



CITY OF ROSENBERG **POPULAR ANNUAL FINANCIAL REPORT**

2019



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The financial data presented in this report was obtained from the audited financial statements included in the FY2019 Comprehensive Annual Financial Report (CAFR). The City of Rosenberg's CAFR was prepared in accordance with generally accepted accounting principles (GAAP) and reported information for the primary government and its component units.



Message from the City Manager

Dear city of Rosenberg Residents,

On behalf of the City's Finance Department and the City of Rosenberg, I am pleased to present to you the city of Rosenberg's first Popular Annual Financial Report (PAFR) for Fiscal Year 2019. Our goal with this report is to help you better understand how your tax dollars work and fund many important programs and services. This report captures but a snapshot of the productivity and accomplishments of our City over the past year.

The City continues to work diligently to anticipate community needs, deliver exceptional service, and cultivate an enhanced quality of life through leadership, innovation and cooperative partnerships. These goals are accomplished by financial planning practices which aim to ensure continued financial strength.

I encourage you to review the report and please reach out to us should you have any questions. For more information on the City's budget and financial outlook, visit: <https://rosenbergtx.gov/city-government/finance/> or contact the City's Finance Department at 832-595-3350 or finance@rosenbergtx.gov.

Respectfully submitted,

John Maresh
City Manager



Award Winning City

The Rosenberg Finance Department is committed to serving our community with financial expertise by promoting accountability, professionalism and transparency while providing all stakeholders with reliable, timely and accurate financial information.

The City of Rosenberg earned the Transparency Stars Award in the area of Traditional Finances. The City's Financial Transparency Page is designed to help open our books to the public; provide clear, consistent pictures of the City's spending; and to share information in a user friendly format, including adopted budget and comprehensive annual financial report archives, along with many other sources of information.

The City was also awarded the Distinguished Budget Presentation Award reflecting the commitment of the governing body and staff to meet the highest principles of governmental budgeting. In order to receive the award, Rosenberg had to satisfy nationally recognized guidelines for effective budget presentation.



About Rosenberg

Rosenberg is at the geographic and logistic heart of Fort Bend County, one of the fastest growing counties in the United States. We've experienced phenomenal growth over the course of the last decade, thanks to our business-friendly atmosphere, strategic location, and a superb quality of life.

In addition to an exceptionally business-friendly environment, our community offers unique leisure activities, family-friendly festivals and events, excellent local eateries and a growing list of recreational activities that contribute to our friendly, laid-back quality of life.

The City was founded in 1883, incorporated in 1903, and currently operates under a Council-Manager form of government. The City Council is comprised of a Mayor and six Council Members. The Mayor and two Council Members are elected at-large, and the remaining four are elected from one of each of the City's four single-member districts. The Mayor and Council are responsible for enacting legislation in the form of ordinances, resolutions, and regulations governing the City. The City Manager is the chief administrative officer of the City, and is responsible for implementation of laws, ordinances and day-to-day operations of the City.

Recreation:

- Black Cowboy Museum
- Rosenberg Railroad Museum
- Seabourne Creek Park
- Seabourne Creek Sports Complex
- Brazos Bend State Park
- Fort Bend Museum
- George Observatory
- George Ranch Historical Park

Annual Events

- Fort Bend County Fair
- Rosenberg Railroad Museum Festival
- Family Fourth Celebration
- Spring and Fall Downtown Arts Festivals
- Rosenberg Christmas Nights

Elected Officials



WILLIAM T. "BILL" BENTON
MAYOR OF ROSENBERG



KEVIN RAINES
MAYOR PRO TEM



JACOB BALDERAS
CITY COUNCIL MEMBER



ISAAC DAVILA
CITY COUNCIL MEMBER



STEVEN M. DEGREGORIO
CITY COUNCIL MEMBER



LISA WALLINGFORD
CITY COUNCIL MEMBER



RICHARD OLSON
CITY COUNCIL MEMBER

Population:
40,140

265
City
Volunteers

296
Full-time
Employees

Economic Development

A business friendly environment, strategic location and excellent workforce development tools make Rosenberg ideal for manufacturing, distribution and logistics-based companies. The area maintains a large cluster of manufacturers, as well as pharmaceutical companies, food packaging and distribution and energy service-related industries.

The City encompasses approximately 108 square miles – over 37 of which are within our Corporate (City) Limits. Approximately 58% of this land is undeveloped. This means that City has much more room to grow – providing abundant opportunities for additional development of commercial, residential, and industrial enterprises.

Economic Development personnel and the Rosenberg Development Corporation have worked with numerous developers to increase development and bring many new businesses to Rosenberg including the announcement of the \$130 million investment in Rosenberg with the Dollar Tree distribution center project.

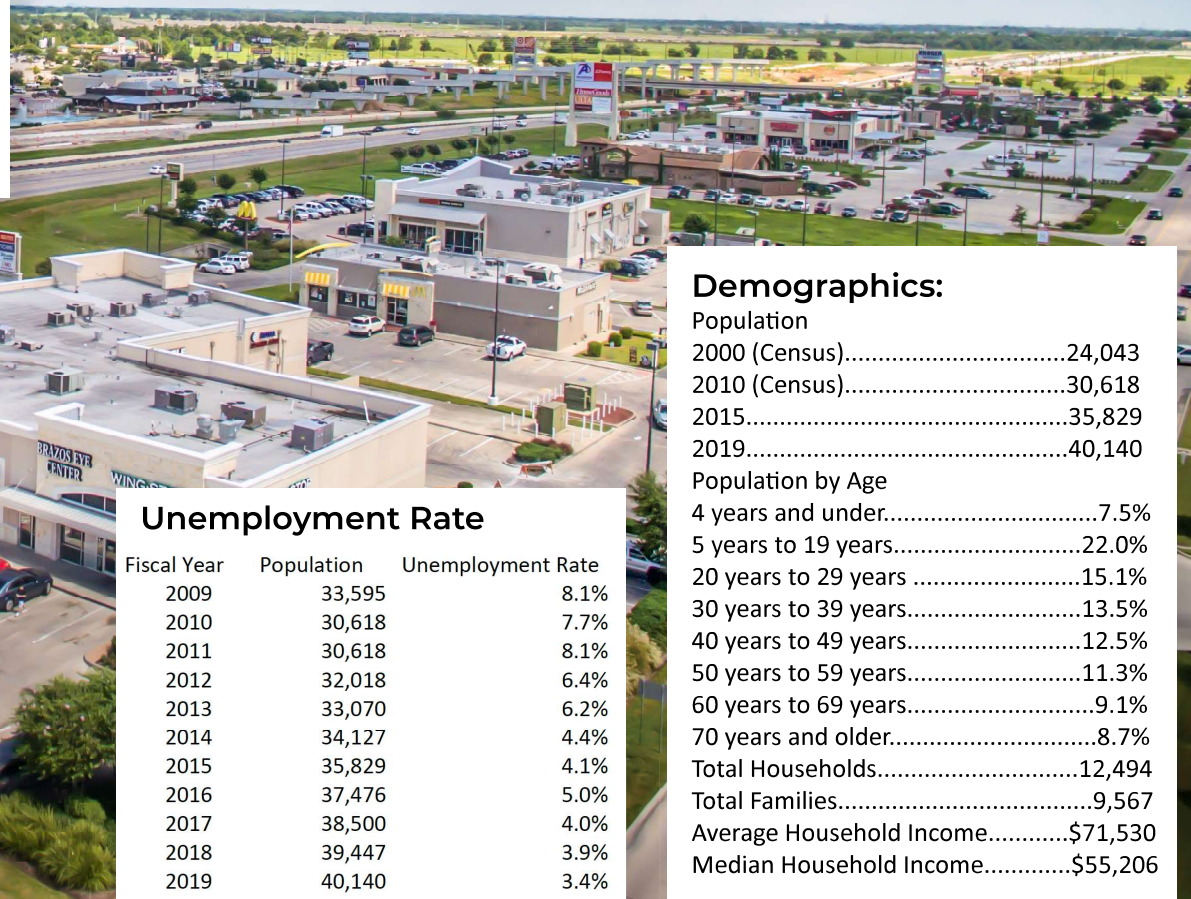
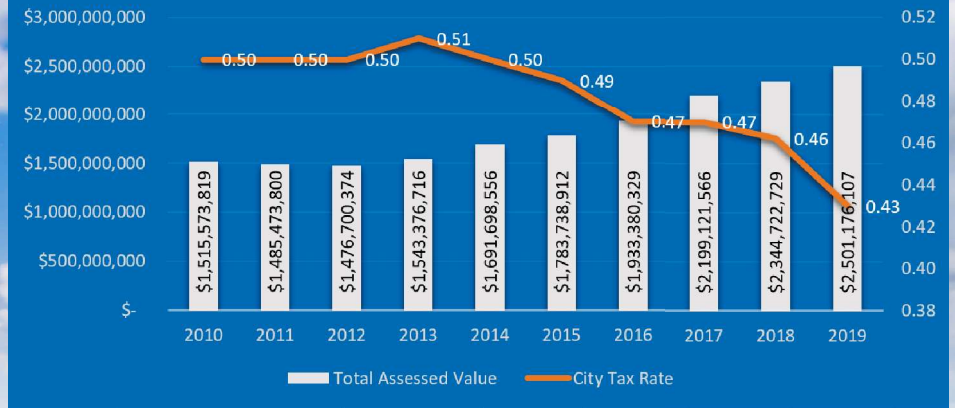
Economic Development oversaw many successful community events Including: Taste of Rosenberg, Wedding & Quinceañera Expo, Shop Small Saturday, Artisan Market, Downtown Car Show, and the Home and Garden Show.

Largest Employers:

Aldi	Ocusoft, Inc.
Benedettini Cabinetry	Seatex, Ltd.
Biotics Research	Si Environmental
BMC/Bison	Silver Eagle, Inc.
CenterPoint Energy	Superior Tank
Encapsulite Int.	
Engelbrecht Manufacturing	<u>Government Sector</u>
Frito-Lay, Inc.	City of Rosenberg
Gurecky Manufacturing	Fort Bend County
Murphy Industries	Lamar CISD
National Oilwell Varco	Texana MHMR Center
NexGen Pharma, Inc.	TxDOT

Sources: US Census Bureau, ACS, Applied Geographic Solutions (AGS), City of Rosenberg, Claritas, Texas Workforce Commission, Texas Labor Market and Career Information.

Total Assessed Value and Tax Rate History



Demographics:

Population	
2000 (Census).....	24,043
2010 (Census).....	30,618
2015.....	35,829
2019.....	40,140
Population by Age	
4 years and under.....	7.5%
5 years to 19 years.....	22.0%
20 years to 29 years	15.1%
30 years to 39 years.....	13.5%
40 years to 49 years.....	12.5%
50 years to 59 years.....	11.3%
60 years to 69 years.....	9.1%
70 years and older.....	8.7%
Total Households.....	12,494
Total Families.....	9,567
Average Household Income.....	\$71,530
Median Household Income.....	\$55,206

Unemployment Rate

Fiscal Year	Population	Unemployment Rate
2009	33,595	8.1%
2010	30,618	7.7%
2011	30,618	8.1%
2012	32,018	6.4%
2013	33,070	6.2%
2014	34,127	4.4%
2015	35,829	4.1%
2016	37,476	5.0%
2017	38,500	4.0%
2018	39,447	3.9%
2019	40,140	3.4%



Where Does My Tax Money Go?

Your tax dollar is divided between Lamar CISD at a rate of 61%, Fort Bend County at 20%, and the remaining 19% goes to the City of Rosenberg.



Lamar Consolidated School District 61% Fort Bend County 20% City of Rosenberg 19%

Since 2010, the City has gradually reduced property taxes from \$0.51 per \$100 of assessed value to \$0.43 and increased tax exemptions for Over 65 & Disabled Persons.

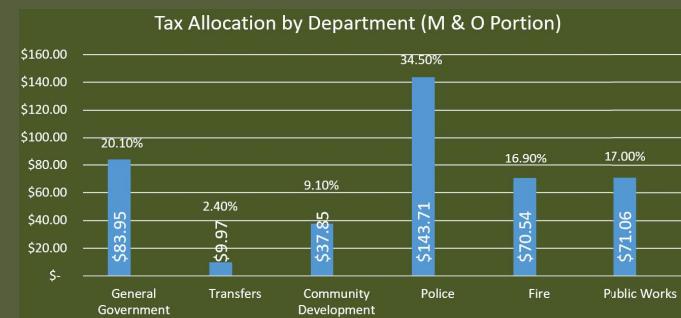
What is a popular annual financial report?

The Popular Annual Financial Report (PAFR) is intended to summarize and simplify the statistical, economic and financial information contained in the 2019 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was independently audited by Patillo, Brown and Hill, LLP. The PAFR, while unaudited, provides a brief analysis of where the City's revenues come from and where the dollars are spent as well as trends and details on the local economy. It is presented as a means of increasing public awareness about the City's financial condition through a more user-friendly presentation. Most of the financial information this report refers to our operating accounts, not all individual funds and component unit funds. For a more detailed, GAAP basis, full disclosure review of the individual funds and component units' financial statements, please refer to the City's CAFR that is accessible through the City's website: www.rosenbergtx.gov

How the city budget is determined

Budget philosophy varies from organization to organization depending upon the local needs and concerns of the citizens. Other factors also affect budget philosophy, such as the state of the local economy, the needs of the organization, the demands of the public for increased services, and the ever increasing unfunded mandates and requirements of federal and state regulatory agencies.

Value for Your Tax Dollars



Rosenberg's tax rate is \$0.43 cents per \$100 of assessed valuation for FY2019. The total tax rate includes \$0.269085 cents for maintenance and operations (M&O) and \$.160915 cents for debt service (I&S). Our certified property tax base for FY2019 is \$2.501 billion, with a \$30,000 exemption for disabled persons and a \$45,000 exemption for seniors over 65.

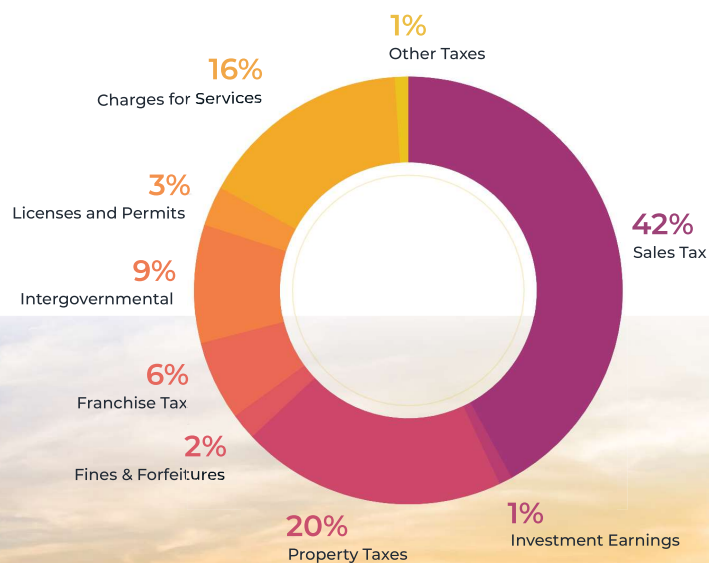
The annual residential property tax bill for an average home valued at \$155,000 (without exemptions) is \$3,540.20 for FY2019 which includes Lamar CISD, Fort Bend County and city of Rosenberg. The city's share is \$666.50 per year or \$55.54 per month! Of the city's \$666.50 tax bill, \$249.42 is allocated for debt service and \$417.08 for maintenance and operations. The chart above shows the M&O portion of the tax bill that is allocated to each department in the General Fund.

General Fund Revenue

Where the money comes from...

The City's General Fund is the primary operating fund and accounts for the revenue and expenses associated with city functions. For the year ended September 30, 2019, \$33.3 million in revenue received, 42% of that coming from sales taxes exceeding \$14 million. Property taxes (20%) and Service charges (16%) make up a combined 36% of revenue for a total of over \$12.2 million.

Fiscal Year 2019 Revenues

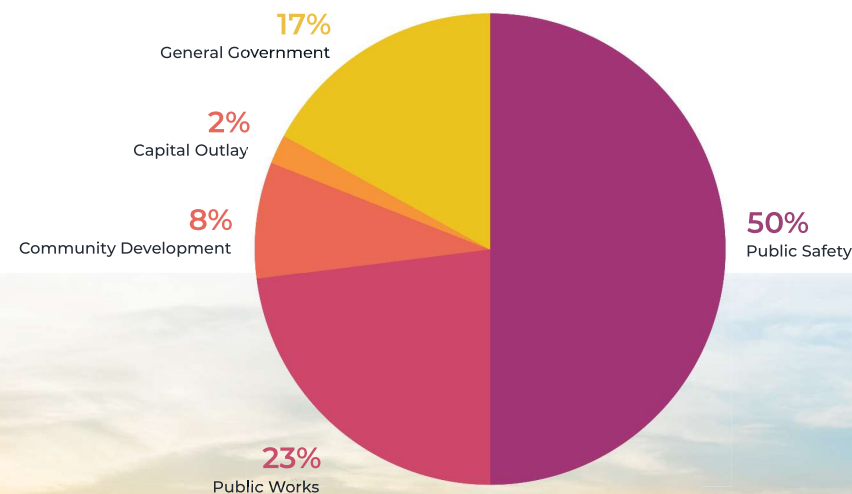


General Fund Expenditures

How the money is utilized...

A total of 50 percent of the City's expenditures (\$15.8 million) went to public safety. Police, Fire and Animal Control services are reported within the public safety function. Public Works made up 23% of the expenditures at \$7.3 million for FY19. General government, combined with community development and capital outlay make up the remaining 27% of the expenditures incurred by the city for FY19.

Fiscal Year 2019 Expenditures



The City of Rosenberg receives general fund revenue from a variety of sources, described below.

Property Tax (ad valorem) is levied on the assessed value of all real property, certain personal property, and public utilities within the city.

Sales Tax is collected on all retail sales and other business activities.

Franchise Tax is 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.

Charges for Services are charges to the public for services the city provides. These include plan-checking fees, re-inspection fees, infrastructure inspection fees and solid waste fees.

License and Permit revenues are received for various types of permits such as building, plumbing, mechanical and electrical permits. Revenues from miscellaneous type licenses such as mobile home park licenses and liquor licenses.

Fines and Forfeitures are payments for citations, warrants, court costs and other miscellaneous fines.

Intergovernmental revenue is received for the reimbursement to the City from Lamar Consolidated ISD for school resource officers employed by the City but work at LCISD campuses.

Investment Earnings are earnings from the city's fixed income investments.

Other Revenues consists of revenues received that are not otherwise categorized in the items above.



General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Revenue	FY2019	FY2018	FY2017
Taxes:			
Property	\$ 6,806,084	\$ 6,545,122	\$ 5,798,665
Sales	14,108,795	14,474,532	12,521,827
Franchise	1,938,747	1,910,171	1,901,396
Charges for Services	5,424,756	5,085,045	4,616,700
Licenses and Permits	832,679	692,388	753,493
Fines & Forfeitures	492,630	565,993	557,293
Intergovernmental	3,042,213	2,165,648	1,646,000
Investment Earnings	417,719	251,081	119,659
Other	261,041	332,516	415,052
Total Revenue	\$ 33,324,664	\$ 32,022,496	\$ 28,330,085
Expenditures			
Current:			
General Government	\$ 5,399,472	\$ 4,393,061	\$ 3,710,554
Public Safety	15,783,564	14,304,715	13,855,248
Public Works	7,361,297	7,130,734	5,894,608
Community Development	2,434,540	2,372,682	2,684,954
Capital Outlay	608,796	862,871	868,011
Total Expenditures	\$ 31,587,669	\$ 29,064,063	\$ 27,013,375
Excess of revenues over expenditures	\$ 1,736,995	\$ 2,958,433	\$ 1,316,710
Other Financing Sources (Uses)			
Insurance proceeds	\$ 34,430	\$ 22,215	\$ 19,900
Sale of Capital Assets	10,639	983,338	114,505
Transfers in	1,726,871	1,720,755	1,633,540
Transfers out	(6,001,041)	(2,510,439)	(1,686,639)
Total other financing sources (uses)	\$ (4,229,101)	\$ 215,869	\$ 81,306
Net Change in fund balances	\$ (2,492,106)	\$ 3,174,302	\$ 1,398,016
Fund Balance, Beginning October 1	\$ 20,267,767	\$ 17,093,465	\$ 15,695,449
Fund Balance, Ending September 30	\$ 17,775,661	\$ 20,267,767	\$ 17,093,465

Water and Wastewater Revenues and Expenses



The City maintains separate enterprise funds to account for several water and sewer funds. These funds account for “business-type activities”, similar to those found in the private sector, that include services funded through user charges. The city also maintains a separate enterprise fund for the Civic Center.

For FY19, the City’s water and sewer system revenue exceeded \$18.5 million. Total operating expenses were \$13.5 million.

Water/Wastewater Utility Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

	FY2019	FY2018	FY2017
Operating Revenues			
Water	\$ 13,148,547	\$ 10,990,485	\$ 10,219,961
Sewer	5,177,370	5,309,921	5,296,433
Charges for Services	227,004	218,890	17,454
Total operating revenues	\$ 18,552,921	\$ 16,519,296	\$ 15,533,848
Operating Expenses			
Cost of sales and services	\$ 10,619,939	\$ 8,156,074	\$ 7,272,937
Community Development	646,500	-	-
Depreciation	2,260,102	2,657,571	3,009,505
Total operating expenses	\$ 13,526,541	\$ 10,813,645	\$ 10,282,442
Operating Income	\$ 5,026,380	\$ 5,705,651	\$ 5,251,406
Non-Operating Revenues (Expenses)			
Intergovernmental	\$ 1,336,750	\$ 6,788	\$ 155,589
Investment Earnings	626,353	347,551	147,819
Interest Expense	(60,053)	(84,375)	(104,037)
Total non-operating revenues (exp)	\$ 1,903,050	\$ 269,964	\$ 199,371
Income Before Capital			
Contributions and Transfers	\$ 6,929,430	\$ 5,975,615	\$ 5,450,777
Transfers In	6,202,590	1,506,408	6,469,098
Transfers Out	(4,837,288)	(3,894,679)	(3,993,111)
Change in Net Position	\$ 8,294,732	\$ 3,587,344	\$ 7,926,764
Net Position, Beginning October 1	\$ 85,520,092	\$ 81,932,748	\$ 75,265,126
Net Position, Ending September 30	\$ 93,814,824	\$ 85,520,092	\$ 83,191,890

2019 Adopted Budget



As a municipality, we are tasked with the responsibility of providing the best and most efficient services within available resources. We strive to provide our citizens with the very best value for their dollars. The City of Rosenberg Finance Department is committed to the long-term financial stability and sustainability of the city government. Departmental services are prioritized to ensure that they are addressed through the budget process and streamlined for efficiency and cost-effectiveness.

The City of Rosenberg's 2019 Adopted Budget was approximately \$80,000,000. With these funds, the City is able to maintain a high quality of life for residents. Here are just a few examples of our budget in action.

Police Department



- Received the re-recognized status for compliance with the Texas Law Enforcement Agency Best Practices Recognition Program .
- Implementation of sUAS program to provide a cost effective means of aerial support for public safety.
- Received 2 high water rescue vehicles through a Federal grant program to aid public safety in flood disasters.
- Implemented a Commercial Vehicle Enforcement (CVE) program/division to assist in making roadways safer.

Fire Department



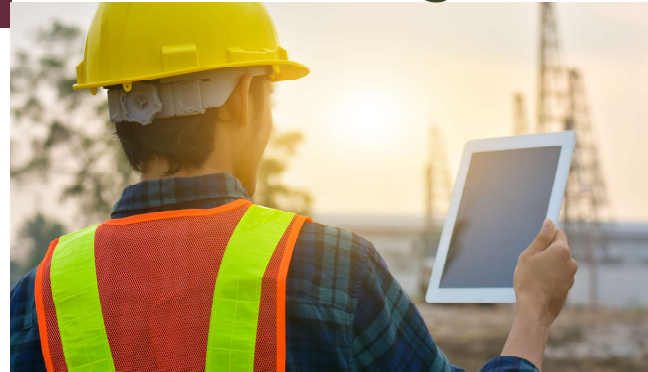
- Increased staffing from SAFER Grant.
- Received grant for new Rescue Boat from Fire House Subs.
- Received grant for new generator and electrical panel upgrades at Fire Station 1.
- Put full time Squad in service at Fire Station 4.
- Completed the first Fire Explorer Class for high school students.
- Purchased a new Squad truck.
- Participated in Regional Haz-Mat and Technical Rescue Training.
- Installed AED's at Civic Center and City Hall.
- Completed a Department-wide Cancer Awareness training initiative that included new PPE specs, addressing cancer exposure, and post fire gross decontamination.

Animal Shelter



- The Rosenberg Animal Control and Shelter added a director position and made tremendous strides to reach the "NO-Kill" status by the October 1, 2020 target date as set by City Council.
- Live Release Rate has averaged at 93.89%.
- Adoptions have increased by 86.8%.
- Volunteer applications and engagement have increased by 600%.
- Received grants for a full play yard renovation.

Code/Planning



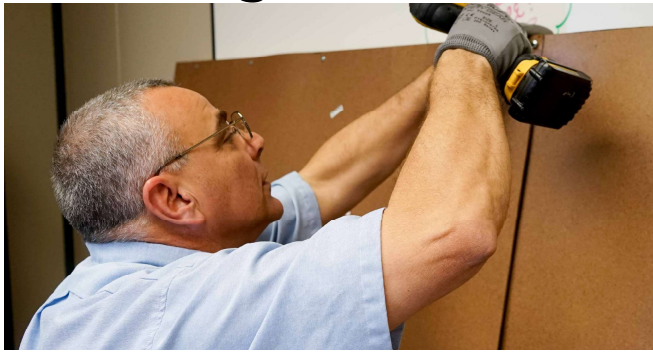
- Updated Hurricane Harvey grant program to streamline the use of funds and improvement of flood-affected properties.
- Implemented second digital billboard agreement, resulting in removal of 14 off-premises sign faces throughout City.
- Successful reinstatement of Dangerous Buildings program, resulting in abatement of numerous dangerous structures.
- Adoption of 2018 International Codes
- Addition of code enforcement officer.

Parks & Recreation/Civic Center



- Oversaw some of the City's most successful events, Including: the Family Fourth Celebration, Rosenberg Christmas Nights, and the Rosenberg Easter Egg Hunt.
- Coordinated with several organizations for the future utilization of the expansion to the fields at Seabourne Creek Regional Sports Complex and other City parks.
- Completion of Parks & Recreation Master Plan.
- Added new Recreation activities taking place at the civic center.
- Family Fourth Celebration.

Building Maintenance



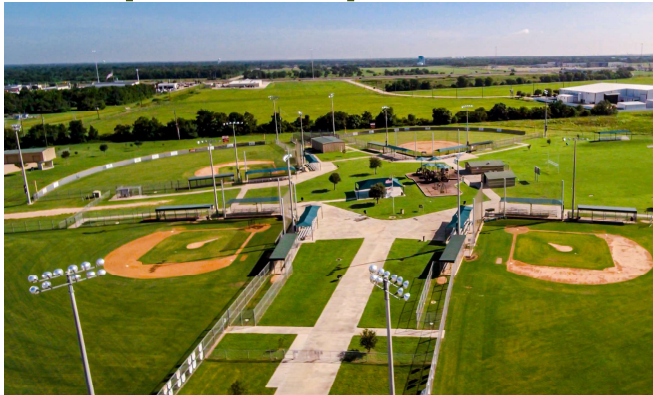
- Animal Control remodeling and maintenance, including: Installing new fans, refurbishing signs, fixing damaged walls, floors, and ceiling.
- Painted Jail Cells at PD.
- Pressure washed and painted the Gazebo at City Hall.
- Oversaw the installation of new deposit box at City Hall.
- Remodeled buildings, including creating and moving office spaces.
- Helped install security cameras at city parks.

Operations/Communications



- The City of Rosenberg is making transparent government more easily available for the public. Requestors of public information will now have the option of submitting Open Records Requests through an online form.
- Continued successful implementation of various modules of Tyler Technologies' Incode software.
- Successful implementation of Community Outreach tools, new social media pages.
- Launched a community alert system. You can now text 4 keywords to 888777 for real time city alerts and notifications.
- New Dropbox and bill pay options for utility customers.
- Upgraded city council technology and broadcast capabilities.

Capital Improvement Projects



- Bryan Road widening project
- Reading Road Center Turn Lane
- Spacek Road Improvements Phase II (Bryan to Herbie)
- Avenue G Connector to Frost Street
- Fairgrounds Road Bridge Replacement (TxDOT)
- Spacek Road Improvements – Phase III (Herbie to Biotics Research Drive)
- Seabourne Creek Regional Sports Complex – Big League baseball Field
- US59/I-69 Utility adjustments within City Limits - Water and Sanitary sewer relocations completed for the widening of I-69

Public Works



- Commissioning and startup of first Surface Water Treatment Plant for City of Rosenberg.
- Update of City of Rosenberg's TCEQ Public Water System Monitoring Plan
- Update of City of Rosenberg TCEQ Emergency Preparedness Plan
- Automation of Reuse Irrigation System at Seabourne Park.
- Successful completion of 6TH Street Water Line Rehabilitation Project
- Successful completion of Fort Bend County CDBG Phase V - North Rosenberg Water Distribution Improvements.
- Street Reconstruction: 1.33 miles – 2774 tons of asphalt
- Street Overlay: 2.21 miles – 5385 tons of asphalt

- Potholes Repaired: 236.27 tons
- Sidewalk Reconstruction: 10,650 Linear Feet
- Pavement Marking: 19.39 Miles. Includes school zone marking
- Replaced and installed 228 new street signs
- Replaced school zone flasher on Airport Avenue
- Updated control timers for school zone flashers for J Meyer Elementary
- Alleys Maintained: 20,109 Linear feet
- Drainage:
 - 10,486 linear feet of maintained drainage ditches
 - ROW and Open Acreage Mowing: 495.15 acres mowed monthly
- Street Sweeping; 121 Miles swept monthly
- Annual Tree Trimming; District 1 – 607 trees trimmed



Summary of Net Position

The government-wide financial statements present functions of the City that are provided from funding sources (government activities). The government-wide focus is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period for the governmental activities and business-type activities.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. It is a snapshot of the City's entire resources and obligations, or net worth, at the close of the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The City's combined net position is \$164.5 million as of September 30, 2019, which consists of \$70.8 million in governmental activities and \$93.7 million in business-type activities.

Summary Statement of Net Position - 5 year Analysis

	FY2019	FY2018	FY2017	FY2016	FY2015
Total Assets	\$ 275,861,567	\$ 268,162,094	\$ 249,502,564	\$ 235,527,042	\$ 225,268,685
Total Deferred Outflows of Resources	5,265,914	1,689,422	3,860,829	4,698,135	2,001,681
Total Liabilities	115,099,012	113,057,899	102,127,694	97,577,635	90,288,800
Total Deferred Inflows of Resources	1,459,275	2,764,352	644,054	349,561	440,292
Net Position:					
Net Investment in Capital Assets	112,086,265	97,897,662	103,869,784	101,387,252	95,596,210
Restricted	20,039,074	21,514,250	17,217,918	13,429,994	11,647,814
Unrestricted	32,443,855	34,617,353	29,503,943	27,480,735	29,297,250
Total Net Position	\$ 164,569,194	\$ 154,029,265	\$ 150,591,645	\$ 142,297,981	\$ 136,541,274