

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: City of Bay City

Issue(s):

- Tax & Revenue Certificates of Obligation, Series 2009
- Tax & Revenue Certificates of Obligation, Series 2010
- Tax & Revenue Certificates of Obligation, Series 2012
- Tax Notes, Series 2013
- General Obligation Refunding Bonds, Series 2013
- Tax & Revenue Certificates of Obligation, Series 2014
- Tax & Revenue Certificates of Obligation, Series 2016

CUSIP Number(s): 072131

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Financial & Operating Data Disclosure Information

- Annual Financial Report or CAFR
- Financial Information & Operating Data
- Other (describe) _____
- Fiscal period covered: 2018 _____
- Monthly Quarterly Annually

The information set forth herein has been furnished by the City and by sources which are believed to be accurate and reliable but no representation is made with respect to the accuracy or completeness of information obtained from sources other than the District. Statements which involve estimates, forecasts, or other matters of opinion are intended solely as such and are not to be construed as representations of facts. Furthermore, the information herein is subject to change without notice and will not, under any circumstances, create any implication that there has been no change in the affairs of the City or other parties described herein.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: 

Name: Scotty Jones Title: Finance Director

Employer: City of Bay City

2010 US Census 17,614

2018 Certified Taxable Assessed Value : \$ 857,099,643

Outstanding Tax Debt as of 9/30/2018

Outstanding General Obligation Debt	Amount
Tax & Revenue Certificates of Obligation, Series 2009	\$ 575,000
Tax & Revenue Certificates of Obligation, Series 2010	2,340,000
Tax & Revenue Certificates of Obligation, Series 2012	6,265,000
Tax Notes, Series 2013	101,000
General Obligation Refunding Bonds, Series 2013	2,290,000
Tax & Revenue Certificates of Obligation, Series 2014	2,665,000
Tax & Revenue Certificates of Obligation, Series 2016	5,210,000
Tax Notes Series 2018	1,285,000
Total Outstanding Debt	\$ 20,731,000

Self-Supporting Debt as of 9/30/2018

Less: Self-Supporting Debt	Amount
Tax & Revenue Certificates of Obligation, Series 2012	\$ 6,265,000
Tax & Revenue Certificates of Obligation, Series 2014	666,250
Tax & Revenue Certificates of Obligation, Series 2016	1,736,493
Total Outstanding Self-Supporting Debt	\$ 8,667,743
 Total Net Debt	 \$ 12,063,257

Outstanding Tax Debt as of 9/30/2018

The city does not currently have revenue debt outstanding.

Debt Service Requirements

FYE 9/30	Outstanding		Interest		Total	Total		Less:		Net Debt Service
	Debt Service	Principal	Rate	Interest		Debt Service	Self-Supporting Debt Service ^(a)			
2019	\$ 2,749,731	\$ 25,000	3.01%	\$ 40,398	\$ 65,398	\$ 2,815,129	\$ 985,878	\$ 1,829,251		
2020	2,063,273	195,000	3.01%	37,926	232,926	2,296,199	988,128	1,308,070		
2021	2,057,248	200,000	3.01%	32,057	232,057	2,289,304	988,301	1,301,003		
2022	2,065,223	205,000	3.01%	26,037	231,037	2,296,259	989,091	1,307,168		
2023	2,066,073	210,000	3.01%	19,866	229,866	2,295,939	989,041	1,306,898		
2024	2,070,673	220,000	3.01%	13,545	233,545	2,304,218	988,320	1,315,898		
2025	1,653,448	230,000	3.01%	3,462	233,462	1,886,909	986,834	900,075		
2026	1,657,873	-	-	-	-	1,657,873	989,578	668,294		
2027	1,658,573	-	-	-	-	1,658,573	986,761	671,811		
2028	850,035	-	-	-	-	850,035	179,981	670,054		
2029	856,110	-	-	-	-	856,110	181,371	674,739		
2030	855,190	-	-	-	-	855,190	181,204	673,986		
2031	598,350	-	-	-	-	598,350	180,887	417,463		
2032	601,300	-	-	-	-	601,300	181,671	419,629		
2033	598,550	-	-	-	-	598,550	180,588	417,962		
2034	595,250	-	-	-	-	595,250	179,771	415,479		
2035	371,450	-	-	-	-	371,450	123,804	247,646		
2036	375,950	-	-	-	-	375,950	125,304	250,646		
Total	\$ 23,744,296	\$ 1,285,000		\$ 173,289	\$ 1,458,289	\$ 25,202,585	\$ 10,406,514	\$ 14,796,071		

(a) The City pays a portion of its outstanding debt service from the net revenues of other City sources. While the City currently intends however, there to continue this practice however there is no assurance the City will continue doing so.

Average Annual Debt Service	\$ 1,400,144
Maximum Annual Debt Service (2019)	\$ 2,815,129
Average Net Annual Debt Service	\$ 822,004
Maximum Net Annual Debt Service (2018)	\$ 1,829,251

Total Debt Service

Average annual debt service requirements on the City's total indebtedness	\$ 1,400,144
\$ 0.1702 Tax rate on the 2018 taxable assessed valuation at 96% collection produces	\$ 1,400,432
Maximum annual debt service requirements on the City's total	\$ 2,815,129
\$ 0.3422 Tax rate on the 2018 taxable assessed valuation at 96% collection produces	\$ 2,815,675

Net Debt Service^(a)

Average annual debt service requirements on the City's net indebtedness	\$ 822,004
\$ 0.0999 Tax rate on the 2018 taxable assessed valuation at 96% collection produces	\$ 821,993
Maximum annual debt service requirements on the City's net indebtedness	\$ 1,829,251
\$ 0.2224 Tax rate on the 2018 taxable assessed valuation at 96% collection produces	\$ 1,829,942

(a) Net of self-supporting debt. See Debt Service Requirements "Self-Supporting Debt Service" herein.

Financial Ratios

Total Debt Ratios	Per Capita	Percent 2018 Assessed Value
Direct Debt	\$ 1,177	2.42%
Direct & Overlapping Debt	\$ 4,911	10.09%
Net Direct Debt	\$ 840	1.41%
Net Direct & Overlapping Debt	\$ 4,419	9.08%

Estimated Overlapping Debt

Issuers	Total Debt	As of	Estimated % Overlapping City	City's Overlapping
Bay City ISD	\$ 107,788,484	2/28/2019	60.66%	\$ 65,384,494
Matagorda County	2,535,000	2/28/2019	15.41%	390,644
Subtotal overlapping debt				\$ 65,775,138
Direct Debt	\$ 20,731,000	9/30/2018	100%	\$ 20,731,000
Total Direct and Overlapping Debt				\$ 86,506,138
Net Direct Debt	\$ 12,063,257		100%	\$ 12,063,257
Total Net Direct and Overlapping Debt				\$ 77,838,395

Source of Overlapping Debt: Municipal Advisory Council of Texas

Overlapping Tax Rate

<u>Overlapping Tax Rate</u>	<u>2018 Tax Rate</u>
Bay City ISD	\$ 1.552
Matagorda Co	0.418
City of Bay City	0.655

Historical Analysis of Ad Valorem Taxation

<u>Tax Year</u>	<u>Total Assessed Taxable Valuation</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Percent Collection</u>		<u>FYE 9/30</u>
				<u>Current</u>	<u>Total</u>	
2014	\$ 677,511,832	\$ 0.6021	\$ 4,087,685	97.37%	99.38%	2015
2015	743,532,492	0.6021	4,473,863	97.38%	99.25%	2016
2016	763,470,173	0.6021	4,624,437	97.49%	98.88%	2017
2017	810,967,405	0.6550	5,305,771	97.81%	97.81%	2018
2018	857,099,643	0.6550	5,614,003	(In the process of collection)		2019

Source: Municipal Advisory Council of Texas

Historical Taxable Assessed Valuation by Category

Historical valuations published in the Bay City CAFR for FYE 2018

Matagorda Appraisal District Certified Totals

	<u>Tax Year</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Land	\$ 154,044,120	\$ 151,003,218	\$ 146,814,843
Total Improvements	755,839,590	701,855,136	661,849,602
Total Non Real	77,867,615	85,531,655	83,698,841
Market Value	987,751,325	938,390,009	892,363,286
Productivity Loss	(7,416,344)	(6,789,991)	(7,189,335)
Appraised Value	980,334,981	931,600,018	885,173,951
Homestead Cap	(2,895,687)	(3,004,650)	(5,388,404)
Assessed Value	977,439,294	928,595,368	879,785,547
Total Exemptions	(120,339,651)	(117,627,963)	(116,347,564)
Net Taxable	\$ 857,099,643	\$ 810,967,405	\$ 763,437,983

Source: Matagorda County Appraisal District

Ten Largest Taxpayers

2018 Principal Tax Payers		Type	2018 Assessed Valuation	Percent of 2018 Valuation
1	Nichols Square Partners Ltd.	Apartments	15,736,840.00	1.84%
2	Oak Manor Bay City LLC	Commercial Land	10,255,308.00	1.20%
3	AEP Texas Central Co.	Electric Utility	9,588,290.00	1.12%
4	Cypressbrook Palm Village	Commercial Land	9,435,380.00	1.10%
5	Wal Mart Real Estate Business Trust	Trust	8,445,300.00	0.99%
6	Bay City Community Development Corp.	Developer	8,357,100.00	0.98%
7	IMFI SB Apartments LP	Apartments	6,882,500.00	0.80%
8	Fortress Lodging LLC	Hotel/Motel	6,804,500.00	0.79%
9	SNI 5618 Investments LP	Financial/Banking	6,210,000.00	0.72%
10	Interurban Riverway LLP	Apartments	6,100,220.00	0.71%
			\$ 87,815,438	10.25%

Tax Rate Distribution

Tax Rate Distribution	2018	2017	2016	2015	2014
General Fund	\$ 0.5104	\$ 0.5110	\$ 0.4881	\$ 0.4916	\$ 0.5434
Debt Service Fund	0.1446	0.1440	0.1140	0.1105	0.0587
Total	\$ 0.6550	\$ 0.6550	\$ 0.6021	\$ 0.6021	\$ 0.6021

City Sales Tax History

FYE 9/30	Total Sales Tax Collections	Percent of Ad Valorem Tax Levy	Equivalent Ad Valorem Tax Rate	U.S. Census Population	Collections Per Capita
2014	\$ 3,469,272	92.35%	\$ 0.5251	17,614	\$ 196.96
2015	4,077,195	99.74%	0.6018	17,614	231.47
2016	4,060,321	90.76%	0.5461	17,614	230.52
2017	4,295,598	92.89%	0.5626	17,614	243.87
2018	4,277,863	80.63%	0.5275	17,615	242.85

Source: Municipal Advisory Council of Texas

Historical Operations of the Debt Service Fund

	Fiscal Year Ending September 30,				
	2018	2017	2016	2015	2014
Revenues					
Property taxes	\$ 1,140,170	\$ 854,361	\$ 797,443	\$ 398,724	\$ 392,077
Delinquent taxes	17,898	14,740	12,168	-	-
Penalty and interest	14,340	13,242	11,374	6,659	6,107
Interest	11,643	155	600	-	272
Total revenues	1,184,051	882,498	821,585	405,383	398,456
Expenditures					
Debt service					
Principal	\$ 1,419,841	\$ 1,380,508	\$ 1,489,500	\$ 1,435,000	\$ 789,000
Interest and fiscal charges	361,967	400,694	337,004	359,369	246,296
Paying agents' fees and issue costs	4,772	5,495	2,300	-	2,000
Total expenditures	1,786,580	1,786,697	1,828,804	1,794,369	1,037,296
(Deficiency) of revenues (under) expenditures	(602,529)	(904,199)	(1,007,219)	(1,388,986)	(638,840)
Other Financing Sources (Uses)					
General Obligation Refunding Bonds, Series 2013	-	-	-	-	-
Bond Premium	-	-	-	-	-
Payment to Escrow	-	-	-	-	-
Bond Issue Costs	-	-	-	-	-
Transfers in ^(a)	594,550	869,704	1,209,739	956,381	1,158,493
Transfers out	-	-	-	(86,311)	-
Total other financing sources(uses)	594,550	869,704	1,209,739	870,070	1,158,493
Net change in fund balance	(7,979)	(34,495)	202,520	(518,916)	519,653
Fund Balance-Beginning	199,330	233,825	31,305	550,221	30,568
Fund Balance-Ending	\$ 191,351	\$ 199,330	\$ 233,825	\$ 31,305	\$ 550,221

^(a) Funds transferred from the General, Utility, and Sanitation Funds.

Historical Operations of the General Fund

Revenues	Fiscal Year Ending September 30,				
	2018	2017	2016	2015	2014
Taxes					
Property	\$ 4,187,436	\$ 3,820,914	\$ 3,758,550	\$ 3,790,373	\$ 3,428,359
Sales	5,571,409	4,295,598	4,060,320	4,077,195	3,469,272
Franchises	-	1,127,475	1,040,631	1,047,005	984,607
Other	-	39,307	40,191	37,797	32,242
Licenses and permits	396,638	154,409	255,511	235,881	205,321
Fines and forfeitures	201,602	252,113	269,859	276,911	286,748
Fees and charges for services	2,467,896	2,563,553	2,755,992	2,655,020	2,445,127
Intergovernmental	330,037	153,480	58,635	220,857	142,057
Investment earnings	31,474	7,440	2,746	867	1,512
Other	559,341	328,076	845,595	855,090	748,906
Total Revenues	13,745,833	12,742,365	13,088,030	13,196,996	11,744,152
Expenditures					
General government	\$ 2,218,852	\$ 2,191,915	\$ 2,335,155	\$ 2,214,609	\$ 2,343,485
Public safety	4,784,440	5,077,199	4,938,374	4,569,082	4,425,534
Public works	3,429,104	3,241,311	3,424,210	3,156,360	2,851,186
Public activities and recreation	1,829,775	1,338,905	1,421,965	1,039,801	1,052,414
Cultural arts and public benefits	-	-	-	-	-
Debt Service					
Principal	-	51,849	64,252	61,153	58,110
Interest and fiscal charges	-	1,378	5,346	8,657	11,701
Capital outlay	-	-	-	-	-
Total Expenditures	12,262,171	11,902,557	12,189,302	11,049,662	10,742,430
(Deficiency) of revenues (under) expenditures	1,483,662	839,808	898,728	2,147,334	1,001,722
Other Financing Sources (Uses)					
Debt issuance	-	-	-	-	-
Transfers in	852,560	522,550	233,784	434,173	94,675
Transfers out ^(a)	(1,481,008)	(1,974,219)	(2,223,607)	(1,297,992)	(2,050,678)
Total other financing sources (uses)	(628,448)	(1,451,669)	(1,989,823)	(863,819)	(1,956,003)
Net change in fund balances	855,214	(611,861)	(1,091,095)	1,283,515	(954,281)
Fund Balance - Beginning ^(b)	1,363,153	1,975,014	3,066,109	1,782,594	2,736,876
Fund Balance - Ending	\$ 2,218,367	\$ 1,363,153	\$ 1,975,014	\$ 3,066,109	\$ 1,782,594

^(a) Transfers to the Water & Sewer Fund, Airport Fund and Street Maintenance & Construction Fund.

^(b) Restated fund balances necessary to correctly reflect various allowances for uncollectible accounts, recording of receivables not previously reported and correcting the balance of accrued salaries.

Historical Operations of the Water & Sewer Fund

	Fiscal Year End September 30,				
	2018	2017	2016	2015	2014
Revenues					
Charges for services	\$ 7,696,073	\$ 7,426,893	\$ 7,108,017	\$ 6,860,689	\$ 6,542,164
Miscellaneous	83,248	11,917		12,460	40,782
Total operating revenues	7,779,321	7,438,810	7,108,017	6,873,149	6,582,946
Expenditures					
Cost of sales and services	4,317,116	4,030,136	4,782,177	4,304,382	3,724,922
Depreciation and amortization	1,847,334	1,814,164	1,578,645	1,494,886	1,697,329
Total operating expenses	6,164,450	5,844,300	6,360,822	5,799,268	5,422,251
Operating income (loss)	1,614,871	1,594,510	747,195	1,073,881	1,160,695
Non-Operating Revenues (Expenses)					
Investment earnings	51,490	23,216	5,896	1,711	1,892
Grant revenue	-	-	-	-	-
Miscellaneous	-	8,200	24,552	(264,445)	(353,430)
Interest and fiscal charges	(267,003)	(276,951)	(320,521)	-	-
Total non-operating revenues (expenses)	(215,513)	(245,535)	(290,073)	(262,734)	(351,538)
Income (loss) before transfers	1,399,358	1,348,975	457,122	811,147	809,157
Contributions and Transfers					
Capital contribution	17,260	406,561	2,337,999	1,059,639	778,266
Transfers in	-	-	554,274	802,229	103,050
Transfers out	(1,157,152)	(1,194,987)	(1,679,031)	(1,631,660)	(915,991)
Total contributions and transfers	(1,139,892)	(788,426)	1,213,242	230,208	(34,675)
Change in net assets	259,466	560,549	1,670,364	1,041,355	774,482
Fund Balance - Beginning ^(a)	16,246,879	15,798,009	14,127,645	13,086,290	12,815,435
Fund Balance - Ending	\$ 16,506,345	\$ 16,358,558	\$ 15,798,009	\$ 14,127,645	\$ 13,589,917

^(a) Beginning fund balance restated in fiscal years 2013, 2015 and 2018.

