



CITY OF BAY CITY Monthly Financial Report Month of February 2018

The City of Bay City Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting. The Monthly 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 represents a general overview of financial operations through **February 2018**, the fifth month of the fiscal year, and **41.67%** of FY 2018.*

*The **Financial Summaries** provide comparative data for revenues and expenditures by fund. Data shows current monthly and year to date information as it relates to budget. Beginning fund balances are estimates until the final audit is complete.*

- 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 and sewer 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.
- The **Hotel/Motel Occupancy Tax Fund** was established to directly enhance and promote tourism and the convention and hotel industry or other expenses as approved by State Law.

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 & the City's Annual Budget available on the City's website (www.cityofbaycity.org).

Go to the Finance Department's Web Page for all financial transparency information. This includes audits, budgets, quarterly reports, and check registers

General Fund Overview

Revenue Highlights

Revenues total \$7,812,869 or 53.8% of the budget.

- **Property Tax.** The certified value totaled \$811 million. Through February, the City received \$3,850,068 of the 4.2-million-dollar property tax maintenance and operation budget. Peak periods for property tax collections are January and February.
- **Sales tax.** February Sales Tax Allocation to the City is up 7.87% (\$40,106) as compared to February 2017. These are collections related to December that are remitted to the City in February. Collections are up YTD by \$26,083 as compared to prior year. Sales tax is anticipated to exceed budget expectations.
- Franchise fees are in line with budget. Licenses & Permits appear to far exceed the budget target, however this additional revenue will be offset by a third-party inspection contracted by the City.
- Charges for services represents sanitation fees - \$974,281 (42.1% of budget).
- Miscellaneous appears below budget, however most is attributable to timing of grant payments and/or interlocal agreements. (County, Bay City Gas Company, BCCDC).
- Other Revenue holds a budget of 540,000. The City plans to issue a tax note to fund capital improvements in the General Fund (Police Roof and Library Roof).

General Fund Expenditure Highlights

Expenditures total 4,887,672 or 33.7% of budget.

- Most departments are under the 41.67% budget target. Budgets that are over the budget target are primarily due to timing of payments.
 - City Secretary exceeding budget target due to payroll related costs and timing of expenditures.
 - Main Street budget is exceeding budget target due to unanticipated payment for downtown lighting. (Amendment needed)

The General Fund's fund balance is budgeted to remain flat. **The city reserve level currently is below the minimum policy of 25%.** See bottom of page 3 for more clarification. The beginning cash position (October 1, 2017) was 1.3 million which represents less than 10% operating reserve. The City plans to build reserve over the next 3-4 years. Sales tax and some departmental savings should aide in building the reserve by fiscal year end.

GENERAL FUND FINANCIAL SUMMARY

General Fund (Fund 11)					
Percent of Fiscal Year Complete	42%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Property Taxes	4,267,949	1,181,182	\$ 3,850,068	\$ 417,881	90.2%
Sales Tax	4,117,500	412,379	\$ 1,794,843	\$ 2,322,657	43.6%
Other Local Taxes (Franchise)	1,300,000	126,147	556,654	\$ 743,346	42.8%
Charges for Services (Sanitation)	2,316,000	196,169	974,281	\$ 1,341,719	42.1%
Fines & Penalties	283,500	26,964	83,703	\$ 199,797	29.5%
Licenses & Permits	181,500	10,754	199,763	\$ (18,263)	110.1%
Miscellaneous	997,751	22,574	139,475	\$ 858,276	14.0%
Transfers	513,800	42,817	214,083	\$ 299,717	41.7%
Other Revenue	540,000	-	-	\$ 540,000	0.0%
Total Revenues	\$ 14,518,000	\$ 2,018,986	\$ 7,812,869	\$ 6,705,131	53.8%
Expenditures					
City Secretary	141,451	\$ 20,471	\$ 69,658	\$ 71,793	49.2%
City General Services	2,665,540	195,177	952,037	\$ 1,713,503	35.7%
Administrative Council	206,205	17,110	80,675	\$ 125,530	39.1%
Main Street	50,800	3,591	33,560	\$ 17,240	66.1%
Personnel Resources	238,202	18,681	96,294	\$ 141,908	40.4%
Municipal Court	308,019	22,475	94,889	\$ 213,130	30.8%
Finance	318,745	22,479	118,104	\$ 200,641	37.1%
Police	4,666,840	322,901	1,725,421	\$ 2,941,419	37.0%
Animal Impoundment	163,830	12,065	60,827	\$ 103,003	37.1%
Volunteer Fire Dept.	185,198	75,092	105,790	\$ 79,408	57.1%
Public Works	3,177,046	93,397	897,708	\$ 2,279,338	28.3%
Recycling Center	160,029	10,026	55,823	\$ 104,206	34.9%
Parks	929,937	53,640	292,348	\$ 637,589	31.4%
Riverside Park	223,300	9,650	47,106	\$ 176,194	21.1%
Recreation	100,012	8,780	34,971	\$ 65,041	35.0%
Aquatics	296,096	13,194	63,785	\$ 232,311	21.5%
Library	686,750	28,981	158,675	\$ 528,075	23.1%
Total Expenditures	\$ 14,518,000	\$ 927,708	\$ 4,887,672	\$ 9,630,328	33.7%
*YTD does not includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 1,091,277	\$ 2,925,197	\$ (2,925,197)	
Beginning Fund Balance (10-1-17)	\$ 1,363,153	<i>Actual</i>	\$ 1,363,153		
Ending Fund Balance	\$ 1,363,153		\$ 4,288,350		
% of Operating Reserves	9.82%		29.54%		
Fund Balance Target 90 days (25%)	\$ 3,469,194				
Over/(Under) min Policy Level (25%)	\$ (2,106,041)				

Public Utility Fund Overview

Revenue Highlights

- As a percentage of budget, total Water & Sewer Revenue is 42% being on target with budget expectations.

Expenditure Highlights

- Total expenditures for the Utility Fund sit nicely at 32% of budget.
- All departments are within budget expectations.

PUBLIC UTILITY FUND FINANCIAL SUMMARY

Utility Fund (Fund 61)					
Percent of Fiscal Year Complete	42%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ 7,522,000	\$ 609,615	\$ 3,121,815	\$ 4,400,185	42%
Fines & Penalties	190,000	24,848	87,510	\$ 102,490	46%
Miscellaneous	9,000	760	3,821	\$ 5,179	0%
Total Revenues	\$ 7,721,000	\$ 635,223	3,213,146	\$ 4,507,854	42%
Expenditures					
General Operation	\$ 3,853,885	\$ 325,656	\$ 1,547,852	\$ 2,306,033	40%
Water	2,139,829	116,744	409,231	\$ 1,730,598	19%
Sewer	1,640,786	109,348	466,349	\$ 1,174,437	28%
Warehouse Operations	86,500	8,465	31,694	\$ 54,806	37%
Total Expenditures	\$ 7,721,000	\$ 560,213	2,455,126	\$ 5,265,874	32%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 75,010	\$ 758,021	\$ (758,021)	
Beginning Reserve Balance 10-1-17	\$ 3,166,423	<i>Actual</i>	\$ 3,166,423		
Ending Reserve Balance	\$ 3,166,423		\$ 3,924,444		
% of Operating Reserves	43.28%		53.64%		
Target 90 days (25%)	1,829,060				
Over/(Under) Target	\$ 1,337,364				

Airport Fund Overview

Revenue Highlights

- As a percentage of budget, core Airport revenues (T-Hanger Rentals and Fuel Sales are slightly under budget expectations.
- Miscellaneous Revenue appears under budget but this is due to the timing of the Routine Annual Maintenance Program (RAMP) with TXDOT (\$50,000 per year)
- General Fund (Transfers In) subsidizes the Airport by \$150,000.

Expenditure Highlights

- As a percentage of budget, total expenditures are 33%. Capital Expenditures are slightly over budget—the TXDOT airport project required additional match than what was anticipated in the budget. (Amendment)

AIRPORT FUND FINANCIAL SUMMARY

Municipal Airport Fund (Fund 64)					
Percent of Fiscal Year Complete		42%			
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Charges for Services	\$ -	0	250	(250.00)	N/A
Miscellaneous (Rentals, Grants)	158,000	\$ 6,778	\$ 40,462	117,537.78	26%
Transfers (General Fund)	150,000	12,500	62,500	87,500.00	42%
Other Revenue (Fuel Sales)	160,500	6,511	64,685	95,815.42	40%
Prior Fund Balance	37,000	-	-	37,000.00	0%
Total Revenues	\$ 505,500	\$ 25,789	167,897	\$ 337,603	33%
Expenditures					
Personnel	\$ 133,046	\$ 9,858	\$ 38,611	\$ 94,435	29%
Supplies & Materials	119,500	4,019	51,281	\$ 68,219	43%
Other Charges & Services	82,104	2,889	27,486	\$ 54,618	33%
Repairs & Maintenance	138,829	4,773	24,741	\$ 114,088	18%
Capital Expenditures	32,021	-	25,864	\$ 6,157	81%
Total Expenditures	\$ 505,500	\$ 21,540	167,982	\$ 337,518	33%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ -	\$ 4,249	\$ (85)	\$ 85	
Beginning Reserve Balance 10-1-17	\$ 109,256		\$ 109,256		
Ending Reserve Balance	\$ 109,256		109,171		
<i>No minimum Fund Balance Policy</i>					
General Fund subsidizes \$150,000					

Civic & Cultural Arts Fund (Hotel /Motel Fund) Overview

Revenue Highlights

- As a percentage of budget, total Hotel/Motel Fund is below budget target of 41.67%. This is due to the timing of hotel payments. Most hotels remit tax on a monthly or quarterly basis. Most
- The City also budgeted to receive outside financing sources \$585,000 (tax note) to replace the civic center roof. This is budgeted as part of Miscellaneous Income in the report.

Expenditure Highlights

- As a percentage of budget, total expenditures are below the budget target, however this is due to the timing of various budgets within the Hotel / Motel Fund.
- The City budgeted to use \$184,350 of Fund Balance to support the Bay City Theatre renovations.

HOTEL/MOTEL FUND FINANCIAL SUMMARY

Civic & Cultural Arts Fund (Fund 25)					
Percent of Fiscal Year Complete	42%				
	Total Budget	Current Period	YTD Actual*	Over(Under) Budget to Date	Percent to Total Budget
Revenues					
Hotel Occupancy Tax	\$ 725,000	130,530	\$ 216,900	\$ 508,100	30%
Miscellaneous	657,650	12,232	34,102	\$ 623,548	5%
Total Revenues	\$ 1,382,650	\$ 142,763	251,002	\$ 1,131,648	18%
Expenditures					
Council Discretionary	\$ 173,545	5,508	83,122	90,423	48%
Convention & Visitors Bureau	219,955	12,108	75,329	144,626	34%
Civic Center	843,500	27,137	102,098	741,402	12%
Bay City Theatre	330,000	19	2,037	327,963	1%
Total Expenditures	\$ 1,567,000	\$ 44,771	\$ 262,585	\$ 1,304,415	17%
*YTD includes encumbrances					
Net Revenue (Expenditures)	\$ (184,350)	\$ 97,991	\$ (11,584)	\$ (172,766)	
Beginning Fund Balance (10-1-17)	\$ 449,295	<i>Actual</i>	\$ 449,295		
Ending Fund Balance	\$ 264,945		437,711		
<i>Proposed to maintain \$50,000</i>					