500; \*\*Supported by Other Financing Sources \$12,000,000

## PROPRIETARY FUNDS

### ENTERPRISE FUNDS

### UTILITY FUND

#### Vehicles and Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
615	Utility Maintenance	Sewer Camera	1	120,000
615	Utility Maintenance	Backhoe	1	150,000
620	WWTP	Trailer	1	10,000
<b>Total Utility Equipment</b>				<b>280,000</b>

Supported by Current Revenues- \$280,000

## CAPITAL

### Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
610	Utility Operations	Warehouse Renovations	1	100,000
615	Utility Maintenance	Fire Hydrant Replacement Program	1	200,000
615	Utility Maintenance	6 <sup>th</sup> & Ave I WTP Improvements- Arsenic Mitigation & Electrical	1	3,180,000**
615	Utility Maintenance	Chateaux Oaks- Waterline	1	400,000
615	Utility Maintenance	Ave A to Moore Ave- Waterline	1	35,000
615	Utility Maintenance	Golden Ave/Kilowatt Waterline	1	100,000
615	Utility Maintenance	Master Meters	1	75,000
615	Utility Maintenance	Mockingbird Water Plant No. 2- Electrical Improvements	1	2,338,000**
615	Utility Maintenance	Sewer Improvement- Del Norte	1	500,000
615	Utility Maintenance	New Water Plant- East	1	3,022,500**
615	Utility Maintenance	New Water Well- North	1	12,000,000*
615	Utility Maintenance	12" Transmission Line	1	3,000,000*
615	Utility Maintenance	Waterline Replacement- 5 <sup>th</sup> St.	1	2,670,000*
615	Utility Maintenance	Waterline -Nichols Ave. South	1	400,000
615	Utility Maintenance	Manhole Rehab Program	1	100,000
615	Utility Maintenance	Smoke Testing Sewer Lines	1	50,000
615	Water & WWTP	Ave B to Ave E, 6 <sup>th</sup> St- Sewerline	1	170,000
620	Water & WWTP	Water Plant Recoating	1	500,000
620	Water & WWTP	Lift Station Monitoring	1	60,000
620	Water & WWTP	WWTP & Cottonwood LS	1	3,600,000**
620	Water & WWTP	WWTP Improvements	1	5,000,000**
620	Water & WWTP	Del Norte Rehab- 13 LS 16	1	700,000
<b>Total Utility Projects</b>				<b>38,200,500</b>

Supported by Current Revenues- \$1,440,000; Operational Reserves- \$1,550,000; \*Supported by Grant- \$15,000,000

\*\*Supported by Other Financing Sources (TWDB) \$20,210,500

## ENTERPRISE FUNDS

### AIRPORT

#### Vehicles & Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
640	Airport	Electric Golf Cart	1	6,500
640	Airport	Enclosed Cab-Mower	1	16,000
<b>Total Airport Equipment</b>				<b>22,500</b>

Supported by Current Revenues- \$22,500

## CAPITAL

### Capital Projects

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
640	Airport	Fuel Farm Rehab & Jet A Tank Replacement	1	137,000*
640	Airport	APRON Pavement Reconstruction- Design	1	94,000*
<b>Total Airport Projects</b>				<b>231,000</b>

*Transfers from General Fund- \$6,550; Supported by Operational Reserves- \$5,000; \*Supported by Grant- \$219,450*

## INTERNAL SERVICE FUNDS

### MAINTENANCE FUND

#### Vehicles & Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
820	Equipment	Vehicle Lift	1	30,000
<b>Total Equipment</b>				<b>30,000</b>

*Funded ½ by General Fund and ½ Utility Fund Current Revenues*

## INFORMATION TECHNOLOGY (IT) FUND

#### Vehicles & Equipment

DEPT. #	DEPARTMENT	DESCRIPTION	QTY	COST
810	I.T.	Council Chambers Audio/Video System	1	65,000
<b>Total IT Equipment</b>				<b>65,000</b>

*Funded ½ by General Fund and ½ Utility Fund Current Revenues*

## Long Term Debt

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

**Certificates of Obligations (C.O.'s)** do not require voter approval and, though used 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 issuance is required, then key factors such as an asset's life and future debt payments will be carefully considered. Issues will not extend longer than an asset's expected life.

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

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

Debt service requirements for the City of Bay City are currently \$ **.12273** of the current property tax rate of \$.55772. The City currently has sixteen outstanding debt issuances, 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.

## CITY WIDE DEBT

Those issues have an operational impact equal to the annual debt service payment in the Public Utility Fund. **The City has plans to issue debt within the next 12 months to fund a Public Safety Center.**

Assessed value, 2025 tax roll	\$1,337,640,786	Actual amount of tax-secured debt service - Year ended September 30, 2026	\$6,990,509
Limit on amount designated for debt service per \$100 assessed valuation	x \$ 1.50	<b>Legal Debt Margin</b>	<b>\$13,074,103</b>
<b>Legal Debt Service Limit</b>	<b>20,064,612</b>		

After fiscal year 2026 payments, outstanding general obligation bond and certificates of obligation bonds will be \$94,155,000; however, only \$18,624,673 is currently supported by property taxes. The long-term debt policy along with the history of tax rates can be found in the appendix section of this book.

FYE	Total Debt Service			Total Self-Supported Debt Service			Total Partner Paid Debt Service			Total Tax Supported Debt Service		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
9/30												
2026	4,272,000	2,718,509	6,990,509	2,963,841	1,828,843	4,792,684	375,000	101,781	476,781	933,159	787,884	1,721,043
2027	4,399,000	2,598,032	6,997,032	3,036,874	1,758,997	4,795,871	385,000	90,531	475,531	977,126	748,504	1,725,630
2028	3,705,000	2,469,695	6,174,695	2,527,791	1,685,834	4,213,624	395,000	78,981	473,981	782,210	704,880	1,487,089
2029	3,828,000	2,376,607	6,204,607	2,591,124	1,638,479	4,229,602	410,000	67,131	477,131	826,877	670,997	1,497,874
2030	3,905,000	2,281,658	6,186,658	2,630,757	1,590,498	4,221,255	420,000	54,831	474,831	854,244	636,328	1,490,571
2031	3,674,000	2,189,645	5,863,645	2,546,690	1,540,758	4,087,447	430,000	46,431	476,431	697,311	602,456	1,299,767
2032	3,782,000	2,110,702	5,892,702	2,605,023	1,498,455	4,103,477	440,000	37,831	477,831	736,978	574,416	1,311,393
2033	3,851,000	2,027,509	5,878,509	2,644,789	1,453,827	4,098,616	445,000	29,031	474,031	761,211	544,651	1,305,862
2034	3,925,000	1,941,917	5,866,917	2,682,872	1,408,021	4,090,893	455,000	20,131	475,131	787,128	513,765	1,300,893
2035	3,802,000	1,849,233	5,651,233	2,681,855	1,357,159	4,039,014	465,000	10,463	475,463	655,145	481,611	1,136,756
2036	3,416,000	1,757,143	5,173,143	2,730,355	1,302,573	4,032,927	-	-	-	685,646	454,571	1,140,216
2037	3,125,000	1,669,500	4,794,500	2,667,200	1,242,345	3,909,545	-	-	-	457,800	427,155	884,955
2038	3,204,000	1,587,009	4,791,009	2,723,600	1,180,743	3,904,343	-	-	-	480,400	406,265	886,665
2039	3,305,000	1,499,163	4,804,163	2,799,900	1,114,793	3,914,693	-	-	-	505,100	384,370	889,470
2040	3,383,000	1,412,246	4,795,246	2,859,500	1,048,255	3,907,755	-	-	-	523,500	363,991	887,491
2041	3,473,000	1,321,156	4,794,156	2,926,900	978,254	3,905,154	-	-	-	546,100	342,901	889,001
2042	3,570,000	1,225,191	4,795,191	3,003,400	904,609	3,908,009	-	-	-	566,600	320,582	887,182
2043	3,669,000	1,124,516	4,793,516	3,079,800	827,060	3,906,860	-	-	-	589,200	297,456	886,656
2044	3,769,000	1,019,109	4,788,109	3,152,200	745,783	3,897,983	-	-	-	616,800	273,325	890,125
2045	3,877,000	908,877	4,785,877	3,242,600	660,823	3,903,423	-	-	-	634,400	248,053	882,453
2046	3,895,000	793,135	4,688,135	3,333,800	571,538	3,905,338	-	-	-	561,200	221,597	782,797
2047	4,016,000	675,075	4,691,075	3,430,100	478,377	3,908,477	-	-	-	585,900	196,697	782,597
2048	4,137,000	552,016	4,689,016	3,526,400	381,324	3,907,724	-	-	-	610,600	170,692	781,292
2049	4,261,000	423,982	4,684,982	3,622,800	280,403	3,903,203	-	-	-	638,200	143,579	781,779
2050	2,557,000	291,043	2,848,043	1,967,000	129,380	2,096,380	-	-	-	590,000	161,663	751,663
2051	2,338,000	211,693	2,549,693	1,723,000	76,943	1,799,943	-	-	-	615,000	134,750	749,750
2052	1,594,000	136,174	1,730,174	949,000	29,474	978,474	-	-	-	645,000	106,700	751,700
2053	675,000	77,600	752,600	-	-	-	-	-	-	675,000	77,600	752,600
2054	710,000	38,313	748,313	-	-	-	-	-	-	710,000	38,313	748,313
2055	310,000	15,113	325,113	-	-	-	-	-	-	310,000	15,113	325,113
Total	\$ 98,427,000	\$ 39,301,558	\$ 137,728,558	\$ 74,649,168	\$ 27,713,548	\$ 102,362,716	\$ 4,220,000	\$ 537,144	\$ 4,757,144	\$ 19,557,832	\$ 11,050,866	\$ 30,608,698

**\$98,427,000 City Wide Debt Outstanding Principal before FY 2026 Payment**

**\$94,155,000 Outstanding Principal at Fiscal Year End 2026**

**\$18,624,673 Outstanding Principal of Tax Supported Debt at Fiscal Year End 2026**

**\$71,685,327 Outstanding Principal of Self-Supported Debt (Paid by Water and Sewer Revenues)**

**\$3,845,000 Outstanding Principal of Nile Valley Road Project paid by BC Gas Company and BCCDC**

## Property Tax Supported Debt

### **\*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*

### **2020 Tax and Revenue Certificates of Obligation (CO)**

**\$8,965,000**- 2020 Tax and Revenue Certificate of Obligation Bond was issued for the purchase of street equipment, renovation of the Bay City Regional Airport hangars, and construction of the Nile Valley Road. These payments are secured by property taxes due in annual installments ranging from \$80,000 to \$620,000 through September 1, 2045, funded by property taxes and the City's two component units - Bay City Gas Company and Bay City Community Development Corporation (BCCDC); interest varying between 2.00% and 3.00%. *Callable 9-1-2029*

### **\*2021 General Obligation Refunding Bonds**

**\$6,205,000** – 2021 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 2010 and the Combination Tax and Revenue Certificates of Obligation, Series 2012. The Series 2010 was originally issued to fund street and drainage improvements, park improvements, and civic center improvements. The Series 2012 was issued to the replacement of all the City's water meters and to upgrade to an Automated Meter Reading System. The payments are secured by both Utility revenues (71%) and property taxes (29%) due in annual installments ranging from \$184,000 to \$1,000,000. through September 1, 2030; interest at 5.00%. *Callable 9-1-2029*

### **\*2024 Tax and Revenue Certificates of Obligation (CO), Series 2024E**

**\$16,935,000**- 2024 Tax and Revenue Certificate of Obligation Bond was issued for the purchase, design, and construction of a public safety building (7 million), while the remainder funds will be used to complete the rehabilitation of the City's Wastewater Treatment Plant. These payments are secured by both utility revenues (58%) and property taxes (42%) due in annual installments ranging from \$420,000 to \$1,100,000 through September 1, 2054; interest varying between 4.00% and 7.00%. *Callable 9-1-2033*

### **2025 Tax and Revenue Certificates of Obligation (CO)**

**\$5,000,000**- 2025 Tax and Revenue Certificate of Obligation Bond was issued for the design and construction of a public safety building. These payments are secured property taxes due in annual installments ranging from \$321,000 to \$328,000 through September 1, 2055; interest varying between 5.00% and 6.00%. *Callable 9-1-2034*

## CITY WIDE DEBT

Interest and Sinking Fund (I & S)	Actual FY 2023	Actual FY 2024	Budget FY 2025	Projected FY 2025	Adopted FY 2026
<b>Taxes</b>					
Property Taxes- Current	1,557,394	1,531,348	1,627,611	1,627,611	1,720,719
Property Taxes- Delinquent	21,763	18,840	1,000	1,000	1,000
Property Taxes- P & I Fees	19,663	23,467	1,000	1,000	1,000
<b>Total Taxes</b>	<b>1,598,820</b>	<b>1,573,655</b>	<b>1,629,611</b>	<b>1,629,611</b>	<b>1,722,719</b>
<b>Miscellaneous</b>					
Interest Income	29,441	51,355	724	40,000	500
Other Funds- Gas Co.	236,791	239,191	238,866	238,866	238,391
Other Funds- BCCDC	236,791	239,191	238,866	238,866	238,390
<b>Total Miscellaneous</b>	<b>503,023</b>	<b>529,737</b>	<b>478,456</b>	<b>517,732</b>	<b>477,281</b>
<b>Other Sources</b>					
Other Financing Sources	-	-	-	-	-
<b>Total Other Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total I &amp; S Revenue</b>	<b>2,101,842</b>	<b>2,103,391</b>	<b>2,108,067</b>	<b>2,147,343</b>	<b>2,200,000</b>
<b>Debt Service</b>					
Debt Service Principal	1,607,709	1,666,392	1,386,826	460,000	1,308,159
Debt Service Interest	448,864	401,883	718,516	762,188	889,341
Debt Service Admin. Fee	1,600	1,850	2,000	-	2,000
Bank Charges	456	492	725	216	500
Payment to Escrow	-	-	-	-	-
Bond Issue Costs	-	-	-	-	-
<b>Total Debt Service</b>	<b>2,058,628</b>	<b>2,070,617</b>	<b>2,108,067</b>	<b>1,222,404</b>	<b>2,200,000</b>
<b>Total I &amp; S Expenditures</b>	<b>2,058,628</b>	<b>2,070,617</b>	<b>2,108,067</b>	<b>1,222,404</b>	<b>2,200,000</b>

### FY 2026 Requirements:

Issue	Principal	Interest	Total
*Series 2014 CO	120,000	49,022	169,022
*Series 2016 CO	180,009	68,303	248,312
**Series 2020 CO	555,000	159,475	714,475
*Series 2021 GO	253,750	33,350	287,100
*Series 2024E CO	134,400	322,830	457,230
Series 2025 CO	65,000	256,685	321,685
<b>Total</b>	<b>1,308,159</b>	<b>889,665</b>	<b>2,197,824</b>

\*Payments paid by both property taxes and utility system revenue

\*\*A portion of the CO 2020 payment (\$476,781) is related to the Nile Valley Road Project and is paid in equal payments by the Bay City Gas Co. and Bay City Community Development Corporation.

## Public Utility Fund Supported Debt

### **2021A Tax and Revenue Certificates of Obligation (CO)-TWDB CWSRF**

\$4,742,000 – 2021A Tax and Revenue Certificates Bond is 1<sup>st</sup> of 4 issues for improvements to the City's sanitary sewer system, sewer lines, and design/construction of the City's wastewater treatment plant and lift stations. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$209,000 to \$211,000 through September 1, 2050; interest varying between .80% and 2.29%. *Callable 9-1-2031*

### **2021B Tax and Revenue Certificates of Obligation (CO)- TWDB DWSRF**

\$2,125,000 – 2021B Tax and Revenue Certificate Bond is 1<sup>st</sup> of 5 issues for improvements to the City's water system, construction of two water plants, including water wells, ground storage tanks, water transmission lines, water meter replacements, and other related infrastructure and equipment. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$65,000 to \$90,000 through September 1, 2050; interest varying between .80% and 2.34%. *Callable 9-1-2031*

### **2022A Tax and Revenue Certificates of Obligation (CO)-TWDB CWSRF**

\$12,707,000 – 2022A Tax and Revenue Certificates Bond is 2<sup>nd</sup> of 4 issues for improvements to the City's sanitary sewer system, sewer lines, and design/construction of the City's wastewater treatment plant and lift stations. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$373,000 to \$554,000 through September 1, 2051; fixed payment with interest coupons varying between .80% and 2.35%. *Callable 9-1-2032*

### **2022B Tax and Revenue Certificates of Obligation (CO)- TWDB DWSRF**

\$5,645,000 – 2022B Tax and Revenue Certificate Bond is 2<sup>nd</sup> of 5 issues for improvements to the City's water system, construction of two water plants, including water wells, ground storage tanks, water transmission lines, water meter replacements, and other related infrastructure and equipment. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$165,000 to \$250,000 through September 1, 2051; fixed payments with interest coupons varying between .80% and 2.40%. *Callable 9-1-2032*

### **2023A Tax and Revenue Certificates of Obligation (CO)-TWDB CWSRF**

\$13,427,000 – 2023A Tax and Revenue Certificates Bond is 3<sup>rd</sup> of 4 issues for improvements to the City's sanitary sewer system, sewer lines, and design/construction of the City's wastewater treatment plant and lift stations. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$357,000 to \$649,000 through September 1, 2052; fixed payment with interest coupons varying between 1.10% and 3.09%. *Callable 9-1-2033*

**2023B Tax and Revenue Certificates of Obligation (CO)- TWDB DWSRF**

\$6,175,000 – 2023B Tax and Revenue Certificate Bond is 3rd of 5 issues for improvements to the City’s water system, construction of two water plants, including water wells, ground storage tanks, water transmission lines, water meter replacements, and other related infrastructure and equipment. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$165,000 to \$300,000 through September 1, 2052; fixed payments with interest coupons varying between 1.16% and 3.14%. *Callable 9-1-2033*

**2024A Tax and Revenue Certificates of Obligation (CO)-TWDB CWSRF**

\$7,124,000 – 2024A Tax and Revenue Certificates Bond is 4<sup>TH</sup> of 4 issues for improvements to the City’s sanitary sewer system, sewer lines, and design/construction of the City’s wastewater treatment plant and lift stations. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$225,000 to \$373,000 through September 1, 2049; fixed payment with interest coupons varying between 1.58% and 2.82%. *Callable 3-1-2034*

**2024B Tax and Revenue Certificates of Obligation (CO)- TWDB DWSRF**

\$3,620,000– 2024B Tax and Revenue Certificate Bond is 4<sup>TH</sup> of 5 issues for improvements to the City’s water system, construction of two water plants, including water wells, ground storage tanks, water transmission lines, water meter replacements, and other related infrastructure and equipment. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$120,000 to \$190,000 through September 1, 2049; fixed payments with interest coupons varying between 1.18% and 3.09%. *Callable 3-1-2034*

**2024C Tax and Revenue Certificates of Obligation (CO)-TWDB DWSRF**

\$2,590,000 – 2024C Tax and Revenue Certificates Bond is the zero-interest portion of the final issue that will be for improvements to the City’s sanitary sewer system, sewer lines, and design/construction of the City’s wastewater treatment plant and lift stations. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$100,000 to \$105,000 through September 1, 2049; *Callable 3-1-2034*

**2024D Tax and Revenue Certificates of Obligation (CO)- TWDB DWSRF**

\$8,910,000 – 2024D Tax and Revenue Certificate Bond is 5th of 5 issues for improvements to the City’s water system, construction of two water plants, including water wells, ground storage tanks, water transmission lines, water meter replacements, and other related infrastructure and equipment. The payments are secured by both property tax revenues and Utility revenue; however, Utility pays at 100%. Principal payments are due in annual installments ranging from \$275,000 to \$475,000 through September 1, 2049; fixed payments with interest coupons varying between 1.70% and 3.04%. *Callable 3-1-2034*

## CITY WIDE DEBT

Utility Debt Service	Actual FY 2023	Actual FY 2024	Budget FY 2025	Projected FY 2025	Adopted FY 2026
<b>Miscellaneous</b>					
Interest Income	21,222	47,975	30,000	30,000	35,000
<b>Total Miscellaneous</b>	<b>21,222</b>	<b>47,975</b>	<b>30,000</b>	<b>30,000</b>	<b>35,000</b>
<b>Intergovernmental</b>					
Transfer In- Utility Fund	2,536,891	3,222,395	4,795,530	4,795,530	4,792,684
<b>Total Intergovernmental</b>	<b>2,536,891</b>	<b>3,222,395</b>	<b>4,795,530</b>	<b>4,795,530</b>	<b>4,792,684</b>
<b>Total Utility Debt Service</b>	<b>2,536,891</b>	<b>3,222,395</b>	<b>4,795,530</b>	<b>4,795,530</b>	<b>4,792,684</b>
<b>Debt Service</b>					
Debt Service Principal	-	-	2,847,174	2,847,174	2,963,841
Debt Service Interest	754,281	1,220,135	1,948,356	2,003,886	1,828,843
Debt Service- Admin Fee	4,850	7,350	7,500	900	7,500
Bank Charges	389	388	500	170	500
Cost of Issuance	823,058	1,392,479	-	-	-
Reserved Debt Retirement	-	-	22,000	-	27,000
Amortization Expense	26,366	26,366	-	-	-
<b>Total Debt Service</b>	<b>1,608,944</b>	<b>2,646,718</b>	<b>4,825,530</b>	<b>4,852,130</b>	<b>4,827,684</b>
<b>Total Utility Debt Service</b>	<b>1,608,944</b>	<b>2,646,718</b>	<b>4,825,530</b>	<b>4,852,130</b>	<b>4,827,684</b>

### FY 2026 Requirements:

<u>Issue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
*Series 2014 CO	40,000	16,341	56,341
*Series 2016 CO	89,991	34,147	124,138
*Series 2021 GO	621,250	81,650	702,900
Series 2021A CO	145,000	64,927	209,927
Series 2021B CO	65,000	29,684	94,684
Series 2022A CO	382,000	185,920	567,920
Series 2022B CO	170,000	84,587	254,587
Series 2023A CO	366,000	302,498	668,498
Series 2023B CO	165,000	142,168	307,168
Series 2024A CO	229,000	154,856	383,856
Series 2024B CO	120,000	77,003	197,003
Series 2024C CO	105,000	-	105,000
Series 2024D CO	280,000	209,250	489,250
*Series 2024E CO	185,600	445,813	631,413
<b>Total</b>	<b>2,963,841</b>	<b>1,828,844</b>	<b>4,792,685</b>

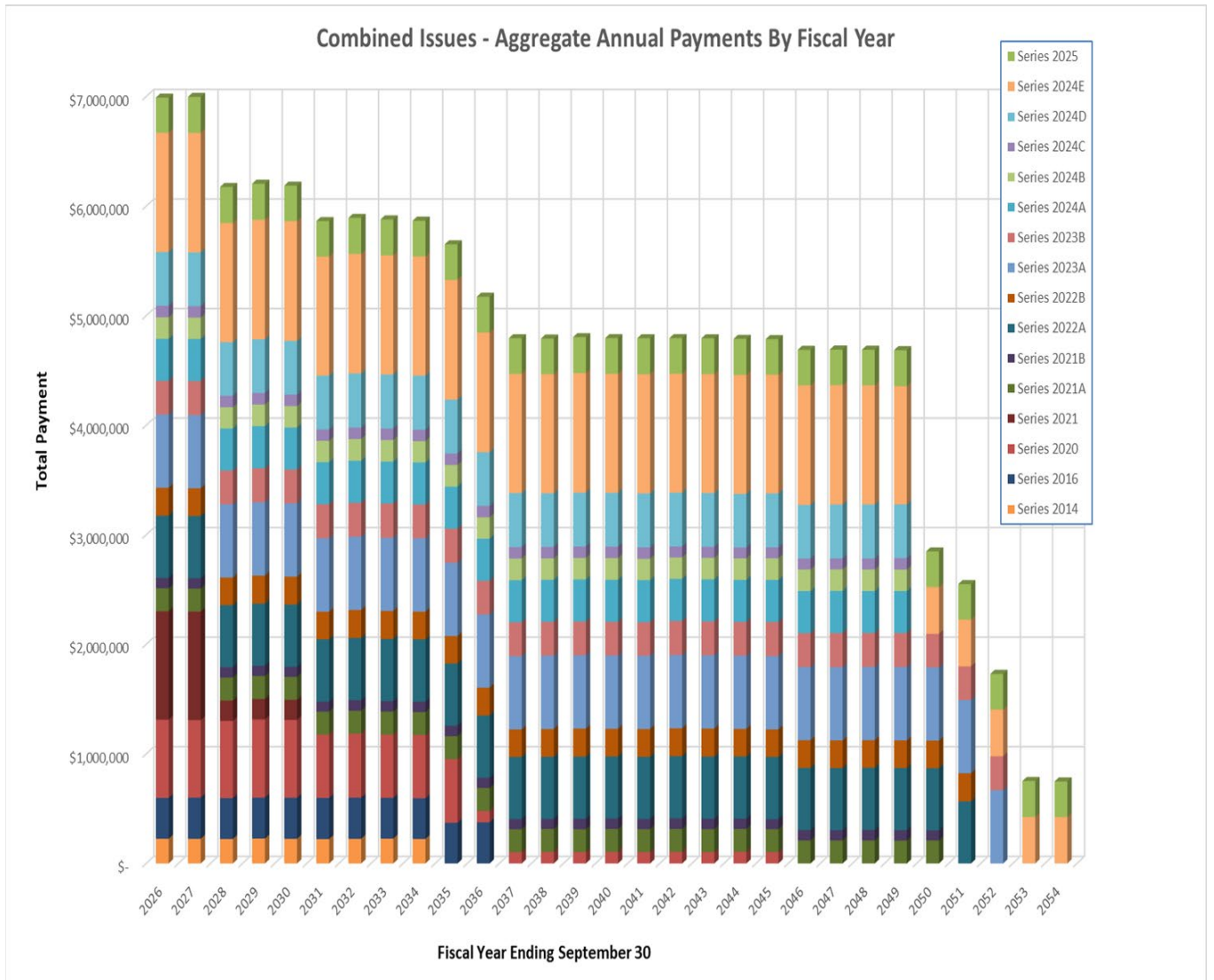
\*Payments paid by both property taxes and utility system revenue

Budget holds estimated payments for bonds that will be issued during the fiscal year

## Outstanding Debt Issue by Series

FYE	Outstanding Debt Issue by Series														Total																						
	Series 2014 Certificates	Series 2016 Certificates	Series 2020 Certificates	Series 2020 GO Refunding	Series 2021 Utility-25%	Series 2021 Utility-33.33%	Series 2021 Utility-66.67%	Series 2021 General Fd-33.8%	Series 2021 General Fd-29%	Series 2021A Utility-100%	Series 2021A General Fd-0%	Series 2021B Utility-100%	Series 2021B General Fd-0%	Series 2022A Utility-100%		Series 2022A General Fd-0%	Series 2022B Utility-100%	Series 2022B General Fd-0%	Series 2023A Utility-100%	Series 2023A General Fd-0%	Series 2023B Utility-100%	Series 2023B General Fd-0%	Series 2024A Utility-100%	Series 2024A General Fd-0%	Series 2024B Utility-100%	Series 2024B General Fd-0%	Series 2024C Utility-100%	Series 2024C General Fd-0%	Series 2024D Utility-100%	Series 2024D General Fd-0%	Series 2024E Utility-5%	Series 2024E General Fd-42%	Series 2025 Certificates	Series 2025 General Fd-100%			
2016	225,363	374,450	714,475	990,000	209,927	94,684	567,920	254,537	668,498	307,168	383,856	197,003	105,000	489,250	1,088,644	321,685	6,990,509																				
2017	224,763	375,700	707,825	991,250	209,767	94,164	567,864	253,227	668,435	310,254	384,147	195,515	105,000	489,378	1,091,244	328,500	6,997,022																				
2018	223,575	374,300	705,875	185,250	209,599	93,644	567,794	251,867	668,328	308,282	383,465	194,099	105,000	489,533	1,087,094	329,000	6,174,695																				
2019	227,200	373,750	713,475	187,250	209,423	93,124	567,680	255,507	669,139	311,293	383,736	197,683	105,000	489,603	1,091,544	329,200	6,204,607																				
2020	225,000	374,900	710,325	183,750	209,239	92,604	567,552	254,107	668,553	309,088	383,896	196,171	105,000	489,529	1,092,844	324,100	6,186,658																				
2021	222,600	375,750	577,925	-	210,047	92,084	567,400	252,707	668,766	311,813	383,968	194,633	105,000	489,309	1,087,644	324,000	5,863,645																				
2022	225,000	376,300	582,925	-	209,839	96,564	567,224	256,307	668,877	309,455	383,926	198,071	105,000	493,972	1,090,644	328,600	5,892,702																				
2023	227,000	371,550	577,625	-	209,623	96,004	568,024	254,867	668,532	311,917	383,717	196,355	105,000	493,302	1,088,144	327,600	5,878,509																				
2024	223,600	371,650	577,225	-	209,399	95,444	567,792	253,373	669,000	309,253	383,468	194,665	105,000	493,606	1,088,144	326,300	5,866,917																				
2025	-	371,450	580,963	-	209,921	94,737	567,763	251,501	668,213	311,052	383,944	197,819	105,000	491,528	1,092,644	324,700	5,651,233																				
2026	-	375,950	103,700	-	209,096	93,883	567,954	254,305	668,300	307,290	383,909	195,551	105,000	489,763	1,090,644	327,800	5,173,163																				
2027	-	-	101,700	-	210,023	92,924	567,463	251,771	669,104	308,015	384,320	197,945	105,000	492,293	1,087,394	326,550	4,794,500																				
2028	-	-	104,700	-	209,703	91,874	567,274	253,959	669,003	308,316	384,220	194,935	105,000	489,082	1,088,894	325,050	4,791,009																				
2029	-	-	102,575	-	209,160	95,740	567,528	255,862	669,097	308,236	383,706	196,701	105,000	490,357	1,091,894	328,300	4,804,163																				
2030	-	-	105,450	-	209,421	94,450	567,237	252,488	668,558	307,865	383,794	198,163	105,000	491,079	1,085,694	326,050	4,795,246																				
2031	-	-	103,200	-	209,465	93,085	567,491	253,939	668,414	307,216	383,537	194,353	105,000	491,274	1,088,694	328,550	4,794,156																				
2032	-	-	105,725	-	209,320	96,660	567,080	255,119	668,670	311,303	383,926	195,408	100,000	490,938	1,085,494	325,550	4,795,191																				
2033	-	-	103,113	-	209,981	95,076	567,468	256,019	668,284	309,981	383,959	196,208	100,000	490,135	1,086,294	327,300	4,793,516																				
2034	-	-	105,500	-	209,441	93,436	567,755	251,672	668,240	308,380	383,628	196,760	100,000	489,855	1,085,894	328,550	4,788,109																				
2035	-	-	102,750	-	209,733	91,748	567,854	252,199	668,494	311,494	383,924	197,041	100,000	492,047	1,084,294	324,300	4,785,877																				
2036	-	-	-	-	209,851	95,020	567,454	252,491	668,159	309,742	383,879	197,094	100,000	489,679	1,090,469	324,800	4,688,135																				
2037	-	-	-	-	209,790	93,141	567,641	252,355	668,170	311,742	384,453	196,914	100,000	491,847	1,089,594	324,800	4,691,075																				
2038	-	-	-	-	209,585	96,237	567,385	252,477	668,486	308,838	383,683	196,514	100,000	493,437	1,088,075	324,300	4,689,016																				
2039	-	-	-	-	209,215	94,185	567,730	252,187	669,121	310,703	383,519	195,871	105,000	489,440	1,079,713	328,300	4,684,982																				
2040	-	-	-	-	209,695	92,106	567,593	251,688	668,093	307,205	-	-	-	-	425,113	326,550	2,848,093																				
2041	-	-	-	-	-	-	567,019	256,000	668,427	308,497	-	-	-	-	425,450	324,300	2,549,693																				
2042	-	-	-	-	-	-	-	-	669,054	309,420	-	-	-	-	425,150	326,550	1,730,174																				
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	424,213	328,388	752,600																				
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	423,819	324,494	748,313																				
2045	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	325,113	325,113																				
<b>Total</b>	<b>\$ 2,024,100</b>	<b>\$ 4,111,750</b>	<b>\$ 7,487,060</b>	<b>\$ 2,537,500</b>	<b>\$ 5,240,267</b>	<b>\$ 2,352,608</b>	<b>\$ 14,756,572</b>	<b>\$ 6,592,809</b>	<b>\$ 18,053,014</b>	<b>\$ 8,353,310</b>	<b>\$ 9,312,578</b>	<b>\$ 4,711,466</b>	<b>\$ 2,485,000</b>	<b>\$ 11,776,239</b>	<b>\$ 28,244,019</b>	<b>\$ 9,789,279</b>	<b>\$ 137,768,558</b>																				

## Combined Issues- Aggregate Annual Payments by Fiscal Year





## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last ten fiscal years

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Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2015	824,901,000	627,451,200	197,449,800	23.94%	691,614,000
2016	842,451,000	635,604,500	207,846,500	24.67%	717,629,000
2017	812,961,000	609,958,200	203,002,800	24.97%	581,611,000
2018	743,714,000	603,790,221	139,923,779	18.81%	657,579,000
2019	713,562,000	537,363,274	176,198,726	24.69%	707,134,000
2020	850,124,700	549,790,300	300,334,400	35.33%	536,280,000
2021	885,002,000	570,433,900	314,568,100	35.54%	706,391,000
2022	941,937,481	628,258,008	313,679,473	33.30%	556,863,000
2023	997,850,000	689,685,360	308,164,640	30.88%	566,389,000
2024	949,388,000	633,399,445	315,988,555	33.28%	727,810,000

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### NET POSITION BY COMPONENT (1)

Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 6,540,844	\$ 9,638,245	\$ 10,607,667	\$ 11,656,559
Restricted	646,117	994,641	1,034,228	813,690
Unrestricted	<u>3,391,400</u>	<u>783,252</u>	<u>(93,799)</u>	<u>160,683</u>
Total governmental activities net position	<u>\$ 10,578,361</u>	<u>\$ 11,416,138</u>	<u>\$ 11,548,096</u>	<u>\$ 12,630,932</u>
Business-type activities				
Net investment in capital assets	\$ 13,826,216	\$ 15,011,700	\$ 14,799,364	\$ 14,675,677
Unrestricted	<u>1,518,085</u>	<u>2,926,172</u>	<u>3,541,009</u>	<u>4,098,316</u>
Total business-type activities net position	<u>\$ 15,344,301</u>	<u>\$ 17,937,872</u>	<u>\$ 18,340,373</u>	<u>\$ 18,773,993</u>
Primary government				
Net investment in capital assets	\$ 20,367,060	\$ 24,649,945	\$ 25,407,031	\$ 26,332,236
Restricted	646,117	994,641	1,034,228	813,690
Unrestricted	<u>4,909,485</u>	<u>3,709,424</u>	<u>3,447,210</u>	<u>4,258,999</u>
Total primary government activities net position	<u>\$ 25,922,662</u>	<u>\$ 29,354,010</u>	<u>\$ 29,888,469</u>	<u>\$ 31,404,925</u>

(1) Accrual basis of accounting

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

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

STATISTICAL INFORMATION

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 13,287,618	\$ 21,205,583	\$ 18,917,264	\$ 18,519,578	\$ 15,993,048	\$ 18,163,920
857,834	1,199,626	1,856,278	1,648,936	1,925,040	2,176,719
<u>512,916</u>	<u>2,151,111</u>	<u>3,267,133</u>	<u>4,568,157</u>	<u>11,835,520</u>	<u>12,851,287</u>
<u>\$ 14,658,368</u>	<u>\$ 24,556,320</u>	<u>\$ 24,040,675</u>	<u>\$ 24,736,671</u>	<u>\$ 29,753,608</u>	<u>\$ 33,191,926</u>
\$ 14,858,787	\$ 15,909,542	\$ 17,403,926	\$ 19,973,502	\$ 18,603,939	\$ 12,163,977
4,067,830	4,066,694	4,273,998	(58,672)	3,240,241	12,075,842
<u>\$ 18,926,617</u>	<u>\$ 19,976,236</u>	<u>\$ 21,677,924</u>	<u>\$ 19,914,830</u>	<u>\$ 21,844,180</u>	<u>\$ 24,239,819</u>
\$ 28,146,405	\$ 37,115,125	\$ 36,321,190	\$ 38,493,080	\$ 34,596,987	\$ 30,327,897
857,834	1,199,626	1,856,278	1,648,936	1,925,040	2,176,719
<u>4,580,746</u>	<u>6,217,805</u>	<u>7,541,131</u>	<u>4,509,485</u>	<u>15,075,761</u>	<u>24,927,129</u>
<u>\$ 33,584,985</u>	<u>\$ 44,532,556</u>	<u>\$ 45,718,599</u>	<u>\$ 44,651,501</u>	<u>\$ 51,597,788</u>	<u>\$ 57,431,745</u>

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### CHANGES IN NET POSITION (1)

Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
<b>Governmental activities</b>				
Expenses				
General government	\$ 2,147,396	\$ 2,534,500	\$ 2,489,768	\$ 2,570,638
Public safety	4,661,538	5,383,527	5,633,913	5,129,141
Public works	5,595,487	5,216,175	5,500,397	5,513,362
Cultural and recreation	2,220,915	2,483,518	2,576,955	2,534,887
Interest on long-term debt	340,100	450,012	376,732	391,428
Total expenses	<u>14,965,436</u>	<u>16,067,732</u>	<u>16,577,765</u>	<u>16,139,456</u>
Program revenues				
Charges for services				
General government	235,881	429,269	421,190	610,361
Public safety	326,125	276,229	16,762	18,332
Public works	2,657,519	2,779,000	2,413,138	2,394,073
Cultural and recreation	154,741	239,908	237,775	128,710
Operating grants and contributions	200,000	317,050	571,157	807,058
Capital grants and contributions	<u>386,329</u>	<u>828,794</u>	<u>911,963</u>	<u>798,666</u>
Total program revenues	<u>3,960,595</u>	<u>4,870,250</u>	<u>4,571,985</u>	<u>4,757,200</u>
Total governmental activities net program (expense) revenue	(11,004,841)	(11,197,482)	(12,005,780)	(11,382,256)
General revenues and other changes in net position				
Taxes				
Property taxes	4,098,134	4,462,235	4,618,958	5,268,946
Sales taxes	4,077,195	4,060,320	4,295,598	4,277,863
Franchise taxes	1,047,005	1,040,631	1,127,475	1,253,205
Other taxes	668,601	694,611	845,778	801,926
Unrestricted investment earnings	2,660	16,254	37,960	110,943
Miscellaneous	1,077,904	756,915	213,350	289,684
Special item - discontinued operations	(1,208,541)	-	-	-
Transfers	<u>2,903,367</u>	<u>1,004,293</u>	<u>998,619</u>	<u>1,007,784</u>
Total general revenues and other changes in net position	<u>12,666,325</u>	<u>12,035,259</u>	<u>12,137,738</u>	<u>13,010,351</u>
<b>Total governmental activities change in net position</b>	<u>\$ 1,661,484</u>	<u>\$ 837,777</u>	<u>\$ 131,958</u>	<u>\$ 1,628,095</u>

STATISTICAL INFORMATION

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 2,525,947	\$ 2,543,235	\$ 3,191,169	\$ 2,796,565	\$ 2,899,448	\$ 3,348,076
5,329,122	5,434,064	5,508,076	5,252,099	6,383,069	6,892,451
6,347,218	5,630,596	6,390,932	6,684,191	6,335,044	6,941,722
2,720,126	2,962,822	2,790,759	3,023,964	2,906,324	3,031,783
<u>329,979</u>	<u>636,430</u>	<u>522,913</u>	<u>421,679</u>	<u>383,027</u>	<u>610,931</u>
<u>17,252,392</u>	<u>17,207,147</u>	<u>18,403,849</u>	<u>18,178,498</u>	<u>18,906,912</u>	<u>20,824,963</u>
602,332	546,080	502,838	601,275	531,588	528,272
18,705	42,283	65,382	29,554	29,468	27,718
2,467,600	2,528,436	2,616,208	2,650,950	2,685,198	3,254,124
124,532	152,478	238,636	256,270	305,207	312,234
2,207,235	3,441,951	1,648,408	633,386	3,353,046	2,406,118
<u>376,144</u>	<u>7,844,725</u>	<u>416,419</u>	<u>238,006</u>	<u>584,851</u>	<u>1,072,104</u>
<u>5,796,548</u>	<u>14,555,953</u>	<u>5,487,891</u>	<u>4,409,441</u>	<u>7,489,358</u>	<u>7,600,570</u>
(11,455,844)	(2,651,194)	(12,915,958)	(13,769,057)	(11,417,554)	(13,224,393)
5,603,015	5,677,751	5,844,703	6,103,748	6,545,105	6,627,639
4,447,508	4,966,859	4,934,706	5,082,459	5,479,790	5,499,157
1,266,666	1,258,458	1,263,438	1,280,420	1,343,131	1,273,099
779,523	698,939	685,845	628,868	769,706	877,093
134,570	107,377	50,980	(95,498)	422,076	646,829
483,211	501,621	354,982	449,556	621,412	521,741
-	-	-	-	-	-
<u>768,787</u>	<u>(661,859)</u>	<u>(734,341)</u>	<u>1,015,500</u>	<u>1,256,500</u>	<u>1,217,153</u>
<u>13,483,280</u>	<u>12,549,146</u>	<u>12,400,313</u>	<u>14,465,053</u>	<u>16,437,720</u>	<u>16,662,711</u>
<u>\$ 2,027,436</u>	<u>\$ 9,897,952</u>	<u>\$ (515,645)</u>	<u>\$ 695,996</u>	<u>\$ 5,020,166</u>	<u>\$ 3,438,318</u>

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### CHANGES IN NET POSITION (1)

Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
<b>Business-type activities</b>				
Expenses				
Water and sewer	\$ 6,063,713	\$ 6,681,343	\$ 6,121,251	\$ 6,431,453
Airport	550,555	588,537	707,869	584,476
Total expenses	<u>6,614,268</u>	<u>7,269,880</u>	<u>6,829,120</u>	<u>7,015,929</u>
Program revenues				
Charges for services				
Water and sewer	6,873,149	7,108,017	7,438,810	7,779,321
Airport	340,572	276,533	305,074	304,191
Operating grants and contributions	-	68,197	48,351	15,870
Capital grants and contributions	1,115,799	3,384,479	406,561	417,799
Total program revenues	<u>8,329,520</u>	<u>10,837,226</u>	<u>8,198,796</u>	<u>8,517,181</u>
Total business-type activities net program (expense) revenue	1,715,252	3,567,346	1,369,676	1,501,252
General revenues and other changes in net position				
Unrestricted investment earnings	1,729	5,966	23,244	51,731
Miscellaneous	-	24,552	8,200	-
Special item - discontinued operations	(2,903,367)	-	-	-
Transfers	1,134,457	(1,004,293)	(998,619)	(1,007,784)
Total general revenues and other changes in net position	<u>(1,767,181)</u>	<u>(973,775)</u>	<u>(967,175)</u>	<u>(956,053)</u>
<b>Total business-type activities change in net position</b>	<u>\$ (51,929)</u>	<u>\$ 2,593,571</u>	<u>\$ 402,501</u>	<u>\$ 545,199</u>
<b>Total primary government change in net position</b>	<u>\$ 1,609,555</u>	<u>\$ 3,431,348</u>	<u>\$ 534,459</u>	<u>\$ 2,173,294</u>

(1) Accrual basis of accounting

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

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

STATISTICAL INFORMATION

**CITY OF BAY CITY, TEXAS**

*CHANGES IN NET POSITION (1)*

*Last ten fiscal years*

		Fiscal Year				
2019	2020	2021	2022	2023	2024	
\$ 6,993,425	\$ 7,655,910	\$ 7,443,424	\$ 9,423,621	\$ 8,871,135	\$ 11,324,946	
<u>644,192</u>	<u>778,555</u>	<u>890,695</u>	<u>947,247</u>	<u>845,162</u>	<u>880,635</u>	
<u>7,637,617</u>	<u>8,434,465</u>	<u>8,334,119</u>	<u>10,370,868</u>	<u>9,716,297</u>	<u>12,205,581</u>	
7,849,327	7,700,198	8,476,372	9,088,774	11,179,511	12,743,263	
313,835	284,031	405,920	460,734	345,390	361,614	
84,130	50,000	89,247	50,000	49,731	101,800	
<u>219,828</u>	<u>730,209</u>	<u>326,500</u>	<u>9,450</u>	<u>-</u>	<u>156,195</u>	
<u>8,467,120</u>	<u>8,764,438</u>	<u>9,298,039</u>	<u>9,608,958</u>	<u>11,574,632</u>	<u>13,362,872</u>	
829,503	329,973	963,920	(761,910)	1,858,335	1,157,291	
86,208	30,887	2,552	12,441	1,332,950	2,455,501	
5,800	26,900	875	1,875	-	-	
-	-	-	-	-	-	
<u>(768,787)</u>	<u>661,859</u>	<u>734,341</u>	<u>(1,015,500)</u>	<u>(1,256,500)</u>	<u>(1,217,153)</u>	
<u>(676,779)</u>	<u>719,646</u>	<u>737,768</u>	<u>(1,001,184)</u>	<u>76,450</u>	<u>1,238,348</u>	
<u>\$ 152,724</u>	<u>\$ 1,049,619</u>	<u>\$ 1,701,688</u>	<u>\$ (1,763,094)</u>	<u>\$ 1,934,785</u>	<u>\$ 2,395,639</u>	
<u>\$ 2,180,160</u>	<u>\$ 10,947,571</u>	<u>\$ 1,186,043</u>	<u>\$ (1,067,098)</u>	<u>\$ 6,954,951</u>	<u>\$ 5,833,957</u>	

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable				
Prepaid items	\$ 120,664	\$ 44,589	\$ 31,665	\$ 49,261
Unassigned	<u>2,945,445</u>	<u>1,930,425</u>	<u>1,331,488</u>	<u>2,169,106</u>
Total general fund	<u>\$ 3,066,109</u>	<u>\$ 1,975,014</u>	<u>\$ 1,363,153</u>	<u>\$ 2,218,367</u>
All Other Governmental Funds				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ 14,849
Restricted				
Retirement of long-term debt	31,305	233,825	199,330	191,351
Capital project funds	2,877,230	3,899,359	3,183,380	2,583,241
Arts, tourism, and conventions	372,746	449,295	568,200	404,406
Municipal court	102,994	83,196	71,500	65,170
Culture and recreation	60,336	92,576	118,928	52,213
Public safety	631,515	94,804	54,276	40,023
Public works	-	-	-	15,851
Unassigned	<u>(98,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,977,426</u>	<u>\$ 4,853,055</u>	<u>\$ 4,195,614</u>	<u>\$ 3,367,104</u>

(1) Modified accrual basis of accounting

STATISTICAL INFORMATION

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 44,540	\$ 64,211	\$ 76,727	\$ 83,640	\$ 67,474	\$ 40,752
<u>3,165,690</u>	<u>4,568,759</u>	<u>4,839,191</u>	<u>4,158,460</u>	<u>5,615,043</u>	<u>5,837,185</u>
<u>\$ 3,210,230</u>	<u>\$ 4,632,970</u>	<u>\$ 4,915,918</u>	<u>\$ 4,242,100</u>	<u>\$ 5,682,517</u>	<u>\$ 5,877,937</u>
\$ 13,799	\$ 19,990	\$ 20,468	\$ 18,536	\$ 39,266	\$ 48,986
224,645	235,947	211,819	222,898	266,112	298,887
621,267	6,890,626	2,237,608	2,192,135	2,033,224	8,807,421
473,619	591,966	672,789	692,868	827,685	1,052,852
59,591	47,902	29,194	32,941	32,800	37,728
-	-	-	-	-	-
44,280	48,307	598,527	316,624	380,430	62,118
9,968	230,274	288,659	320,355	319,946	626,415
<u>(710,973)</u>	<u>(2,014,216)</u>	<u>(91,681)</u>	<u>(145,409)</u>	<u>(152,911)</u>	<u>(217,339)</u>
<u>\$ 736,196</u>	<u>\$ 6,050,796</u>	<u>\$ 3,967,383</u>	<u>\$ 3,650,948</u>	<u>\$ 3,746,552</u>	<u>\$ 10,717,068</u>

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2015	2016	2017	2018
<b>Revenues</b>				
Taxes	\$ 9,988,557	\$ 10,375,097	\$ 10,972,108	\$ 11,692,838
Licenses and permits	235,881	255,511	154,409	396,638
Fines and forfeitures	326,125	322,166	268,378	215,278
Fees and charges for services	2,809,761	2,898,210	2,675,326	2,553,631
Intergovernmental	420,857	264,635	1,141,371	437,982
Investment earnings (net)	2,660	16,240	37,941	110,753
Miscellaneous	998,560	892,115	490,118	685,503
<b>Total revenues</b>	<b>14,782,401</b>	<b>15,023,974</b>	<b>15,739,651</b>	<b>16,092,623</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	2,083,129	2,335,155	2,263,841	2,444,796
Public safety	4,581,482	4,986,001	5,140,028	4,819,143
Public works	3,163,745	3,425,770	3,241,311	3,429,104
Cultural and recreation	2,102,214	2,396,240	2,350,942	2,350,388
Capital outlay	2,245,491	3,704,716	2,024,539	2,384,427
<b>Debt service</b>				
Principal retirement	1,496,153	1,553,752	1,432,357	1,419,841
Interest and fiscal charges	368,026	344,650	402,072	362,729
Paying agents' fees and issue cost	-	123,195	5,495	59,101
<b>Total expenditures</b>	<b>16,040,240</b>	<b>18,869,479</b>	<b>16,860,585</b>	<b>17,269,529</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,257,839)</b>	<b>(3,845,505)</b>	<b>(1,120,934)</b>	<b>(1,176,906)</b>
<b>Other financing sources (uses)</b>				
Debt issued	1,398,250	3,776,667	-	1,285,000
Premium on debt issuance	-	235,643	-	-
Payment to escrow	-	-	-	-
Subscriptions issued	-	-	-	-
Transfers in	3,058,627	2,920,044	2,162,044	1,841,923
Transfers out	(1,556,140)	(3,302,315)	(2,310,412)	(1,923,313)
<b>Total other financing sources (uses)</b>	<b>2,900,737</b>	<b>3,630,039</b>	<b>(148,368)</b>	<b>1,203,610</b>
<b>Changes in fund balances</b>	<b>\$ 1,642,898</b>	<b>\$ (215,466)</b>	<b>\$ (1,269,302)</b>	<b>\$ 26,704</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b><u>13.64%</u></b>	<b><u>13.88%</u></b>	<b><u>12.61%</u></b>	<b><u>12.72%</u></b>

(1) Modified accrual basis of accounting

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 12,169,745	\$ 12,653,131	\$ 12,849,533	\$ 13,183,805	\$ 14,200,457	\$ 14,293,620
281,795	205,985	193,014	246,296	193,352	221,806
218,133	253,564	253,375	198,464	176,564	188,179
2,690,027	2,799,645	2,958,252	3,045,829	3,115,488	3,674,882
1,528,833	1,033,091	3,797,468	950,939	3,738,264	2,413,151
134,381	106,954	50,924	(95,564)	421,616	645,713
<u>1,020,763</u>	<u>929,003</u>	<u>1,261,451</u>	<u>857,174</u>	<u>1,189,819</u>	<u>2,240,522</u>
<u>18,043,677</u>	<u>17,981,373</u>	<u>21,364,017</u>	<u>18,386,943</u>	<u>23,035,560</u>	<u>23,677,873</u>
2,284,868	2,259,594	3,076,155	2,783,149	3,031,723	3,392,624
4,853,722	5,147,126	5,648,947	5,838,601	6,080,265	6,911,478
3,950,358	3,476,267	4,044,731	4,644,975	4,155,563	4,416,770
2,381,035	3,174,094	2,776,032	2,766,554	2,574,996	3,302,466
3,957,938	3,334,455	5,196,584	905,149	3,562,662	3,335,422
1,465,175	986,258	1,553,042	1,555,475	1,607,709	1,666,393
364,072	387,190	506,859	496,793	449,320	401,883
<u>4,341</u>	<u>263,595</u>	<u>55,922</u>	<u>-</u>	<u>1,600</u>	<u>246,525</u>
<u>19,261,509</u>	<u>19,028,579</u>	<u>22,858,272</u>	<u>18,990,696</u>	<u>21,463,838</u>	<u>23,673,561</u>
(1,217,832)	(1,047,206)	(1,494,255)	(603,753)	1,571,722	4,312
-	9,122,532	1,799,450	-	-	7,030,000
-	419,757	321,622	-	-	272,124
-	-	(2,068,282)	-	-	-
-	-	-	-	167,799	72,000
1,822,325	1,946,639	1,102,289	1,881,369	1,333,825	1,522,874
<u>(2,243,538)</u>	<u>(3,704,382)</u>	<u>(1,461,289)</u>	<u>(2,267,869)</u>	<u>(1,537,325)</u>	<u>(1,735,374)</u>
<u>(421,213)</u>	<u>7,784,546</u>	<u>(306,210)</u>	<u>(386,500)</u>	<u>(35,701)</u>	<u>7,161,624</u>
<u>\$ (1,639,045)</u>	<u>\$ 6,737,340</u>	<u>\$ (1,800,465)</u>	<u>\$ (990,253)</u>	<u>\$ 1,536,021</u>	<u>\$ 7,165,936</u>
<u>11.89%</u>	<u>9.18%</u>	<u>12.10%</u>	<u>11.89%</u>	<u>11.86%</u>	<u>10.50%</u>

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten fiscal years

Fiscal Year	Tax Roll	Residential Property	Commercial and Industrial Property	Personal Property	Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
2015	2014	\$ 319,956,588	\$ 393,514,710	\$71,784,570	\$ 107,744,036	\$ 677,511,832	\$ 0.60209
2016	2015	330,005,930	440,810,448	88,166,790	115,450,676	743,532,492	0.60209
2017	2016	342,546,022	455,655,624	81,557,591	116,289,064	763,470,173	0.60209
2018	2017	350,930,628	500,023,135	77,641,605	117,627,963	810,967,405	0.65500
2019	2018	366,542,154	540,269,770	77,800,324	128,887,212	855,725,036	0.65500
2020	2019	372,695,204	549,611,757	78,508,945	131,854,932	868,960,974	0.65500
2021	2020	378,389,457	566,492,601	87,061,140	134,241,420	897,701,778	0.65500
2022	2021	408,665,471	610,480,537	89,231,109	139,525,564	968,851,553	0.63500
2023	2022	439,059,155	675,221,181	90,793,230	173,164,420	1,031,909,146	0.63500
2024	2023	542,291,409	810,385,095	101,825,882	183,401,282	1,271,101,104	0.56995

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



## STATISTICAL INFORMATION

### 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
2015	\$ 0.05866	\$ 0.54343	\$ 0.60209	\$ 1.34064	\$ 0.35867	\$ 0.04044
2016	0.11047	0.49162	0.60209	1.34064	0.39568	0.04539
2017	0.11398	0.48811	0.60209	1.33120	0.41998	0.04856
2018	0.14400	0.51100	0.65500	1.43701	0.41898	0.05072
2019	0.14460	0.51040	0.65500	1.55220	0.41758	0.05389
2020	0.14460	0.51040	0.65500	1.53731	0.43342	0.05477
2021	0.17288	0.48212	0.65500	1.43140	0.42223	0.05628
2022	0.16363	0.47137	0.63500	1.39124	0.39974	0.05299
2023	0.15425	0.48075	0.63500	1.26000	0.38532	0.05007
2024	0.13542	0.43453	0.56995	1.04446	0.35928	0.04754

SOURCE: Tax department records of the various taxing authorities

**STATISTICAL INFORMATION**

**CITY OF BAY CITY, TEXAS**

*DIRECT AND OVERLAPPING PROPERTY TAX RATES*

*PER \$100 OF ASSESSED VALUE*

*Last ten fiscal years*

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Overlapping Rates			
Matagorda Co. Hospital District	Matagorda Co. Drainage District #1	Matagorda Co. Conservation & Reclaim. Distr.	Total
\$ 0.27624	\$ 0.07750	\$ 0.00577	\$ 2.70135
0.30147	0.07158	0.00646	2.76331
0.31270	0.06554	0.00691	2.78698
0.32096	0.05138	0.00721	2.94126
0.32159	0.04178	0.00765	3.04969
0.32159	0.04169	0.00776	3.05154
0.31815	0.04201	0.00831	2.93338
0.29127	0.04113	0.00819	2.81956
0.28995	0.03835	0.00773	2.66642
0.26382	0.03447	0.00704	2.32656

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

(UNAUDITED)

Current Year and Nine Years Ago

2024		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Nichols Square Partners LTD	\$ 19,010,010	1.50%
Wal-Mart Real Estate Business Trust	14,440,000	1.14%
AEP Texas Central Company	14,427,390	1.14%
The Retreat 360 LLC	10,313,150	0.81%
Oak Manor Bay City LLC	10,013,039	0.79%
AMG Shadow Bay LLC	8,174,450	0.64%
Bay City Community Development Corp.	8,507,130	0.67%
Wal-Mart Stor #01-1405	7,112,050	0.56%
Riverway Apartments 360 LLC	6,234,300	0.49%
Rock Hard Real Estate LLC	5,912,490	0.47%
	<u>\$ 104,144,009</u>	<u>8.21%</u>

2015		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Oak Manor Bay City LLC	\$ 9,190,320	1.36%
Wal-Mart Real Estate Business Trust	8,875,580	1.31%
Wal-Mart Store #01-1405	8,445,300	1.25%
Fortress Lodging LLC	7,183,820	1.06%
AEP Texas Central Company	7,254,160	1.07%
Pasupatinath LLC	5,100,000	0.75%
Mosaic Nichols LP	5,148,780	0.76%
Roll-Lift USA, LLC	4,983,560	0.74%
Baker Hughes Oilfield Operations	4,766,440	0.70%
Bay City Accommodations LTD	4,400,000	0.65%
	<u>\$ 65,347,960</u>	<u>9.65%</u>

## STATISTICAL INFORMATION

### 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
2015	\$ 4,087,164	\$ 3,980,062	97.38%	\$ 96,042	\$ 4,076,104	99.73%
2016	4,470,571	4,356,460	97.45%	101,921	4,458,381	99.73%
2017	4,620,903	4,508,161	97.56%	96,557	4,604,718	99.65%
2018	5,303,704	5,189,424	97.85%	92,188	5,281,612	99.58%
2019	5,605,848	5,497,009	98.06%	84,212	5,581,221	99.56%
2020	5,673,030	5,558,188	97.98%	84,673	5,642,861	99.47%
2021	5,870,330	5,762,943	98.17%	69,907	5,832,850	99.36%
2022	6,121,193	6,006,616	98.13%	68,614	6,075,230	99.25%
2023	6,550,731	6,411,827	97.88%	52,673	6,464,500	98.68%
2024	6,636,347	6,434,793	96.96%	-	6,434,793	96.96%

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

## STATISTICAL INFORMATION

### 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	Tax Notes	Direct Borrowing: Financed Purchases	Right-to-Use Lease	Subscription	Plus: Issuance Premiums
2015	\$ 7,566,250	\$ 3,330,000	\$ 511,101	\$ 151,690	\$ -	\$ -	\$ 212,081
2016	10,290,611	2,990,000	349,849	101,617	-	-	424,826
2017	9,353,103	2,645,000	200,000	49,549	-	-	391,643
2018	8,387,262	2,290,000	1,386,000	-	-	-	358,459
2019	7,408,087	1,930,000	1,260,000	-	-	-	325,276
2020	15,951,829	1,560,000	1,065,000	116,468	-	-	713,715
2021	13,177,238	2,751,000	865,000	78,735	-	-	960,198
2022	12,420,563	2,157,200	660,000	39,923	317,230	-	885,058
2023	11,636,804	1,543,250	450,000	-	233,033	189,668	809,919
2024	17,855,961	907,700	230,000	-	151,369	126,212	1,004,635

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

N/A denotes information not available.

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### RATIOS OF OUTSTANDING DEBT BY TYPE

Last ten fiscal years

Business-type Activities						
Certificates of Obligation	General Obligation Bonds	Right-to-Use Lease	Plus: Issuance Premiums	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 8,883,750	\$ -	\$ -	\$ 68,697	\$ 20,723,569	N/A	\$ 1,193
10,074,583	-	-	181,502	24,412,988	N/A	1,387
9,381,907	-	-	171,344	22,192,546	N/A	1,246
8,667,748	-	-	161,185	21,250,654	N/A	1,206
7,941,922	-	-	151,026	19,016,311	N/A	1,085
7,193,180	-	-	140,867	26,741,059	N/A	1,525
8,929,771	3,834,000	-	830,704	31,426,646	N/A	1,740
26,958,446	3,322,800	29,031	703,981	47,494,232	N/A	2,656
45,695,204	2,786,750	19,956	577,258	63,941,842	N/A	3,653
76,450,046	2,222,300	10,558	830,751	99,789,532	N/A	5,652

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last ten fiscal years

Fiscal Year	General Bonded Debt Outstanding			Total
	Certificates of Obligation	General Obligation Bonds	Plus: Issuance Premiums	
2015	\$ 16,450,000	\$ 3,330,000	\$ 68,697	\$ 19,848,697
2016	20,365,194	2,990,000	181,502	23,536,696
2017	18,735,010	2,645,000	171,344	21,551,354
2018	17,055,010	2,290,000	161,185	19,506,195
2019	15,350,009	1,930,000	151,026	17,431,035
2020	23,145,009	1,560,000	140,867	24,845,876
2021	22,107,009	6,585,000	830,704	29,522,713
2022	39,379,009	5,480,000	1,021,211	45,880,220
2023	57,332,008	4,330,000	810,291	62,472,299
2024	94,306,007	3,130,000	982,120	98,418,127

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

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last ten fiscal years

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Debt Service Monies Available	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
\$ 31,305	\$ 19,817,392	100.00%	\$ 1,142
233,825	23,302,871	100.00%	1,324
199,330	21,352,024	100.00%	1,199
191,351	19,314,844	100.00%	1,097
224,645	17,206,390	100.00%	981
235,947	24,609,929	100.00%	1,403
211,819	29,310,894	100.00%	1,623
222,898	45,657,322	100.00%	2,553
266,112	62,206,187	100.00%	3,554
298,887	98,119,240	100.00%	5,558

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(UNAUDITED)

September 30, 2024

	Gross Debt Outstanding		Percentage Applicable To City	Amount Applicable To City
	Date	Amount		
Direct Debt:				
City of Bay City (1)	9/30/2024	<u>\$ 20,275,877</u>	100.00%	<u>\$ 20,275,877</u>
Overlapping Debt:				
Matagorda County	9/30/2024	9,240,000	13.94%	1,288,056
Bay City Independent School District	6/30/2024	<u>127,139,116</u>	52.30%	<u>66,493,758</u>
Total Overlapping Debt		<u>136,379,116</u>		<u>67,781,814</u>
Total		<u>\$ 156,654,993</u>		<u>\$ 88,057,691</u>

(1) Figures do not include accrued compensated absences, net pension liability or OPEB 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



## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2015	2016	2017	2018
General government				
Building permits issued	1,039	1,012	1,246	1,373
Building inspections conducted	2,238	2,256	2,366	2,040
Fire inspection conducted	13	16	23	14
Public safety				
Police				
Arrests	1,364	1,405	1,356	1,234
Accident Reports	471	521	505	476
Citations	1,784	1,736	1,707	956
Offense reports	3,427	2,820	2,892	2,744
Calls for service	32,864	29,618	31,320	28,448
Fire				
Emergency responses:	170	167	204	254
Fire incidents	64	74	111	130
Service calls and other calls	106	93	93	124
Automatic aid, mutual aid given	23	32	44	31
Streets and highways				
Street resurfacing (lane miles)	5.20	3.49	9.52	1.00
Water and wastewater				
Water				
Average daily consumption (millions)	2.251	1.692	1.563	2.024
Total consumption (millions)	824.901	635.604	609.958	743.714
Peak daily consumption (millions)	3.338	2.569	2.445	2.418
Wastewater				
Average daily sewage treatment (millions)	1.774	1.954	1.634	1.634
Total consumption (millions)	691.614	717.629	581.611	657.579
Peak daily consumption (millions)	6.287	6.532	3.520	3.526

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

Fiscal Year					
2019	2020	2021	2022	2023	2024
1,224	1,037	1,536	1,569	1,347	1,405
1,696	1,631	1,358	2,714	1,474	1,868
18	10	12	11	9	12
1,280	959	1,051	992	967	1,027
515	434	471	432	372	384
1,863	1,539	1,609	1,315	1,017	1,430
3,071	2,861	2,826	2,473	2,301	2,063
31,842	31,645	34,090	29,535	27,614	26,384
181	165	202	188	184	216
79	70	109	74	73	65
102	86	78	99	101	151
14	9	15	15	20	22
0.50	-	-	1.50	2.00	1.00
1.470	1.502	1.553	1.727	2.270	2.077
537.300	549.790	570.433	628.258	689.685	633.399
2.050	2.030	2.213	2.313	3.081	2.666
1.938	1.469	1.931	1.525	1.861	2.275
707.134	536.280	706.391	556.863	566.389	727.810
5.264	4.060	6.187	3.904	3.662	7.840

## STATISTICAL INFORMATION

### CITY OF BAY CITY, TEXAS

#### CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2015	2016	2017	2018
Public safety				
Police				
Stations	1	1	1	1
Police units	37	34	34	34
Fire				
Fire stations	1	1	1	1
Public works				
Streets				
Streets (lane miles)	109	109	109	109
Parks				
Acreage	348	348	348	299
Parks	22	22	22	22
Swimming pools	2	2	2	2
Water and wastewater				
Water				
Water mains (miles)	115	115	113	113
Fire hydrants	360	360	360	360
Maximum daily capacity (thousands of gallons)	4	4	3	3
Wastewater				
Sanitary sewers (miles)	88	88	108	108
Storm sewers (miles)	80	80	80	80
Maximum daily treatment capacity (thousands of gallons)	4.3	4.3	4.3	4.3

**STATISTICAL INFORMATION**

**CITY OF BAY CITY, TEXAS**

*CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM*

*Last ten fiscal years*

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
32	32	31	32	37	32
1	1	1	1	1	1
109	110	110	110	110	110
314	326	326	314	245	271
22	22	22	22	22	26
2	2	2	2	2	2
113	113	113	113	113	113
360	360	360	360	360	360
3	3	3	3	3	3
108	108	108	108	108	108
80	80	80	80	80	80
4.3	4.3	4.3	4.3	4.3	4.3



## Budgetary Process and Guidelines

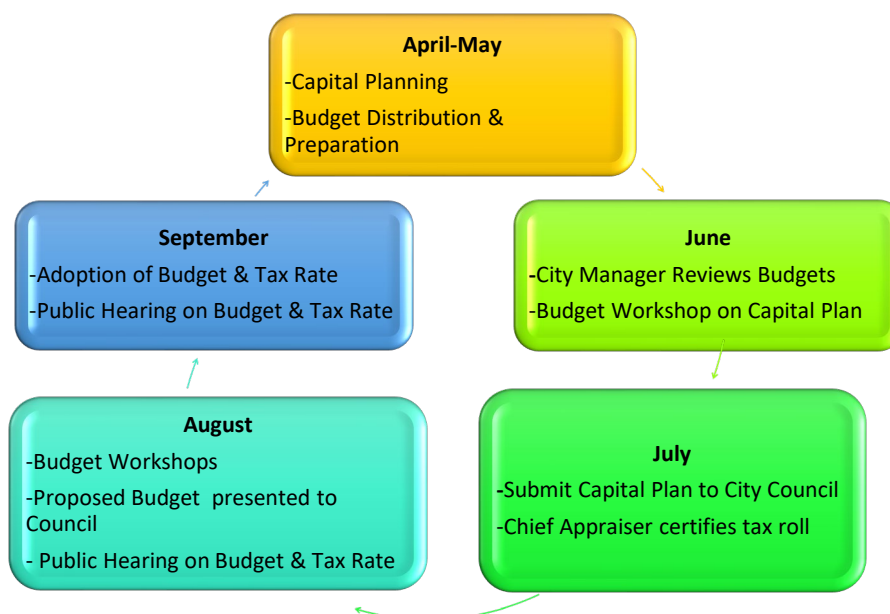
The purpose of this segment is to explain the budgetary policies and process of the City of Bay City. This narrative describes the legal requirements, budgeting standards and basic rationale of the budget process.

### Purpose of the Budget

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

- Function 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



Fiscal Year 2026

Summary Budget Calendar

Date	Activity	Responsible Party
March	Capital Planning	City Manager, Department Heads
April-May	Mailing of notices of appraised value	Matagorda County Appraisal District
April 8	<b>Budget Workshop- Capital Planning – 4:00 PM – Public Works</b>	City Council, City Manager Department Heads
<b>April 22</b>	<b>Budget Workshop- Capital Planning – 4:00 PM - Parks</b>	City Council, City Manager Department Heads
April 25	Turn in budget package to Finance Director	Department Heads
May 13	<b>Budget Workshop- Capital Planning- 4:00 PM-Airport Layout Plan</b> <b>Regular Council Meeting</b>	City Council, City Manager Department Heads
May 27	<b>Budget Workshop- Capital Planning- 4:30 PM RR Quiet Zone</b> <b>Regular Council Meeting</b>	City Council, City Manager Department Heads
June 9-20	Budget review with Department Heads	City Manager, Finance Director Department Heads
June 10	<b>Budget Workshop- Capital Planning- 4:30 PM – Public Safety Building</b> <b>Regular Council Meeting</b>	City Council, City Manager Department Heads
June 24	<b>Budget Workshop- Strategic Plan Update – 5:00 PM</b> <b>Regular Council Meeting</b>	City Council, City Manager Department Heads
July 8	<b>Budget Workshop–Hotel/Motel &amp; Outside Organizations- 5:00 PM</b> <b>Regular Council Meeting</b>	City Council, City Manager Department Heads
July 22	<b>Budget Workshop Health &amp; Compensation- 5:00 PM</b> <b>Regular Meeting</b>	City Council
July 25	Certification of appraisal roll	Chief Appraiser
August 6	Publishes no-new revenue tax rate, etc.	Matagorda County Tax Office
August 12	<b>Budget Workshop- 5:00 PM 5-Year Capital Plan</b> <b>Regular Meeting</b>	City Council
<b>August 19</b>	<b>Budget Workshop- 4:00 PM Presentation of Budget</b>	City Council, City Manager Department Heads
August 23	Last day to file Proposed Budget with City Secretary	Finance Director
<b>August 26</b>	<b>Budget Workshop – 5:00 PM BCCDC &amp; Fee Schedule</b> <b>Regular Meeting</b> -Discuss tax rate- Propose desired rate -Set Public Hearings on tax rate (if required) -Set Public Hearings on budget & Capital Plan	City Council
<b>September 16</b>	<b>Special Called Meeting- TBD</b> -Public Hearings on budget -Public Hearing on Capital Plan (Charter 10.16) -Public Hearing on tax rate (if required)	City Council
September 23	<b>Regular Council Meeting</b> -Approve Capital Plan -Approval of budget and tax rate ordinance -First and final reading of fee ordinance	City Council
October 1	Budget becomes effective	N/A

## 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 1<sup>st</sup> 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 City Manager and Finance Director prepare estimates of revenues and cash balances for the coming budget year. Departments submit budget requests to the Finance Director during May or early June. In June and July, the City Manager 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 City Manager 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 (1<sup>st</sup>), 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 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 City Manager 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

## APPENDIX

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 1<sup>st</sup>, 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 1<sup>st</sup>, 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 City Manager, 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

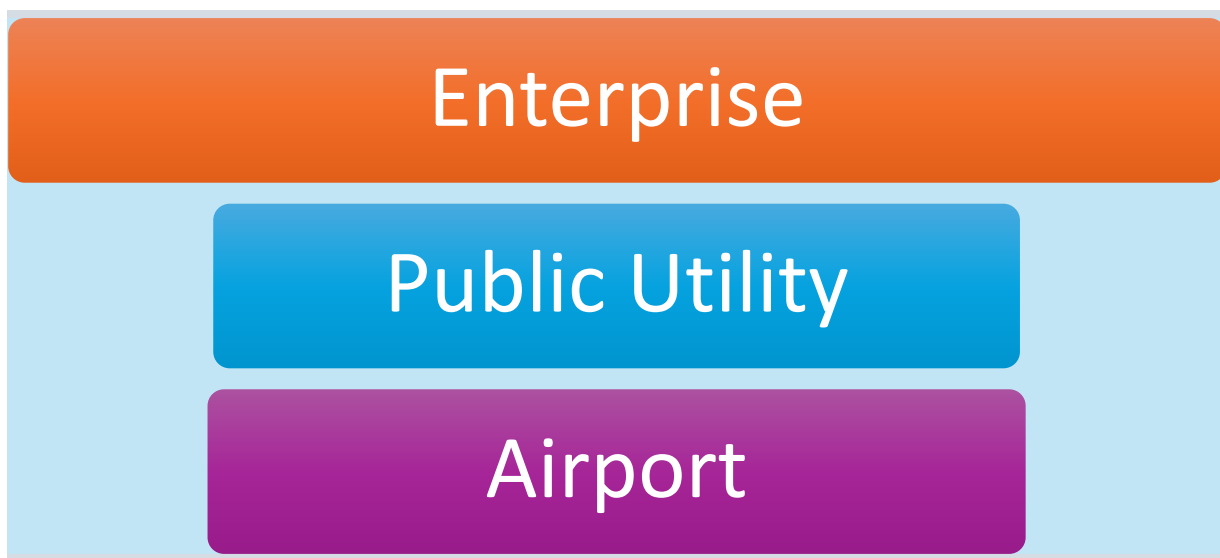


\*Although the City has a number of funds shown above, only the General Fund, Hotel/Motel and Debt Service Fund(s) are appropriated for. All City funds are audited annually. General Fund and Debt Service are legally required.

## 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 expenses. 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 2026 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 2026 and

**WHEREAS**, the proposed Operating Budget was placed on file with the City Secretary on the 23rd day of August 2025; and

**WHEREAS**, a public hearing on the Operating Budget for the City of Bay City for the fiscal year 2026 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 2026 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, 2025.

**PASSED AND APPROVED** on this 23rd day of September 2025.

## Tax Rate Ordinance

AN ORDINANCE ADOPTING THE TAX RATE OF \$0.55772 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, 2026, LEVYING A MAINTENANCE AND OPERATIONS RATE OF \$.43499 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 \$.12273; PROVIDING FOR A LIEN ON ALL REAL AND PERSONAL PROPERTY TO SECURE PAYMENT OF TAXES DUE THEREON; PROVIDING A SERVERABILITY 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 2026; 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 2026; and

**WHEREAS**, the City has acknowledged that:

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE; AND

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.29 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.52.

**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 2026.

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 2026 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, 2025, except so much thereof as may be exempt by the Constitution or laws of the State of Texas, a total tax of \$0.55772 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 \$0.43499 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, 2026, 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 \$0.12273 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, 2026.

**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 23rd day of September 2025.



## 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 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 and September. A copy of the Proposed Budget is available in the City Secretary's Office, the Bay City 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 the 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 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 improvement 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 City Manager. 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 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 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 in 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 City Manager 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 after 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. If 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 City Manager 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 timeline 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 adopted simultaneously.

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 City Manager 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 forecast 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 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 are provided by the Appraisal District. A ninety-eight percent (98%) collection rate shall serve each year as a goal for tax collections and the budgeted revenue projection shall be based on the average collection rate calculated by the Matagorda County Appraisal District. Property tax rates shall be leveraged 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 outsourced 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 in 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 the cost of services.

### **Water and Wastewater Rates and other fees for Services**

Water and wastewater shall be set to generate revenues required to cover operating expenditures, meet the legal requirements of applicable bond covenants, and provide 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.

#### **Amendments to the Budget**

In accordance with the City Charter, under Article 10.14 (Budget Amendments after Adoption) provides, that if, during the fiscal year, the City Treasurer certifies that there are available for appropriation revenues in excess of those estimated in budget, the Council, by ordinance, may make supplemental appropriations for the fiscal year up to the amount of the excess.

#### **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 the City Manager.

#### **City Manager's Authority to Amend the Budget**

The City Manager 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 enable the City to take advantage of all purchase discounts, except in the instance where payments can be reasonably and legally delayed 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 \$10,000, 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 resources.
- 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 follow 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

The 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 the cost of services provided. Proprietary funds use the accrual method of 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.

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#### **Implementation and Review**

Upon adoption of this policy the City Council authorizes the City Manager 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 Annual Comprehensive Financial Report (ACFR).

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 not individually identifiable as specific assets. As a result, the cost of these assets is grouped in general categories.
  - d) Machinery & Equipment – includes all motor vehicles, trailers, and construction and maintenance equipment where the unit cost exceeds \$10,000.

## APPENDIX

- 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 for 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 after 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 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) The Finance Department will maintain property inventory records.
  - 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 assets 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.

## APPENDIX

- 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 the 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

## APPENDIX

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 City Council 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 City Manager and Finance Director a detailed listing of the property for sale or disposal. The City Manager and Finance Director shall review the lists and make a recommendation to City Council of the items to be sold or disposed of. A public auction shall be the primary means of disposal or sale of property.

i) The City Manager 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. The 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 City Manager. 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 City Manager.

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 City Manager shall review all requests for as needed sales and make a final determination authorizing the sale or disposition.

- i) The City Manager, 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 in selling 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 City Manager is authorized to dispose of the property in the most economical means possible, up to and including the sale or disposal of 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 of, 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 the proceeds of the sale. If the 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 designated by City Council.



**Resolution of the City of Bay City, Texas  
No. R-2025-029**

**A RESOLUTION ADOPTING A FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) IN  
COMPLIANCE WITH THE CITY CHARTER**

**WHEREAS** the City Charter requires the City Manager 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 City Manager submitted a Five-Year Capital Program to the City Council on August 12, 2025, 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, 2025 – September 30, 2030), a copy of which is attached hereto and incorporated in the Fiscal Year Budget 2026, is hereby adopted in compliance with the City of Bay City Home Rule Charter.

**PASSED and APPROVED this 23rd day of September 2025.**

## Compensation and Staffing Plan

The City is working to maintain a competitive compensation and staffing plan which will include schedules that are updated annually by the Council to stay current. This document will outline key proposals to the plan.

### 2026 Business Plans (Objectives)

- Implement market findings from compensation study
- Implement step pay plan for the Police Department
- Continue merit—pay for performance
- Provide an HRIS system for a more automated onboarding process and standardized training courses
- Explore team building opportunities

### 2025 Accomplishments of Prior Year Business Plans

- ✓ Implemented longevity City-wide (\$49,000)
- ✓ Conducted compensation survey (\$30,000)
- ✓ Increased recruitment material (flyers, one-page benefit guide, comprehensive benefit guide)
- ✓ Added additional certifications to the Certification Pay Schedule (Public Works and Police) to aid in recruitment and retention
- ✓ Conducted an Employee Satisfaction Survey

### Salary Increase (City Council Annual Approval)

City Council approved a compensation package that includes cost of living adjustments of \$1,500 paid to employees on October 1. In addition, the City will provide merit pay as part of the employees' annual performance evaluation throughout the year. A full compensation study was conducted in FY 25. The budget provides for market adjustments to those employees that fall below the minimum scale for that job classification.

### Approved Positions for FY 2026 (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 (position control). The information about each department is included in the Staffing Levels Table. Significant Changes were as follows:

- Planning and Development- mowing position from .5 to 1 FTE

### Approved by Council for 2026 Budget

- **Amount of Salary (Merit) Increase Allocated- \$130,000**
- **Cost of Living Adjustment (COLA)- \$255,000 (2.7% of total salaries)**
- **Added Compression/Market Adjustment - \$70,000**
- **Number of Positions (167)- Increased staffing levels by .5 FTE**

### Summary Personnel Listing

<i>Occupational Department</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>
<i>*Administration</i>	8	8	8	8
<i>*City Secretary</i>	1	2	2	2
<i>Main Street</i>	0	0	1	1
<i>Human Resources</i>	2	2	2	2
<i>*Municipal Court</i>	6	7	7	7
<i>Finance</i>	4	4	4	4
<i>Planning &amp; Development</i>	4.5	5	9.5	10
<i>Police</i>	58	57	57	57
<i>Fire</i>	0	0	2	2
<i>Animal Impound</i>	3	3	3	3
<i>Streets</i>	16	15	13	13
<i>Recycling Center</i>	3.5	3.5	3.5	3.5
<i>*Parks</i>	12	12	13	13
<i>*Riverside Park</i>	3	3	3	3
<i>*Recreation</i>	3	3	3	3
<i>*Pools</i>	21	15	0	0
<i>Library</i>	7.5	8	9	9
<i>Communications &amp; Marketing</i>	0	0	1	2
<i>Tourism</i>	1	1	1	0
<i>Utility Billing</i>	4	6	6	6
<i>Utility Maintenance</i>	13	10	10	10
<i>Waste Water (WWTP)</i>	7	7	7	7
<i>Utility Operations</i>	5	6	3	3
<i>*Airport</i>	4.5	4	4	4
<i>Information Technology</i>	2	2	2	2
<i>Equipment Maintenance</i>	3	3	3	3
<i>Facility Maintenance</i>	5	5	5	5
<b><i>Total Budgeted Positions</i></b>	<b>197</b>	<b>191.5</b>	<b>181.5</b>	<b>182</b>
<b><i>Total Full Time/Part Time</i></b>	<b>161.5</b>	<b>162.5</b>	<b>166.5</b>	<b>167</b>
<b><i>*Temporary /Appointed Positions</i></b>	<b>36</b>	<b>29</b>	<b>15</b>	<b>15</b>
<i>Council Members- Administration</i>	6	6	6	6
<i>Appointed-Judges- Municipal Court</i>	2	2	2	2
<i>Temporary Workers-Administrative</i>	.5	0	0	0
<i>Temporary Workers-Parks</i>	2	2	2	2
<i>Temporary Worker-Riverside</i>	1	1	1	1
<i>Temporary Workers-Recreation</i>	3	3	3	3
<i>Temporary Workers-Pools</i>	20	14	0	0
<i>Temporary Workers- Library</i>	.5	1	1	1
<i>Temporary Worker- Airport</i>	1	0	0	0

## Acronyms

**A/P** – Accounts Payable

**ACFR**- Annual Comprehensive Financial Report (Audit)

**ACH**- Automated Clearing House

**AMI**- Advanced Metering Infrastructure

**BCCDC**- Bay City Community Development Corporation

**BCISD**- Bay City Independent School District

**BCLA**- Bay City Library Association

**BCPD**- Bay City Police Department

**BCPL**- Bay City Public Library

**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

## APPENDIX

**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

**WWTP** – Wastewater Treatment Plant

## Glossary of Terms

### Accrual Basis

In this basis of accounting transactions are recognized when they occur, regardless of the timing of related cash flows.

### Ad Valorem Taxes

Commonly referred to as property taxes. Charges levied on all property, real personal, mixed tangible, intangible, annexations, additions, and improvements to property located within the taxing unit's jurisdiction. These levies are based on the property's assessed value and the tax rate.

### Appropriation

An authorization made by the legislative body to make expenditures and incur obligations for the City.

### Assessed Value

A value that is established on real estate or other property as a basis for levying property taxes.

### Asset

Resources owned or held which have monetary value that can be used to cover or be applied to cover liabilities.

### Audit

A comprehensive review of an organization's financial accounts and records and the utilization of resources. An annual audit is conducted by an independent third-party certified public accountant who concludes the audit with an Annual Comprehensive Financial Report also referred to as an ACFR.

### 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 1<sup>st</sup> through September 30<sup>th</sup>, 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**

In this basis of accounting transactions are recorded when cash is received or disbursed.

### **Certificate of Obligation (CO's)**

Legal debt instruments used to finance capital improvement projects. COs are backed by the credit of the government entity and are fully payable from a property tax levy. COs differ from general obligation debt in that they are approved by the City Council and are not voter approved.

### **Component Unit**

A separate legal entity that is financially linked to a primary government (like a city or state) or organization.

### **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.

### **Deficit**

An excess of expenditures or liabilities over income or assets in a given period.

### **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 produces 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 of 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 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 regarding certain operating elements. (e.g., financial conditions, service levels provided, etc.)

### **Governmental Fund**

A core accounting unit for a government's primary, tax- supported activities, tracking current financial resources (like taxes, grants) for essential services (public safety, administration).

### **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.)

### **Interest & Sinking Fund**

Is a dedicated financial account, often required by bond agreements, where regular deposits are made to pay future principal and interest (debt service) on loans or bonds, ensuring funds are set aside specifically for debt repayment rather than being used for other purposes.

### **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

### **Major Fund**

The most significant governmental or enterprise funds in public finance, identified by meeting specific percentage thresholds or by professional judgement, with the General Fund always being major, used for clear financial reporting.

### **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.

### **Proprietary Fund**

Used for business-like activities that charge fees for services (like utilities or public transport) or provide goods internally (like IT support for other departments), focusing on cost recovery and using accrual accounting.

### **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

A measure of a company's short-term financial health, calculated as Current Assets minus Current Liabilities, showing the cash available for daily operations after covering immediate debts like payroll, and vendors, enabling growth and weathering financial storms.

