



## CITY OF BAY CITY

### FY 2016-2017 2nd Quarter Financial Overview

### As of March 31, 2017

*The City of Bay City Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting. The Quarterly Report is used to provide our internal and external customers financial reporting with easy to read narratives regarding the City's financial position. This report is comprised of three sections:*

1. The **Financial Overview** reports the performance of the major operating funds of the City primarily in a narrative context. The fund descriptions are as follows:
  - The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.
  - The **Public Utility Fund** accounts for the operations costs to provide water, sewer and garbage services to the citizens of Bay City.
  - The **Airport Fund** is used to account for the operations of the Airport, and to account for the rent generated from its T-hangers and fuel sold.
2. The **Financial Summary** provides comparative data for revenues and expenditures by fund and by department. Data shows current quarter information as it relates to prior year budget and prior year actual.
3. The **Investment Report** provides a description of investment activity during the quarter.

Since this report does not include all funds related to the City of Bay City's Operations—please refer to the City's Comprehensive Annual Financial Report available on the City's website ([www.cityofbaycity.org](http://www.cityofbaycity.org)). Go to the Finance Department's Page for all financial transparency information.

## FINANCIAL OVERVIEW- City Wide

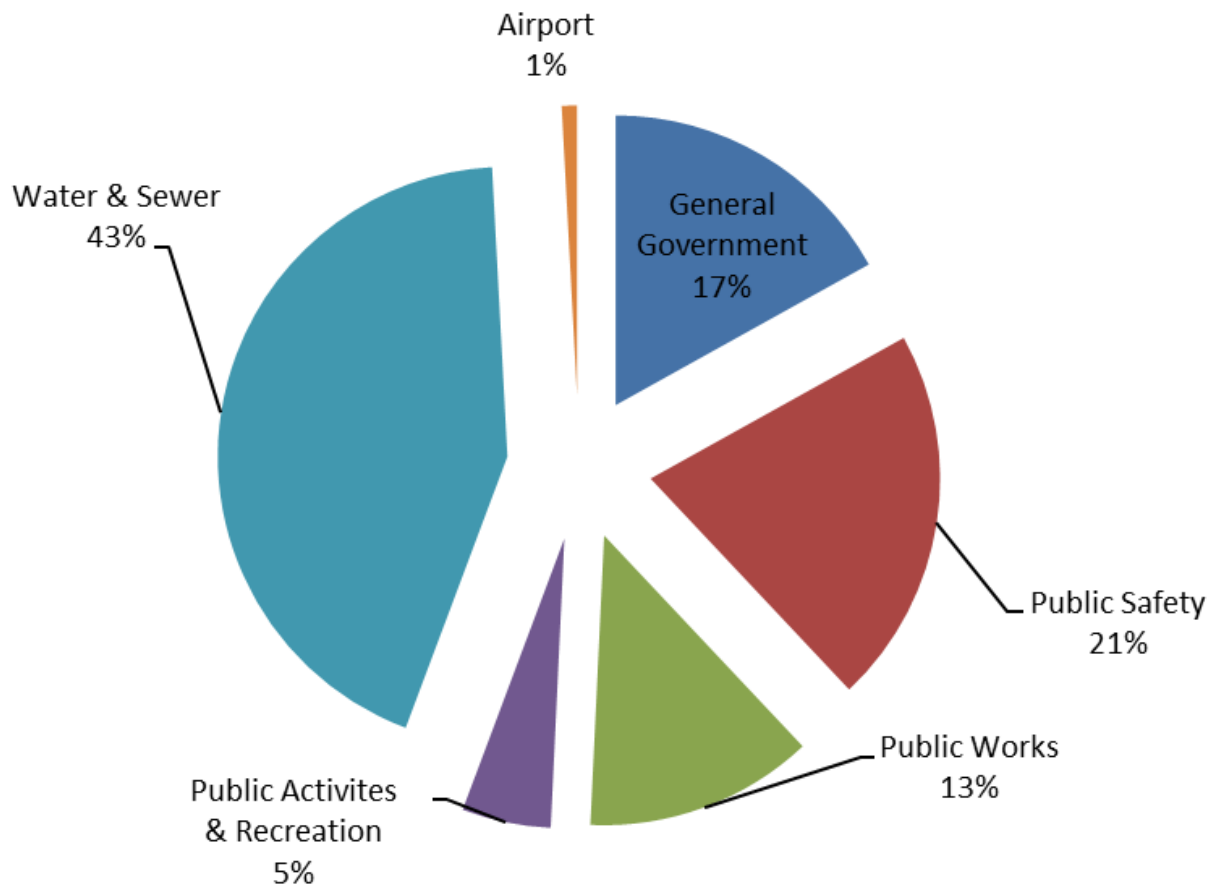
### *City Wide Revenues\**

Combining all major funds, total City Wide Revenues are down \$1,991,319 as compared to quarter ended March 2016. This primary decrease is due the timing of grant reimbursements in prior year (Tenaris Project).

### *City Wide Expenditures\**

Expenditures are down \$2,603,773 as compared to March 2016. This is contributed to the timing of capital projects (primarily Tenaris) as compared to prior year.

## Where do our dollars go?



## General Fund Overview

### Revenue Highlights

- As a percentage of budget, total General Fund Revenue is **61%**, over the 2nd quarter benchmark of 50%. ([Timing of property Tax Payments- 92%](#))
- Sales tax receipts are up approximately 3% (\$84,000) from prior year. Sales tax receipts are projected to be meet the budget target of \$4,117,500.
- Sanitation Fee Revenue meeting budget target.
- Franchise fees are stable.
- Licenses & Permits are down \$33,938 from prior year due to building permits, however meeting budget target.
- Fines & Forfeitures (court fines & arrest fees) are in line with prior year, however currently below budget target of 50%.
- Interest Income slightly up from prior year, however is above the budget target of 50%.

## GENERAL FUND FINANCIAL SUMMARY

### Revenues by Receipt Type

	15-16 Actual YTD	15-16 Budget	%	16-17 Actual YTD	16-17 Budget	%
<i>Revenues</i>						
Property Taxes	\$ 3,410,067	\$ 3,843,854	89%	3,566,431	3,888,309	92%
Other Taxes	2,560,271	5,402,089	47%	2,639,675	5,215,000	51%
Charges for Services	1,139,290	2,248,366	51%	1,182,467	2,353,843	50%
Fines & Penalties	131,830	307,700	43%	132,189	354,700	37%
Licenses & Permits	101,805	209,750	49%	76,036	211,500	36%
Miscellaneous	256,641	858,045	30%	210,884	610,997	35%
Transfers	348,997	707,294	49%	336,821	707,294	48%
Other Revenue	4,676	20,700	23%	1,454	25,700	6%
<b>Total Revenue</b>	<b>\$ 7,953,576</b>	<b>\$ 13,597,798</b>	<b>58%</b>	<b>\$ 8,145,956</b>	<b>\$ 13,367,343</b>	<b>61%</b>

## **General Fund Overview Continued**

### **General Fund Expenditure Highlights**

- As a percentage of budget, total General Fund Expenditures is 46%.
- Most departments are under the 50% budget target. Budgets that are over the budget target are due to timing of payments.
- General Fund expenses are down \$404,808 as compared to the same quarter last year (primarily due to the timing of capital purchases).
- Fund Balance is anticipated dip below policy reserve levels by year end. City policy requires a minimum fund balance between 15 and 20% of general fund operating expenditures.

### **GENERAL FUND FINANCIAL SUMMARY**

#### **Expenditures by Department**

	15-16 Actual YTD	15-16 Budget	%	16-17 Actual YTD	16-17 Budget	%
<i>Expenditures</i>						
City Secretary	\$ 139,172	330,196	42%	139,879	387,549	36%
City General Services	1,729,576	3,326,510	52%	1,623,389	3,276,602	50%
Administrative Council	126,907	266,357	48%	132,165	262,517	50%
Main Street	20,989	43,391	48%	41,436	50,890	81%
Municipal Court	145,190	309,811	47%	137,299	311,367	44%
Finance	122,855	225,255	55%	146,228	349,910	42%
Police	2,302,919	4,594,603	50%	2,214,502	4,808,098	46%
Animal Impoundment	73,416	162,740	45%	71,269	172,244	41%
Volunteer Fire Dept.	105,089	186,851	56%	45,014	193,446	23%
Public Works	1,422,336	3,381,570	42%	1,377,302	2,981,749	46%
Recycling Center	161,654	242,358	67%	64,322	177,290	36%
Parks	370,412	853,439	43%	361,542	836,865	43%
Riverside Park	116,057	226,994	51%	77,054	173,712	44%
Recreation	59,379	147,246	40%	58,344	118,737	49%
Aquatics	57,987	237,435	24%	59,387	245,388	24%
<b>Total Expenditures</b>	<b>\$ 6,953,938</b>	<b>\$ 14,534,756</b>	<b>48%</b>	<b>\$ 6,549,130</b>	<b>\$ 14,346,364</b>	<b>46%</b>
<b>Net Revenue (Expenditures)</b>	<b>999,638</b>	<b>(936,958)</b>		<b>1,596,826</b>	<b>(979,021)</b>	
<b>Beginning Fund Balance</b>				1,975,014	1,975,014	14%
<b>Ending Fund Balance</b>				3,571,840	995,993	7%

## Public Utility Fund Overview

### Revenue Highlights

- As a percentage of budget, the Public Utility fund appears under budget mark due to a reimbursement not yet received from an EDA grant related to the Tenaris project. However, the core revenues (water and sewer) are in line with the budget target.

### Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 42% of budget.
- All departments are within budget except for warehouse operations (timing of building repairs).

## PUBLIC UTILITY FUND FINANCIAL SUMMARY

### Revenues by Receipt Type

	15-16 Actual YTD	15-16 Budget	%	16-17 Actual YTD	16-17 Budget	%
<i>Revenues</i>						
Charges for Services	\$ 3,384,102	7,549,747	45%	3,566,354	7,567,497	47%
Fines & Penalties	90,534	200,000	0%	100,330	200,000	50%
License & Permits	-	-	0%	-	-	0%
Miscellaneous	2,067,877	11,000	18799%	(379,079)	10,350	-3663%
Transfers	-	554,973	0%	-	-	0%
<b>Total Revenue</b>	<b>\$ 5,542,513</b>	<b>\$ 8,315,720</b>	<b>67%</b>	<b>\$ 3,287,606</b>	<b>\$ 7,777,847</b>	<b>42%</b>
<i>Expenditures</i>						
General Operation	1,884,416	\$ 4,279,932	44%	1,993,594	4,331,790	46%
Water Division	1,157,118	2,146,862	54%	722,590	1,633,187	44%
Sewer Division	2,614,752	1,716,460	152%	671,199	2,268,890	30%
Warehouse Operations	90,118	143,166	63%	65,758	75,660	87%
<b>Total Expenditures</b>	<b>\$ 5,746,403</b>	<b>\$ 8,286,420</b>	<b>69%</b>	<b>\$ 3,453,140</b>	<b>\$ 8,309,527</b>	<b>42%</b>
<b>Net Revenue (Expenditures)</b>	<b>\$ (203,890.81)</b>	<b>\$ 29,300.00</b>		<b>\$ (165,534.36)</b>	<b>\$ (531,680)</b>	
<b>Beginning Fund Balance</b>				\$ 2,624,084	\$ 2,624,084	
<b>Ending Fund Balance</b>				\$ 2,458,550	\$ 2,092,404	

## Airport Fund Overview

### Revenue Highlights

- As a percentage of budget, total Airport Fund exceeds the budget mark due to timing T-Hanger rentals and full service fees.
- T-Hanger rentals are up 20% or \$8,894 from prior year.

### Expenditure Highlights

- As a percentage of budget, total expenditures are 41% due to timing of expenditures.

## AIRPORT FUND FINANCIAL SUMMARY

### Revenues by Receipt Type

	15-16 Actual YTD	15-16 Budget	%	16-17 Actual YTD	16-17 Budget	%
<i>Revenues</i>						
Miscellaneous	\$ 66,364	143,000	46%	71,313	61,000	117%
Transfers	60,232	120,464	50%	110,537	221,074	50%
Other Revenue	76,222	233,500	33%	71,208	233,500	30%
Cost of Fuel	(55,377)	(148,067)	37%	(34,409)	(148,067)	23%
<b>Total Revenue</b>	<b>\$ 147,441</b>	<b>\$ 348,897</b>	<b>42%</b>	<b>\$ 218,649</b>	<b>\$ 367,507</b>	<b>59%</b>
<i>Expenditures</i>						
Personnel	\$ 54,024	104,179	52%	56,297	124,037	45%
Supplies & Materials	5,230	9,900	53%	3,711	14,500	26%
Other Charges & Services	29,843	82,216	36%	35,041	146,604	24%
Repairs & Maintenance	34,590	122,200	28%	62,411	143,000	44%
Capital Expenditures	-	25,000	0%	60,525	100,610	60%
<b>Total Expenditures</b>	<b>\$ 123,687</b>	<b>\$ 343,495</b>	<b>36%</b>	<b>\$ 217,985</b>	<b>\$ 528,751</b>	<b>41%</b>
<b>Net Revenue (Expenditures)</b>	<b>\$ 23,754</b>	<b>\$ 5,402</b>		<b>\$ 664</b>	<b>\$ (161,244)</b>	
<b>Beginning Fund Balance</b>				<b>\$ 128,257</b>	<b>\$ 128,257</b>	
<b>Ending Fund Balance</b>				<b>\$ 128,921</b>	<b>\$ (32,987)</b>	

## FINANCIAL CHALLENGES OF THE CITY

### *Governmental Funds*

#### [General Fund](#)

Reserves Levels-The City will work to find savings in this year's budget then develop a budget plan for FY 18 to close the deficit funding gap.

### *Proprietary Funds*

#### [Public Utility Fund](#)

None

#### [Airport](#)

None

#### **Monitoring:**

Sales Tax

Court Fines

Building Permits

Property Tax Collections

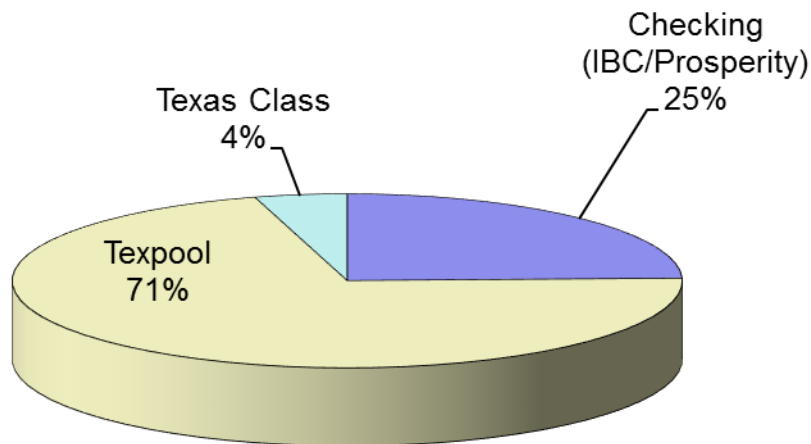
# Investment Report 2nd Quarter 2016-2017

The City has a weighted average portfolio of 1 day with an average book yield of .47%. The City is liquid with 100% of the portfolio in a 0-1-year maturity. Average interest rates have slightly increased since prior quarter. All short-term investments average less than 1%. Investment earnings are \$12,669 for the quarter and up \$7,422 as compared to the same quarter last year. The investment strategy currently is to stay short with diversification (Checking & Investment Pools) to minimize interest rate risk in the future. However, the City will begin to build a laddered portfolio with some investment moving into 2-3 year maturities. The Investment Officer will begin to monitor security offerings as the City earns no interest in the primary depository.

## March 31, 2017 Balances

	Total Bal by Type	% of Portfolio
IBC/Prosperity	\$2,799,790.36	24.54%
Petty Cash (N/A)	\$3,952.00	0.03%
Texpool	\$8,094,968.31	70.97%
Texas Class	\$508,096.45	4.45%
CD's	\$-	0.00%
Securities	\$-	0.00%
	<u>\$11,406,807.12</u>	<u>100.00%</u>

## Portfolio Diversification







City of BAY CITY vs. Benchmarks  
for Quarter Ending March 31, 2017

BOOK VALUE	MARKET VALUE	Unrealized Gain/<Loss>	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill
\$ 11,406,807.12	\$ 11,406,807.12	-	0.47%	0.78%	0.61%
<b>Weighted Average</b>					
<b>Maturity</b>	1.00 Day(s)		0.47% Yield		