

City of El Campo, Texas



Popular Annual Financial Report
For the Year Ended September 30, 2019



Randy Collins

Mayor

As mayor of the City of El Campo, in collaboration with the City Council and city staff, I am proud to present this year's City of El Campo Popular Annual Financial Report (PAFR) for the year ended September 30, 2019.

This report is a summary of the City's Comprehensive Annual Financial Report (CAFR) and includes information regarding the City's revenues, spending and financial condition. We provide this version for citizens to gain an understanding of how their tax dollars are spent, and to demonstrate that our City leaders are responsible stewards of funds and to remain transparent and accountable to the citizens of El Campo.

We appreciate your interest in the City of El Campo's government and how it functions, and we welcome your feedback, suggestions and comments regarding the information contained in this report.

Sincerely,

Randy Collins
Mayor





Philip Miller
Mayor Pro-Tem



Chris Barbee
At-Large



Anisa Longoria-Vasquez
District 1



Gloria Harris
District 2



David Hodges
District 3



John Hancock
District 4



Courtney Sladek
City Manager



Ronny Collins
City Attorney

*Providing fiscally responsible
public services and public
safety in support of quality of
life, community character and
economic opportunity for all
residents.*

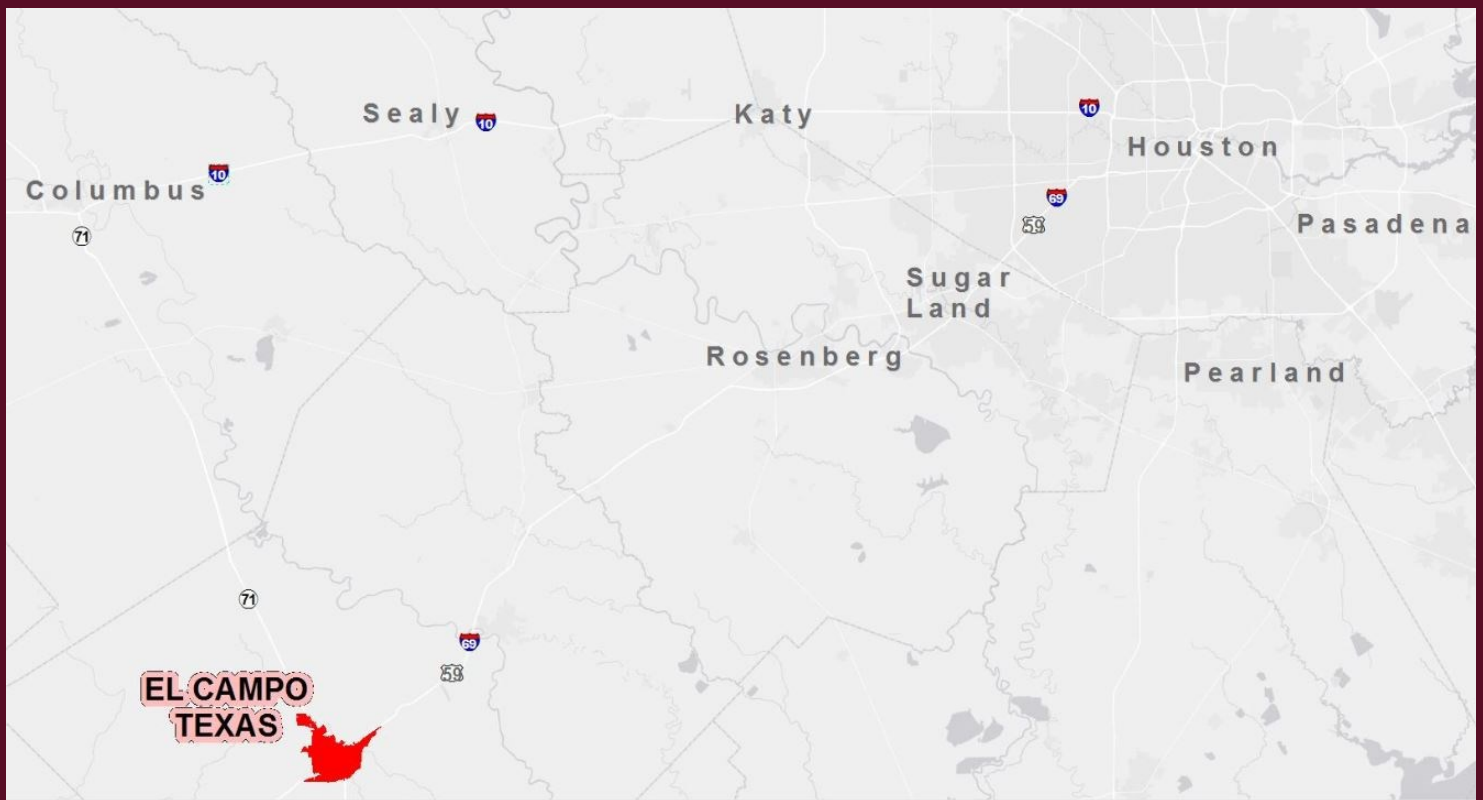
City Profile

In 1882 a railroad camp was located where El Campo now stands. The camp was first named "Prairie Switch" and then "Pearl of the Prairie" but was later changed by the Mexican Cowboys to "El Campo" which means "the camp." Ranching was the main industry, and thousands of cattle were shipped annually. At that time El Campo was surrounded by four large ranches; to the north was the Brown Ranch; to the south was the Texas Land and Cattle Company, to the west was the Herder Ranch, and to the east was the Pierce Ranch.

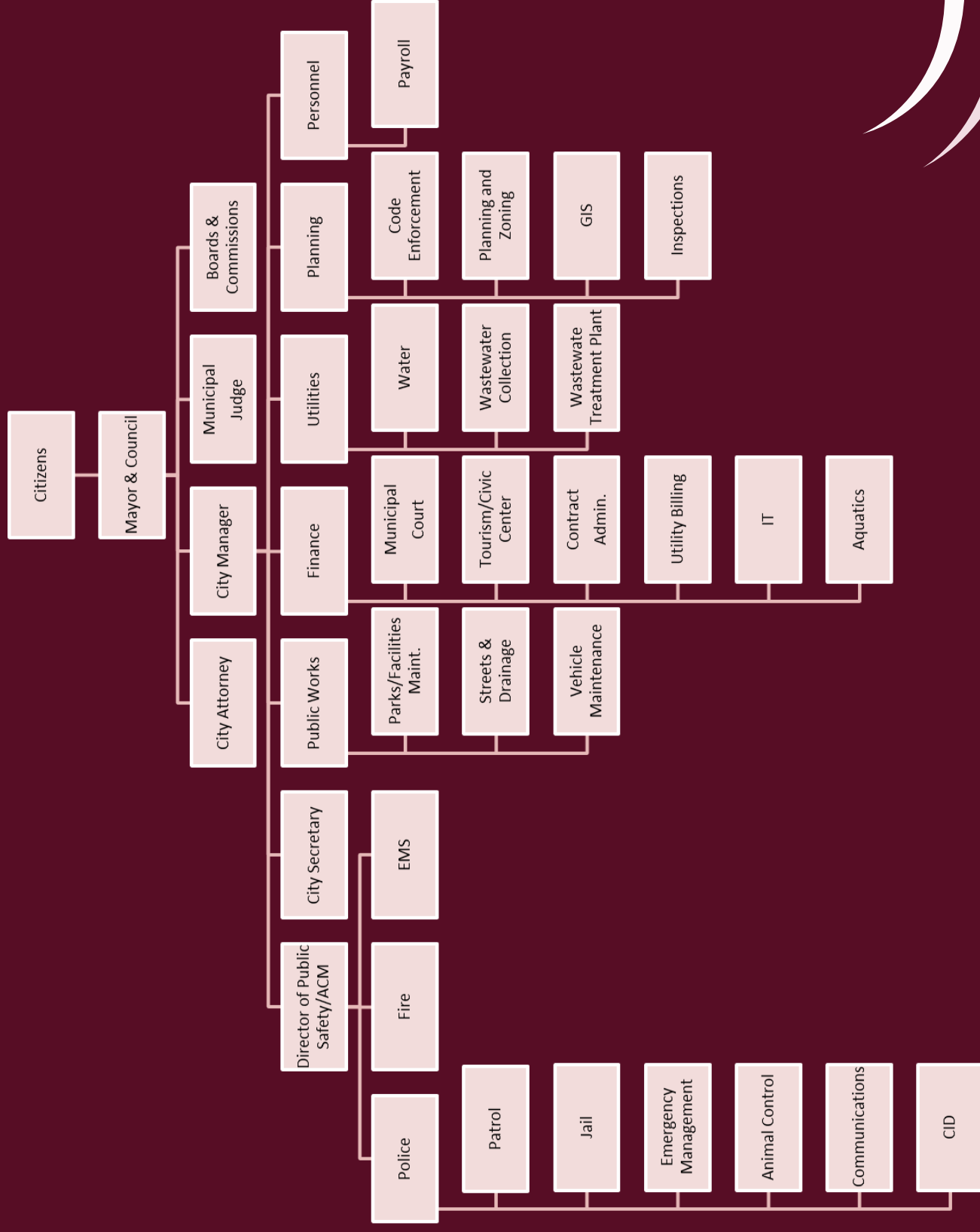
El Campo was incorporated in 1905. The municipal government was composed of a mayor and five aldermen. Mr. Mack Webb was elected mayor, with a salary of \$10.00 per month. W. G. McDonald was the first city attorney; W. E. Franz, the first city secretary. Members of the first council were H. G. Beard, E. L. Correll and W. W. Duson.

Soon after the establishment of a formal government, came adequate police protection and a volunteer fire department. Utility services were expanded. The City of El Campo has been the result of a steady and continual growth by citizens who came and saw the great possibilities that El Campo has to offer.

El Campo is strategically positioned mid-way along the Texas Gulf Coast. The City of El Campo covers an area of 6.7 square miles and is the largest city in Wharton County, which covers an expansive 1,115 square miles. El Campo is ideally situated for transportation at the intersection of US Highway 59 (future Interstate 69 and NAFTA corridor) and State Highway 71 and only 38 miles from cross-country Interstate highway, I-10. The land area is 8.5 square miles and is approximately 105 feet above sea level. Population density is low, about 1,365 people per square mile. The estimated median household income in 2017 was \$42,491. The 2017 cost of living index in El Campo is 85.5 (low compared to the US average of 100).



Organization Chart



About the Popular Annual Financial Report

As part of an ongoing commitment to transparency and helping ensure community access to information about its local government the City of El Campo provides this Popular Annual Financial Report (PAFR), which describes the City's financial activities and position in 2019. This is a summary of the information reported in the city's 2019 Comprehensive Annual Financial Report (CAFR).

While the CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP), the PAFR is not. The CAFR is a more detailed, audited document of record, and it presents information in a format consistent with this standard to ensure it includes detailed information including the city's component units, presents individual funds in detail, and fully discloses all material events, both financial and non-financial. By contrast, the purpose of the PAFR is to increase public awareness about the City's financial condition by presenting information in a more user-friendly format and is unaudited and not presented in accordance with GAAP.

Both the CAFR and PAFR are available on the City of El Campo's webpage at www.cityofelcampo.org/departments/finance/index.php

The City's website also includes a wealth of information about the: activities of city departments; job opportunities; budgets; council members; agendas and meetings; community events; and much more.

Financial Statements

Within the CAFR, the city presents two different types of financial statements.

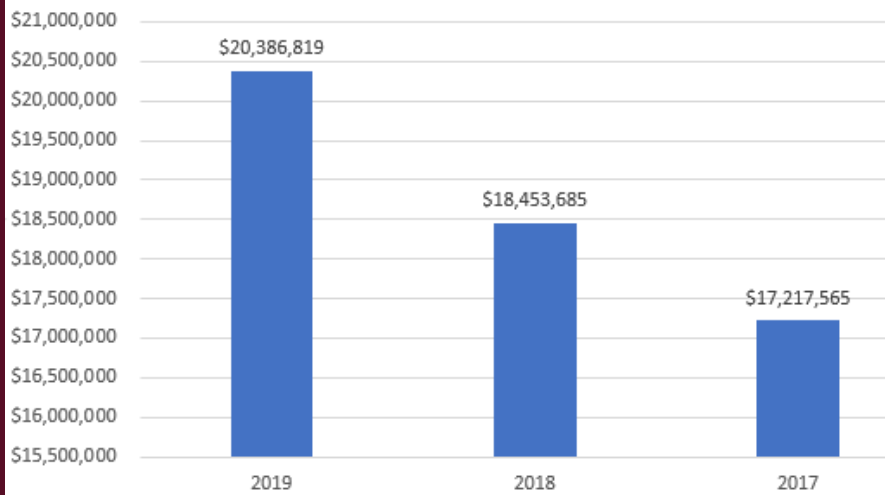
1. The government-wide financial statements are designed to provide readers with a long-term overview of the City's finances. The statements include a Statement of Net Position and the Statement of Activities. The government-wide financial statements distinguish functions of the city that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities encompass general government, administrative, public safety, public works including streets and transportation, planning and development, culture and recreation, parks, and property and facility acquisition services. The business-type activities of the city include the water and wastewater utilities, stormwater and flood management, and Emergency Medical Services
2. The fund financial statements provide a short-term perspective of individual funds.



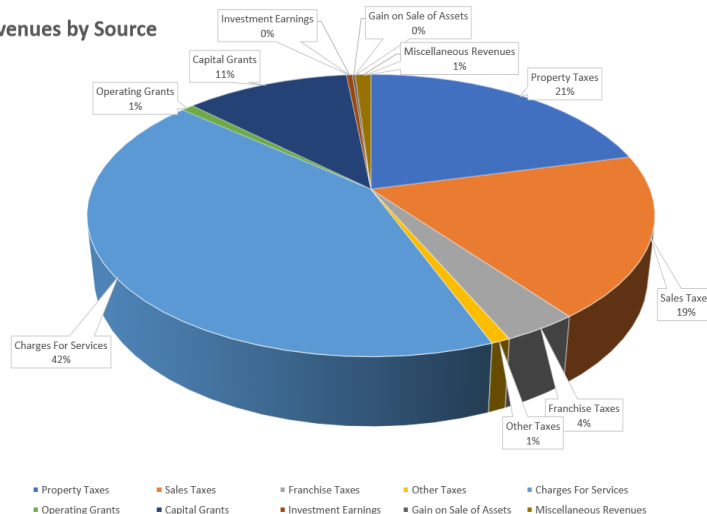
Where the Revenue Comes From

Governmental Activities Revenues	2019	2018	2017
Property Taxes	\$ 4,287,660	\$ 4,270,461	\$ 3,981,191
Sales Taxes	3,795,391	4,045,900	3,051,283
Franchise Taxes	733,735	713,031	701,185
Other Taxes	186,304	224,343	172,068
Charges for Services	8,594,679	8,925,599	8,500,490
Operating Grants	170,057	75,065	111,088
Capital Grants	2,280,158	93,653	523,863
Investment Earnings	82,446	25,244	54,781
Gain on Sale of Assets	38,313	-	-
Miscellaneous Revenues	218,076	80,389	121,616
Total Revenues	\$ 20,386,819	\$ 18,453,685	\$ 17,217,565

Total Revenues Chart



2019 Revenues by Source



Statement of Activities- Government-wide Revenues

The City of El Campo receives revenue from a variety of sources, described below.

- ◆ **Property Tax**– Property tax is levied on the assessed value of all real property, certain personal property, and public utilities within the city.
- ◆ **Sales Tax**– Sales Tax is collected on all retail sales and other business activity.
- ◆ **Franchise Tax**– the rent a utility company uses to pay for right-of-ways to run their lines
- ◆ **Other Taxes**– local portion of Mixed Use Tax and Hotel Motel Tax
- ◆ **Charges for Services**– Charges to the public for services the city provides. These include court fees, parks and recreation fees, and utility services.
- ◆ **Operating Grants**– Funding received from other governments and organizations for the purpose of financing one or more specific projects.
- ◆ **Capital Grants**– Finding received from other governments to purchase, construct or renovate specific capital assets.
- ◆ **Investment Earnings**– Earned on the city's fixed income investments.
- ◆ **Other Revenues**– Consists of revenues received that are not otherwise categorized in the charts.

Where the Revenues Go

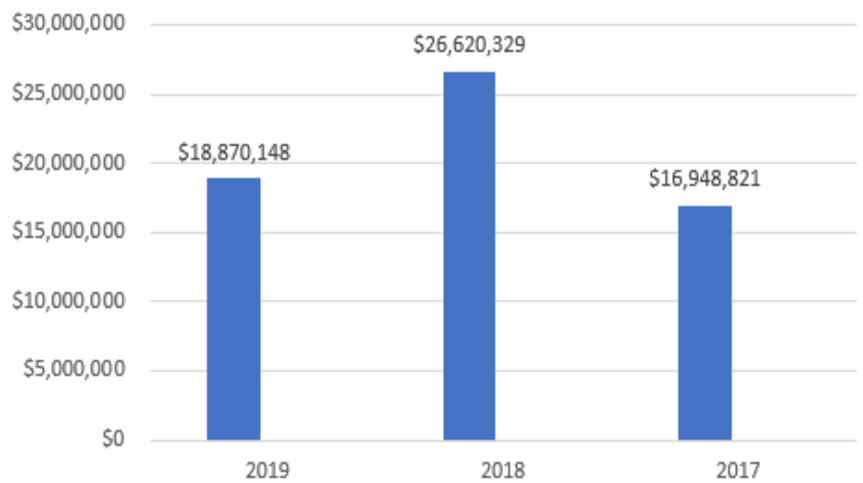
Statement of Activities- Government-wide Expenses

The city uses the revenue it receives to provide a variety of services to the community. A description of the city's expenses is provided below.

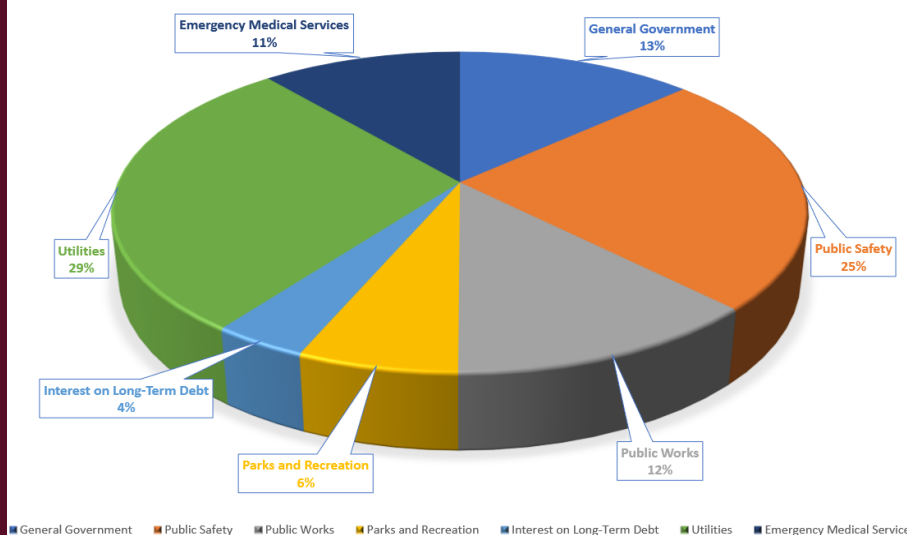
- ◆ **General Government**– Includes expenses incurred for personnel and operating expenses.
- ◆ **Public Safety**– Includes expenses incurred for public safety departments including Police, Fire, and 911 call center.
- ◆ **Public Works**– Expenses for Public Works include street and public building construction and maintenance and other public services.
- ◆ **Parks and Recreation**– Expenses for Parks and Recreation include operation, construction, and maintenance of parks, recreation centers and rental facilities.
- ◆ **Interest on Long-Term Debt**– Expenses incurred for outstanding debt obligations.
- ◆ **Utilities**– Expenses for the operating costs of these utilities, including upgrades and maintenance of water, wastewater, sewer lines and treatment plants.
- ◆ **Emergency Medical Services**– Expenses for the day to day operating of the emergency medical system such as personnel services, operational expenses, supplies, and repairs and maintenance.

Governmental Activities Expenses	2019	2018	2017
General Government	\$ 2,482,306	\$ 3,016,842	\$ 1,687,369
Public Safety	4,625,059	4,353,355	4,244,016
Public Works	2,340,432	10,139,202	1,732,892
Parks and Recreation	1,187,754	1,152,718	1,084,289
Interest on Long-Term Debt	707,641	816,122	749,594
Utilities	5,436,091	5,444,712	5,631,087
Emergency Medical Services	2,090,865	1,697,378	1,819,574
Total Expenses	\$ 18,870,148	\$ 26,620,329	\$ 16,948,821

Total Expenses Chart



2019 EXPENSES BY SOURCE



Strong Financial Stability

Statement of Net Position

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current and Other Asset	\$ 7,790,102	\$ 7,411,325	\$ 8,583,187
Capital Assets, Net	<u>50,395,935</u>	<u>49,497,982</u>	<u>50,522,589</u>
Total Assets	50,186,037	56,909,307	59,105,776
Total Deferred Outflows of Resources	<u>1,490,092</u>	<u>666,194</u>	<u>1,937,727</u>
Current Liabilities	9,540,178	1,373,029	2,672,523
Long-Term Liabilities	<u>42,249,580</u>	<u>39,377,068</u>	<u>40,748,694</u>
Total Liabilities	<u>51,789,758</u>	<u>40,750,097</u>	<u>43,421,217</u>
Total Deferred Inflows of Resources	<u>143,409</u>	<u>1,051,162</u>	<u>331,373</u>
Net Position:			
Net Investment in			
Capital Assets	21,382,081	21,630,321	23,544,914
Restricted	299,842	167,198	327,188
Unrestricted	<u>2,597,798</u>	<u>6,023,277</u>	<u>6,581,189</u>
Total Net Position	<u>24,209,721</u>	<u>15,774,242</u>	<u>17,290,913</u>

Bond Ratings

Standard & Poor's
AA-

- ◆ Strong management, with good financial policies and practices under the Financial Management Assessment (FMA) methodology
- ◆ Very strong liquidity, with total government available cash at 115.5% of total government fund expenditures and 17.5x governmental debt services, and access to external liquidity considered strong.

Statement of Net Position — Government-wide

The Government-wide Balance Sheet, also known as the Statement of Net Position, reports the overall financial position of the city's assets and deferred outflows of resources as well as its liabilities and deferred inflows of resources with the difference being the net position. Deferred outflows and inflows of resources represent expenses and revenues that will be recognized in a future period. Increases or decreases in net position, over time, serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The table on this page provides a summary of the city's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of 2017, 2018 and 2019. The city's assets exceeded its liabilities by \$17.29 million at September 30, 2019. The largest portion of the city's net position, \$23.54 million, reflects the investment in capital assets (i.e.: land, buildings, infrastructure, machinery and equipment, utility plants, drainage, etc.), net of related debt. The city uses these capital assets to provide services to the public. An additional portion of the city's net position, \$327,188, are subject to usage restrictions. The remaining unrestricted balance of net position, \$6.58 million, may be used to meet the city's ongoing obligations.

Strong Financial Stability

General Revenues	2017	2018	2019
Taxes	6,463,569	7,812,282	7,520,561
Permits and Licenses	111,119	135,588	142,190
Intergovernmental Revenues	221,902	197,457	133,112
Charges for Services	345,765	315,283	224,503
Fines and Penalties	391,328	361,414	389,204
Interest	33,421	15,365	37,780
Miscellaneous Receipts	75,116	63,832	73,411
Total Revenue	7,642,220	8,901,221	8,520,761
Sale of Capital Assets	53,475	-	49,766
Transfers In	640,130	765,422	689,091
Capital Lease	-	357,060	177,873
Total Other Sources	693,605	1,122,482	916,730
Total Resources	8,335,825	10,023,703	9,437,491

Expenditures			
General Government	1,804,154	2,746,568	2,169,781
Public Safety	3,583,655	3,764,551	3,940,972
Public Works	1,259,924	1,386,229	1,590,480
Parks and Recreation	932,092	1,005,829	866,708
Debt Service	23,357	63,633	120,204
Capital Outlay	129,426	368,254	205,488
Total Expenditures	7,732,429	9,335,064	8,893,633
Transfers Out	220,000	429,230	324,680
Total Expenditures and Other Uses	7,952,429	9,764,294	9,218,313

Business-Type Activities	2017	2018	2019
Charges for Services	7,408,984	7,837,525	7,487,350
Miscellaneous	26,420	29,249	187,494
Interest	16,870	5,941	39,483
Total Revenue	7,452,274	7,872,715	7,714,327
Capital Contributions	24,250	-	-
Transfers In	1,255,855	890,656	638,690
Total Other Sources	1,280,105	890,656	638,690
Total Resources	8,732,379	8,763,371	8,353,017
Total operating expenses	7,146,224	6,984,314	7,285,442
Transfers Out	1,531,348	1,694,273	1,455,597
Interest and fiscal charges	304,437	157,776	180,865
Total expenditures and Other Uses	8,982,009	8,836,363	8,921,904

Large Income Changes

- ◆ Increased Sales Tax Revenue
- ◆ Tres Palacios Project Grant Reimbursement
- ◆ Lost Lagoon Reimbursement

Large Expense Changes

- ◆ ECG Monitors (5), Ventilators (2)
- ◆ Ambulance Re-mount
- ◆ Stretcher Loading System
- ◆ IV Pumps (2)
- ◆ New IT Server
- ◆ Water/Sewer Extension, Hwy. 71
- ◆ City Hall Security Enhancements
- ◆ Civic Center Sound System Improvements
- ◆ Asphalt Zipper
- ◆ Police Cruiser



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of El Campo
Texas**

For its Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrell
Executive Director/CEO



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of El Campo,
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrell
Executive Director/CEO

Awards and Certifications



City Achievements

The City Finance Department has received recognition from the Government Finance Officers Association of the United States and Canada (GFOA) by receiving the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) since 1998.

The City of El Campo is also a Silver Scenic City, Texas Police Chief's Association Recognized Police Department, Keep Texas Beautiful Affiliate, Superior Water Quality and has an AA- Credit Rating from S&P.

City of El Campo Quick Facts

11,602

Population of
City of El Campo

\$41,460

Per Capita
Personal Income

9.05

City of El Campo
in Square Miles

24.16

Extraterritorial
Jurisdiction (ETJ)
Area in Square
Miles

113

Full-time City of
El Campo
Employees

59

Part-time City of
El Campo
Employees

9

Parks

121.47

Acres of parks

30

Sworn Police
Officers

16,811

Calls for Emergency
Service (Police,
EMS & Fire)

5:00

Average Fire
response time

37

Volunteer
Fire Fighters

5:45

Average EMS
response time

15

Full-time EMS
Employees

83.7

Miles of
paved streets

91.28

Miles of
sanitary sewers

15

Miles of
storm sewers

4,502

Water
customers

158

Building Permits
(Remodel, New con-
struction, Garage/
carport/deck)

\$9.2

Million dollars in
Building Permit
values

What Your Government Does

The City Government's main goal is to make sure the citizens are taken care of and being provided the services they need. A large portion of the City of El Campo's budget goes to Public Safety and Public Works. Public Safety includes Police and Fire protection and Emergency Medical Services. The employees stay up to date in training and certifications because the safety of the citizens is the main priority.



What Your Government Does

Our Public Works and Utility Departments ensures that residents have running water, working sewer and drivable streets. The guys are on call 24/7 to repair busted mains, sewer leaks and any other issues that may arise. Street Paving is also done on a revolving schedule every year.



City of El Campo



Not pictured District No. 1 Council Member Anisa Longoria-Vasquez

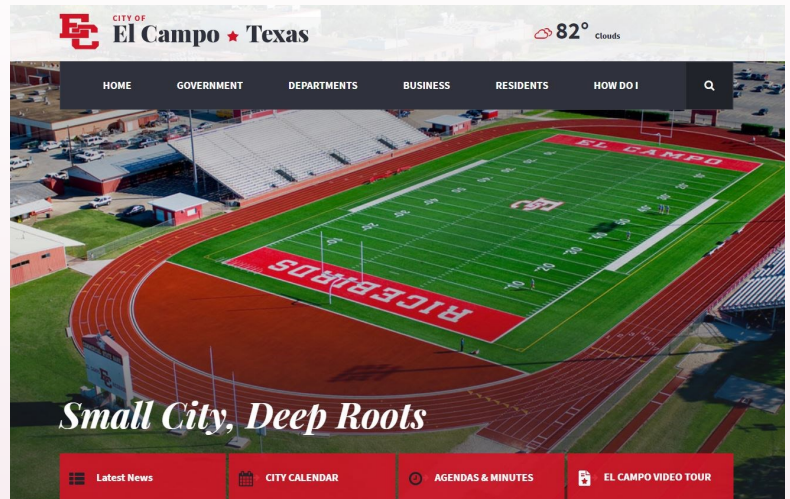
Function	2015	2016	2017	2018	2019
Administration	2	2	2	2	2
Finance	2	2	2	3	3
Personnel	1	1	1	1	1
Municipal Court	4	5	4	4	4
Inspections	4	5	5	5	5
Police	35	35	35	36	36
Communications	8	8	8	8	8
EMS	11	14	14	14	15
PW Admin	4	3	3	3	2
Streets	13	12	12	11	11
Vehicle Maintenance	2	2	2	2	2
Community Services/Parks	6	6	5	6	6
Aquatic Center	1	1	1	1	2
Water and Sewer Administration	3	4	4	3	3
Water Production and WasteWater Collections	10	10	10	10	11
Wastewater Treatment Plant	2	2	2	2	2
Total Full-Time Employees	108	112	110	111	113

A View of Things to Come

The fund balance is a 3 month balance reserve required by City Council and at the end of the 2019 fiscal year, fund balance was at 4.99 months, well exceeding the fund requirements.

The City authorized a number of capital projects in 2020, including:

- ◆ Upgraded, AMI Water Meters \$3.4 million
- ◆ Water and Sewer Main Replacements \$400,000
- ◆ Streets Sealcoating \$400,000
- ◆ Asphalt Zipper \$306,750
- ◆ Street Sweeper \$250,415
- ◆ Asphalt Distributor \$187,269
- ◆ Sewer Vactor Truck \$150,000
- ◆ New, Type II Ambulance \$98,000
- ◆ Sewer Jetting Machine \$90,000
- ◆ Pneumatic Roller \$89,680
- ◆ Willie Bell Parking Lot Improvements \$50,000
- ◆ Fire Command Unit \$35,000
- ◆ Bucket Truck \$28,025
- ◆ New Chemical Lifting Hoists for the Wastewater Treatment Plant \$18,000
- ◆ Parks Zero Turn Mower \$13,650
- ◆ Walking Trail Improvements at Willie Bell & Friendship Parks \$15,000



City of El Campo Stats

Top Ten Taxpayers

<u>Property Taxpayer</u>	<u>2018 Taxable Assessed Value</u>
Wal Mart Stores	\$ 11,136,454
American Electric Power	8,224,110
Kansas City Southern Railroad	6,625,940
Shoppas Farm Supply	5,851,566
Greenpoint Ag LLC #2510	5,830,616
Express Energy Services	5,773,736
Pinnacle Agriculture	4,498,394
Vallejo Properties, LLC	4,223,992
Dovecoast Housing LP	4,078,115
HEB	3,936,965

Source: Wharton County Central
Appraisal District

Top Ten Employers

<u>Employer</u>	<u>Employees</u>
El Campo I.S.D.	530
Greenleaf Nursery	345
El Campo Memorial Hospital	246
Prasek's Hillje Smokehouse	208
Wal-Mart	181
H.E.B.	164
Leedo Cabinetry	134
City of El Campo	113
Fesco	70
Mark's Machine	67

Source: City of El Campo

2019 Sales Tax Rate Breakdown

State of Texas	6.25%
General Fund	1.50%
Wharton County	<u>0.50%</u>
Total	8.25%

Taxing Entities/Tax Rates

City of El Campo	0.6322
School District	1.2080
Junior College	0.1435
Wharton County/FMLR	0.4750
Emergency Services District #1	0.0500
Emergency Services District #4	0.0682
West Wharton County Hospital Dist.	0.2220
Coastal Bend Groundwater Conservation District	<u>0.0083</u>
Total	2.8061

FY 2019—Tax rates per \$100 of assessed
valuation

Source: Wharton County Tax Assessor

City of El Campo Contact Information and Community Events

Kid Fish

Held in the Spring at Legacy Park, the pond is stocked with Rainbow Trout and the Texas Parks & Wildlife Game Wardens come out to help the kids fish and clean/fillet their catch. A chef is also on hand to do a demonstration on how to prepare the fish.

Downtown Dinner

Twice a year, the third Tuesday of March and September, a selection of Food Trucks and local vendors line our streets downtown for a night of family fun. Tickets are \$5.00 to reserve a seat, or you can reserve a table for 8 or 10 people. The event is held downtown at Evan's Park.

Annual Easter Egg Hunt

Held close to Easter on a Saturday evening at Legacy Park. There are thousands of eggs for four different age groups to hunt.

Farmer's Market

Held at Evan's Park on the first Saturday of April, May, June and August, many local vendors set up shop with homemade products, homegrown vegetables and handmade crafts.

Bicycle Rodeo

During June, the Police Department holds the annual Bicycle Rodeo where children can come out and learn bicycle safety.

Kid Fish—Catfish

Held in August at Legacy Park, the pond is stocked with catfish and the Texas Parks & Wildlife Game Wardens come out to help the kids fish and clean/fillet their catch.

National Night Out

Held on the first Tuesday in October, neighborhoods get together to meet everyone and local law enforcement agencies visit each group.

Trunk or Treat

Join us on Halloween at the Civic Center for a night of fun for the little ones. Volunteers decorate booths and hand out candy for a safe alternative to Trick or Treating.

Movie Night in the Park

Load up your chairs, blankets, soft drinks and snacks and join us in the park to watch a movie in the park held some time during October or November.

Courtney Sladek

City Manager

csladek@cityofelcampo.org

Terry Stanphill

Assistant City Manager/Chief of Police

tstanphill@cityofelcampo.org

Brittini Nanson

Finance Director

bnanson@cityofelcampo.org

Weston Davis

Emergency Services Director

wdavis@cityofelcampo.org

Kevin Thompson

Public Works Director

kthompson@cityofelcampo.org

Jerry Lewis

Utilities Director

jlewis@cityofelcampo.org

Rene Garcia

Human Resources Director

rgarcia@cityofelcampo.org

Jai McBride

Planning Director

jmcbride@cityofelcampo.org

Michelle Roy

Municipal Judge

mroy@cityofelcampo.org

Lori Hollingsworth

City Secretary

lhollingsworth@cityofelcampo.org

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. 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: <http://www.cityofelcampo.org>



City of El Campo

315 E. Jackson St.
El Campo, TX 77437

979.541.5000 ph
979.543.0027 fax

www.cityofelcampo.org

*For more information on the City of El Campo, visit www.cityofelcampo.org,
follow us on Facebook, Twitter, Instagram and SnapChat.*

