

ANNUAL OPERATING BUDGET

**OCTOBER 1, 2016
TO
SEPTEMBER 30, 2017**

In compliance with S.B. No. 656; SECTION 1. Section 102.007, Texas Local Government Code, the following information is included as the cover page for the City of Magnolia budget document:

This budget will raise more revenue from total property taxes than last year's budget by \$10,441 which is a 1.2% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$67,542.

A record vote was conducted of the City Council on September 27, 2016 for approval of an ordinance adopting the City of Magnolia 2016-2017 Fiscal Year Annual Budget as follows:

City Council	Aye	Nay	Absent
Anne Sundquist, Position 1	X		
John Bramlett, Position 2	X		
Rick Carby, Position 3	X		
Brenda Hoppe, Position 4	X		
Jonny Williams, Mayor Pro Tem, Position 5	X		

The municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, include:

Tax Year	2016	2015
Fiscal Year	2016-2017	2015-2016
Proposed Rate	\$ 0.4629	\$ 0.4629
Total Adopted Rate	\$ 0.4629	\$ 0.4629
Adopted Operating Rate	\$ 0.1751	\$ 0.1972
Adopted Debt Rate	\$ 0.2878	\$ 0.2657
Effective Tax Rate	\$ 0.4953	\$ 0.4243
Effective Operating Rate (M&O)	\$ 0.2111	\$ 0.2224
Maximum Operating Rate (M&O)	\$ 0.2279	\$ 0.2401
Debt Rate (I&S)	\$ 0.2878	\$ 0.2657
Rollback Rate	\$ 0.5157	\$ 0.5058

The total amount of outstanding municipal debt obligations (principal & interest) is as follows:

Type of Debt	Total Outstanding Debt	Current Year Debt
Property Tax Supported	\$15,457,863	\$ 699,675
Self-Supporting	\$ 4,667,953	\$ 546,651
Total Debt	\$20,125,816	\$1,246,326

Welcome!

This City of Magnolia, Texas annual budget is for the fiscal year beginning October 1, 2016, and ending September 30, 2017. This budget has been specifically prepared to help you, the reader, learn of the issues affecting the Magnolia community. Many people believe a city budget is only a financial plan. Although you can learn a great deal about the City's finances from these pages, the FY 2016-2017 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how the City is managed. It is an operations guide which gives the public, elected officials, and City staff information pertaining to the production and performance of individual City operations. The budget is designed as a communications device in which information is conveyed verbally and graphically that should be easily understood even by persons unfamiliar with the City.

THE BUDGET FORMAT

The budget is divided into three major sections: Introduction, Financial/Operational, and Supplemental Information. The Introduction section contains the Mayor's letter and explains major policies and issues which affected the development of the fiscal year budget. This section also includes the City's organization and staffing charts and the summary of major budget items.

The Financial/Operational section describes various aspects of the City's organization. This information is grouped first by fund and then by department. Like many local governments, the City uses the fund method of accounting. Simply stated, a fund is a unit of the City which tracks the application of various public resources. For example, the Enterprise Fund is established to account for the revenues and expenses of the City's water and sewer operations. Most people are particularly interested in the General Fund which is comprised of most of the City's operations such as Police, Municipal Court, Streets, and Parks. Financial statements, including the adopted FY 2016 budget are presented for every fund. The statements show the fund's financial condition over a number of years. Similar to the checking account statement you receive from your bank, the statement shows beginning balances, revenues, expenditures, and ending balances for each year. Each fund statement shows the actual audited amount from the previous fiscal year, or for this document, the fiscal year 2015 actual. The ending balance of the actual year becomes the beginning balance of the projected current fiscal year, FY 2016. The projected column reflects estimated amounts compared to the amounts included in the adopted budget for the current year. The projected ending balance of the current fiscal year then becomes the beginning balance for the projected FY 2017 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of the City's organization. Each department's presentation includes a mission statement, accomplishments for the previous fiscal year, and operational objectives for the upcoming year. Selected service levels for each department are presented graphically. The funding for each department, as well as the unit's staffing, is summarized over a number of years.

Finally, Supplemental Information is included regarding property tax and ordinances, the budgeting process/calendar, financial policies, major revenue sources, and the long-term comprehensive plan for the City. Also included is a glossary of terms.

MAGNOLIA CITY COUNCIL

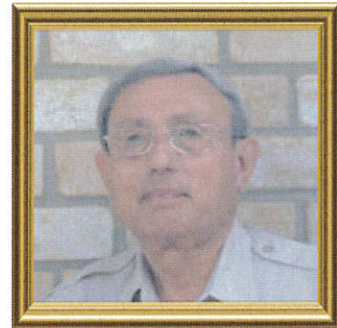


Todd Kana
Mayor

Re-elected May 2016-2018

Serving 4th term

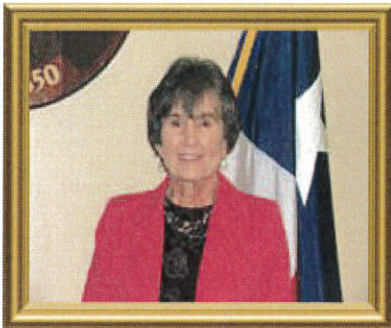
tkana@cityofmagnolia.com



John Bramlett
Position 2

Re-elected May 2015-2017

jbramlett@cityofmagnolia.com



Anne Sundquist
Position 1

Re-elected May 2015-2017

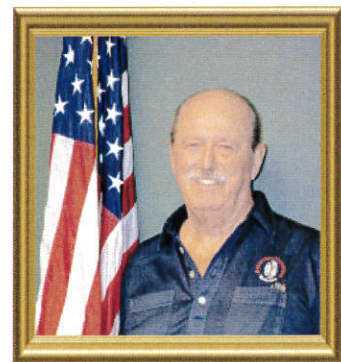
asundquist@cityofmagnolia.com



Rick Carby
Mayor Pro Tem/Position 3

Re-elected May 2015-2017

rcarby@cityofmagnolia.com



Jonny Williams
Position 5

Re-elected May 2016-2018

jwilliams@cityofmagnolia.com



Brenda Hoppe
Position 4

Re-Elected May 2016-2018

bhoppe@cityofmagnolia.com



**CITY OF MAGNOLIA
APPROVED BUDGET
FISCAL YEAR 2016-2017**

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INTRODUCTION



A Message from Mayor Kana

September 27, 2016

To Our Magnolia Residents:

As I begin the seventh budget for our City, I want to thank the citizens of Magnolia for placing their confidence in me for a fourth term of office as your Mayor. This is going to be a pivotal year for the City.

The SH 249 (the “Aggie Freeway”) has been approved and will start just after the first of the year. Our FM 1774 railroad flyover has begun and should be completed in twenty-four months; the FM 149 railroad flyover will be finished by the summer of 2017. With the increased lines of communication, we are expecting substantial growth in and around our community.

Your City Council has been working hard to position the City to be ready for the changes that we know are coming. We have extended the water and sewer lines to FM 149 Spur to support the commercial development in that area; we have completed the plans for a new 2,000,000 gallons a day state-of-the-art and more efficient sewer treatment plant; we are relocating water and sewer lines on FM 1774 due to conflict with the new TxDot construction.

The City Council has adopted zoning to protect the Magnolia we love during future growth. The Permit Department has streamlined the permitting process to allow electronic filing to simplify and expedite the process. With all this going on, we have still managed to reduce your taxes and send approximately a quarter of a million dollars to reserves.

I want to thank my Council for an outstanding year of service to the community, our Police Department who keep Magnolia one of the safest cities in the country, and our City staff that do a superb job of handling the day-to-day needs of our citizens.

Mayor Todd Kana

City of Magnolia

Fast Facts

Magnolia, Texas is located in southwest Montgomery County, nationally ranked as 7th in growth among U.S. counties. A short drive from Houston, Magnolia is poised for expansion with the arrival of the SH 249 Toll Way and major corporations like ExxonMobil moving into the area. At the crossroads of progress, Magnolia is still a place where neighbors help neighbors—a place to call home or grow your business.

Demographics:

Population/Income -

2015 Population – 1,539 inside city limits/138,000 in trade area

2018 Population projection – 1,758 inside city limits/2.70% growth rate

Median age: 38.4

Median household income: \$73,014 inside city limits/\$82,000 in trade area

City Size & Taxes -

City size in square miles: approx. 4.5 square miles

Property tax rate (2015): \$0.4629 per \$100 valuation

Property tax rate (2016): \$0.4629 per \$100 valuation

Sales tax collected for FY 2014-15: approximately \$2.5 million

Housing -

Median home value in trade area: \$224,795

Permit valuation added in fiscal year 2014-15: \$10.1 million

Residential \$9.4 million

Non-residential \$648,448

Education/Labor Force -

Bachelor's Degree or higher 21.7%

High school diploma or higher 82.9%

White collar workers 72.4%

Blue collar workers 27.7%

Job growth rate 2.96%

Number of universities within an hour's drive – 4

Number of colleges/universities within an hour's drive – 15

Key Regional Industries -

Construction

Engineering services

Business consulting services

Medical and specialized hospitals

Production, transportation, material moving

Pipe & other metal manufacturing

Educational services

City of Magnolia

History and General Statement:

The City of Magnolia, Texas was incorporated under the laws of the State of Texas on October 15, 1968. The City operates under a "General Law" City which provides for a "Mayor-Council" form of government. The City provides the following services: general government, public safety, public works, water services, and sewer services.

The main goal of the City is to maintain a small town atmosphere and to provide quality services to its citizens. Residents are protected and secure, care about their neighborhoods and are proud of where they live, work and play. Magnolia, Texas is one of the fastest growing communities in the nation. With the support of Magnolia's Area Chamber of Commerce promoting the community and its businesses by enhancing commerce, tourism and beautification opportunities, the City will continue to meet the needs of established and new businesses. Continued maintenance of adequate reserves will allow the City to respond should there be unfavorable changes in economic conditions in the future.

Financial Reporting

The City is an independent political subdivision of the State of Texas governed by an elected council and is considered a primary government for financial reporting purposes. The City has two discrete component units: Economic Development Corporation (4A) and Community Development Corporation (4B).

The City uses funds to maintain its financial records during the year. Funds may be considered as operating companies of the parent corporation, which is the City of Magnolia. They are usually segregated for specific activities or objectives. The City of Magnolia uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between its governmental fund assets and its liabilities and deferred inflows of resources as fund balance.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter (30 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received. Unearned revenue arises when assets are recognized before revenue has been received or recognized.

City of Magnolia

The City has presented the following major governmental funds:

General Fund – The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government and public safety.

Debt Service Funds – The Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on all general obligation bonds and other long-term debt of governmental funds.

Capital Projects Fund – The Capital Projects Fund is used to account for expenditures of resources accumulated from the sale of bonds and related interest earnings, contributed capital or transfers from other funds, other than those recorded in the enterprise funds, for acquisition of capital facilities.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted or designated for specified activities. The City has two such major funds – the HB445 fund and the Red Light Camera fund. The HB445 fund is used to account for the receipt and expenditure of funds received from additional sales tax within the City. The Red Light Camera fund is used to account for the receipt and expenditure of funds received from the red light camera violations. Both of these special revenue funds are considered non-major funds for reporting purposes.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred. Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The City presents the following major proprietary fund:

Enterprise Fund – The Enterprise Fund is used to account for the provision of water, wastewater, and sanitation services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, and wastewater collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt, principal and interest. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

City of Magnolia

Authorized Positions by Department

		Approved 2013-2014	Approved 2014-2015	Amended 2015-2016	Approved 2016-2017
CITY COUNCIL	Mayor and Council	6	6	6	6
	Total	6	6	6	6
ADMINISTRATION	City Manager/Administrator	1	1	1	1
	Executive Assistant	1	1	0	0
	Code Enforcement Officer	0	0	0	0
	Total	2	2	1	1
POLICE	Chief of Police	1	1	1	1
	Lieutenant	0	0	0	1
	Captain	0	0	0	0
	Sergeant	3	3	3	3
	Detective	1	1	1	1
	Patrol Officers	6	7	9	9
	Reserve Officers	9	9	9	9
	Administrative Asst/Dispatch	1	2	1	1
	Code Compliance Officer	0	0	1	1
	Executive Officer	1	1	0	0
	Evidence Clerk	0	0	1	1
	Total	22	24	26	27
PUBLIC WORKS	Director	0	0	0	1
	Water/Wastewater Plant Operator	0	0	0	1
	Utility/Maintenance Worker	0	0	0	4
	Laborers	2	2	1	1
	Mechanic	1	0.5	0.5	1
	Total	3	2.5	1.5	8
MUNICIPAL COURT	Judge	1	1	1	1
	Associate Judge	1	1	1	1
	Municipal Court Administrator	0	1	1	1
	Municipal Court Clerk	2	1	1	1
	Total	4	4	4	4
FINANCE	Finance Administrator		1	1	1
	Finance Clerk	1	0.5	0.5	0.5
	Total	1	1.5	1.5	1.5
CITY SECRETARY	City Secretary	1	1	1	1
	Total	1	1	1	1
WATER/SEWER	Utility Maintenance Worker	1	1.5	3	0
	Water/Wastewater Plant Operator	1	1	2	0
	Mechanic			0.5	0
	Utility/Permit Technician	1	1	1	1
	Total	3	3.5	6.5	1
Grand Total (Excl. Council)		36	38.5	41.5	43.5

City of Magnolia

2017 Approved Budget Major Items

Revenue

Total property tax M&O calculated at \$.1751 on valuation of \$192,782,750	\$	337,563
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Overall

Pay increases/adjustments for staff (except P/D)	\$	22,012
11.5% increase from current health insurance rate	\$	25,456

Police Dept

New employee/new lieutenant position	\$	59,400
Incremental salary increases per salary structure implemented FY 2016	\$	10,680

Public Works

Created PW Director position and moved other employees & all related costs (including vehicle maintenance/fuel/insurance) from Water/Sewer Fund		357,686
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Court

Change in method of reporting court revenue per audit
comment--revenue needs to be reported net of
amount due to state
Court Tech Fund & Security Fund have been added back
into General Fund--both in current budget & previous
years' approved budget numbers--per audit comment

Facilities

Replacement of A/C unit	\$	25,000
New phone system for City Hall	\$	12,500

Water/Sewer

Increase for maintenance/bldg & plant from 2016 budget	\$	35,000
Increase in San Jacinto River Authority expense	\$	40,000
Increase in transfer to debt service	\$	41,600
Additional automatic water meters	\$	50,000
1 additional employee (plus benefits)	\$	34,243
Water rate study (Jones & Carter)	\$	20,000
Transferred all employees except Utility/Permit Technician to Public Works (including all related costs)	\$	(357,686)
Transfer to General Fund to cover PW employee expense	\$	357,686
Additional transfer to General Fund	\$	73,025
Combined Water,Sewer,Impact Funds-per audit comment		

Capital Projects

Relocation of FM 1774 (Project borrowing \$700,000 from TxDot Infrastructure Fund)	\$	700,000
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Governmental Funds Budgeted Statement of Revenues, Expenditures, and Changes in Fund Balance							
	General	HB445	Red Light	Hotel /Motel		In-Kind	Total of
	Fund	Fund	Camera Fund	Occupancy	Debt Svc	Franchise	Governmental
				Tax Fund	Funds	Fees Fund	Funds
REVENUES:							
Property Taxes	337,563				262,775		600,338
Sales Taxes	1,200,000	300,000					1,500,000
Other Taxes	13,000						13,000
Franchise Fees	220,000						220,000
Licenses & Permits	234,300						234,300
Fines & Forfeitures	313,000						313,000
Hotel Occupancy Tax				45,000			45,000
Interest Income	-	700	1,152		200		2,052
Water User Fees							-
Sewer User Fees							-
Other Revenue	7,000		712,515				719,515
Miscellaneous	5,000						5,000
State Comptroller Fees			(242,700)				(242,700)
Total Revenues	2,329,863	300,700	470,967	45,000	262,975	-	3,409,505
TRANSFERS:							
Intra-Fund Transfer (06)4B	21,000						21,000
Intra-Fund Transfer (07)4A	20,000						20,000
Intra-Fund Trfr (10)Red Lt Camera(TC)	162,329						162,329
Intra-Fund Transfer (02) Water/Sewer Fund	430,711				146,050		576,761
Total Intra-Fund Transfers	634,040	-	-	-	146,050	-	780,090
Total Revenues/Transfers	2,963,902	300,700	470,967	45,000	409,025	-	4,189,595
EXPENDITURES:							
Personnel Services	1,974,900						1,974,900
Contractual Expenses	578,389		65,938				644,327
Miscellaneous Expenses	267,025		84,061		1,250		352,336
Capital Expenses/Road Repair	82,888	300,000					382,888
Tourism				45,000			45,000
Bond/Loan Principal Payments					235,000		235,000
Bond/Loan Interest Payments					172,575		172,575
Intra-Fund Trfrs Out			162,329				162,329
Total Expenditures/Transfers	2,903,202	300,000	312,328	45,000	408,825	-	3,969,355
Total Revenue Over/(Under)	60,700	700	158,639	-	200	-	220,240
Expenditures							
Projected Beginning Fund Balance/ Retained Earnings	714,778	863,200	332,193	78,537	240,661	19,587	2,248,957
Projected Ending Fund Balance/ Retained Earnings	775,478	863,900	490,832	78,537	240,861	19,587	2,469,197
*Totals do not include the component unit funds and proprietary (enterprise) funds.							

GENERAL FUND



City of Magnolia

General Fund

Fund Description

The General Fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

Fund narrative

During the budget process, most of the time is dedicated to working on the General Fund. It is this fund that reflects most of the critical issues affecting the community, including establishing a tax rate and determining staffing levels and benefits.

2016/2017 Budget

Revenues

Revenues including transfers from other funds are budgeted at \$2,963,902 which is approximately 9.4% more than last year. This increase is mainly due to transfers in from the Water/Sewer Fund to cover expenses for employees who were transferred to the Public Works Department from Water/Sewer. The sales tax budget was not increased due to uncertainties in the economy. Property tax revenue is budgeted slightly lower and court revenue is budgeted almost 48% less than last year due to an accounting change for recording court revenue and expense.

Expenditures

The budget for operating expenditures for FY 2017 is \$2,903,202 or 14.1% more than the adopted budget for FY 2016. Included in the budget are 3% salary adjustments for most employees except those in the Police Department, who received salary adjustments in FY 2016 to make their wages more comparable with other area municipalities and are now receiving increases based on that approved structure. Two new positions were added in this budget, a lieutenant position in the Police Department and a public works director. Total personnel costs in the General Fund are approximately 30% higher than last year, mostly because of the transfer of Water/Sewer Fund employees to the Public Works Department. Court expenses are budgeted approximately 56% less than last year due to the aforementioned accounting reporting change.

City of Magnolia

SUMMARY-Approved Budget 2016-2017

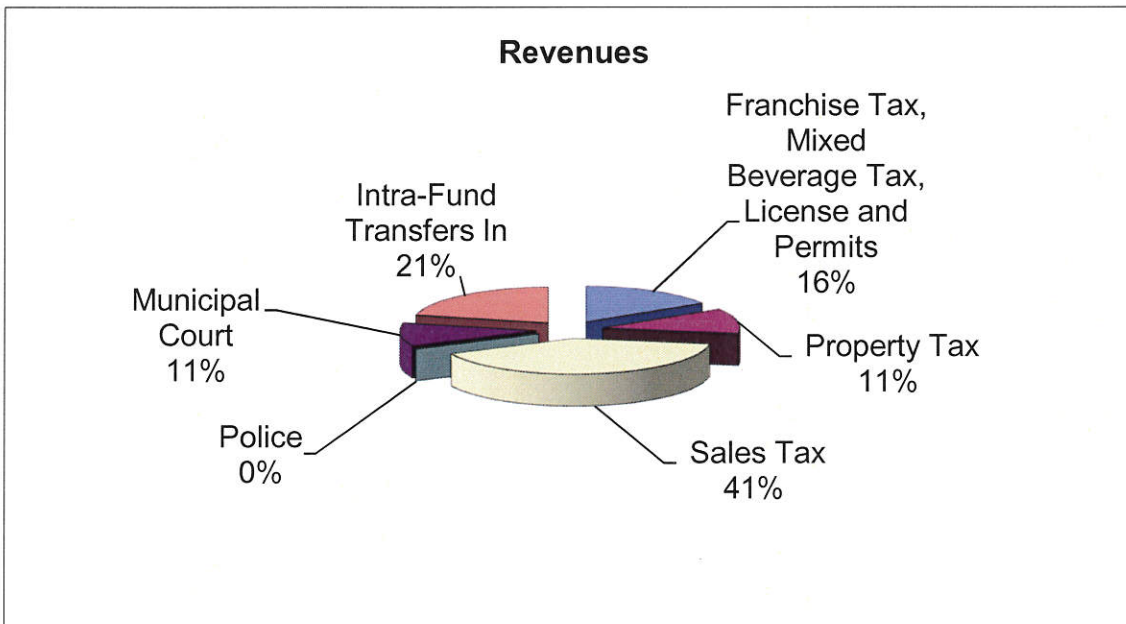
GENERAL FUND

REVENUE SUMMARY	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	-/+ % Change
City Hall / Administration	\$2,017,149	\$2,044,831	\$2,014,863	-1.47%
Police Department	\$8,250	\$2,000	\$2,000	N/A
Municipal Court	\$563,750	\$463,050	\$313,000	-32.40%
Intra-Fund Transfers In	\$147,951	\$200,273	\$634,040	216.59%
TOTAL REVENUE	\$2,737,101	\$2,710,153	\$2,963,902	9.36%
EXPENDITURE SUMMARY				
City Hall / Administration	\$620,003	\$512,433	\$505,134	-1.42%
Police Department	\$1,096,810	\$1,223,342	\$1,377,122	12.57%
Public Works	\$172,766	\$162,999	\$528,075	223.97%
Municipal Court	\$413,002	\$351,906	\$154,282	-56.16%
Finance	\$89,710	\$89,482	\$96,208	7.52%
City Secretary	\$94,908	\$100,013	\$103,420	3.41%
Facilities	\$78,670	\$68,000	\$106,500	56.62%
City Council	\$64,403	\$22,500	\$24,461	8.72%
Parks	\$13,000	\$13,500	\$8,000	-40.74%
TOTAL EXPENDITURES	\$2,643,271	\$2,544,176	\$2,903,202	14.11%
REVENUE OVER (UNDER) EXPENDITURES	\$93,830	\$165,978	\$60,700	-63.43%

City of Magnolia

Revenue Summary - General Fund

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
General Fund				
Franchise, Beverage, Permits	\$247,650	\$472,300	\$479,100	\$477,300
Property Tax	\$420,000	\$394,849	\$365,731	\$337,563
Sales Tax	\$1,000,000	\$1,150,000	\$1,200,000	\$1,200,000
Police	\$0	\$8,250	\$2,000	\$2,000
Municipal Court	\$533,160	\$563,750	\$463,050	\$313,000
Intra-Fund Transfers In	\$264,665	\$147,951	\$200,273	\$634,040
Total	\$2,465,475	\$2,737,101	\$2,710,153	\$2,963,902



City of Magnolia

General Fund - 01

Preliminary Budget

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenues					
General and Administrative					
40102 Gen/Admin Donations		6,000	0	5,895	0
40104 Liquor License Fee	2,500	1,058	1,500	1,500	1,500
40105 Ad Valorem Tax Revenue	394,849	408,400	365,731	400,000	337,563
40107 Mix Beverage Tax Revenue	9,000	13,518	13,000	14,817	13,000
40110 Wrecker Permit Fees	1,000	1,372	1,300	50	1,300
40116 Sales Tax Revenue	1,150,000	1,264,471	1,200,000	1,187,897	1,200,000
40117 Misc. Income	7,000	9,017	5,000	28,000	5,000
40118 License and Permits	240,000	204,854	225,000	336,823	225,000
40119 Sign Permit Revenue	6,500	7,420	6,500	8,228	6,500
40120 Franchise Tax Revenue	200,000	232,197	220,000	256,562	220,000
40122 Interest Income/Gen Fund	0	4	0	9	0
40127 Rendition Penalty/Montgomery Co.	300	238	300	0	0
40128 Vehicle & Equip. Sales	6,000	0	6,000	10,000	2,000
40133 Plat Fee Revenue	0	731	500	4,634	3,000
Total General and Administrative	2,017,149	2,149,279	2,044,831	2,254,415	2,014,863
Police					
40203 Police Department Donations	0	0	0	50	0
40207 Officer Safety Equipment Program Rev	8,250	345	2,000	0	0
40208 Crime Stoppers Revenue		2,500	0	7,000	0
40223 Police Forfeited Prop Revenue	0	0	0	4,095	2,000
40224 Police-Asset Forfeiture	0	(718)	0	0	0
Total Police	8,250	2,127	2,000	11,145	2,000
Courts					
40401 Summoning Jury Fee	0	5	0	8	0
40402 Indigent Defense Fee	3,000	3,419	3,500	3,089	0
40403 Judicial Fee / City	1,200	1,029	1,200	927	0
40404 Judicial Fee / County	10,000	9,252	10,000	8,341	0
40405 State Jury Fee	8,000	6,862	8,000	6,178	0
40407 OMNI Revenue	5,000	15,800	15,000	14,115	2,000
40408 Security Fund Revenue	7,000	5,299	7,000	4,630	5,000
40409 Warrant Fee Revenue	38,000	27,640	30,000	25,194	30,000
40410 Court Fine Revenue	400,000	280,037	300,000	293,936	235,000
40411 OverPay Refunds (Court Fines)	1,200	276	200	0	0
40413 Bond Escrow/Bond Refund	30,000	45,561	35,000	773	0
40414 C.O.L.A.G.Y.	32,000	13,243	32,000	14,277	32,000
40416 Child Safety Seat Fee	200	1,351	1,000	1,262	0
40417 Civil Justice Fee	150	146	150	100	0
40418 Arrest Fee	9,000	7,356	9,000	6,778	0
40419 Jury Fee	0	3	0	0	0
40421 Trial Conviction Fee	0	33	0	140	0
40423 Bond	2,000	(8,677)	0	67,832	0
40424 Truancy Prevention Fund	1,000	2,949	2,000	2,824	0
41906 Tech Fund Revenue	16,000	8,929	9,000	8,267	9,000
Total Courts	563,750	420,515	463,050	458,671	313,000
Intra-Fund Transfers					
40005 Transfer to/from Fund 5	0	(4,000)	0	0	0
49902 Intra-Fund Transfer (02) Water	0	0	0	0	430,711
49906 Intra-Fund Transfer (06)4B	41,700	20,988	21,000	21,538	21,000
49907 Intra-Fund Transfer (07)4A	20,000	20,580	20,000	20,707	20,000
49910 Intra-Fund Trfr (10)Red Lt Camera(TC)	86,251	93,340	159,273	164,987	162,329
Total Intra-Fund Transfers	147,951	130,908	200,273	207,232	634,040
Total Revenue	2,737,101	2,702,829	2,710,153	2,931,463	2,963,902

City of Magnolia

Revenues

Account	Account Name	Approved Budget	Description
40104	Liquor License Fee	1,500	Fees paid in order to sell alcohol within City limits
40105	Ad Valorem Tax Revenue	337,563	Est. M&O tax rate of \$.1751 based on actual valuation of \$ 192,782,750
40107	Mixed Beverage Tax Revenue	13,000	Locally collected taxes on the sale and consumption of alcohol. Tax rate established by State.
40110	Wrecker Permit Fees	1,300	Fees paid by wrecker companies to operate within City
40116	Sales Tax Revenue	1,200,000	City's portion of sales tax-- \$.01 of the total \$.0825 collected by the State
40117	Misc. Income	5,000	Miscellaneous receipts which do not fall within any other category
40118	Licenses and Permits	225,000	Fees paid as established by ordinance for construction of structures inside the City
40119	Sign Permit Revenue	6,500	Fees paid to enable a business to install a sign within the City/annual renewal required
40120	Franchise Tax Revenue	220,000	Fees paid for the privilege of operating in the City, based on gross revenues and percent established by contract
40127	Rendition Penalty/Montgomery Co.	-	Penalties applied to businesses in noncompliance with personal property rendition laws
40128	Vehicle & Equip. Sales	2,000	Income from sale of surplus property
40133	Plat Fee Revenue	3,000	
40207	Officer Safety Equip. Program Rev.	-	Monies paid by police personnel to pay for their firearms
40208	Crime Stoppers Revenue	-	
40223	Police/Forfeited Prop Rev	2,000	

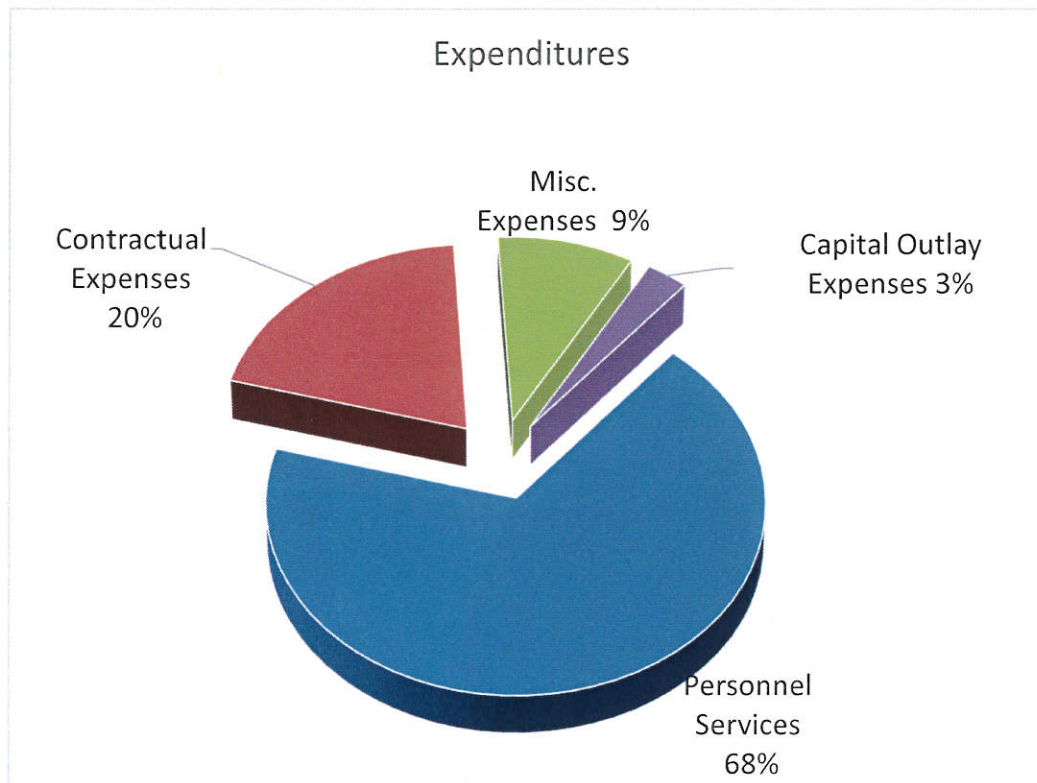
City of Magnolia

Revenues

Account	Account Name	Current Budget	Description
Court Fees and Fines, as limited by State law:			
40402	Indigent Defense Fee	-	
40403	Judicial Fee/City	-	
40404	Judicial Fee/County	-	
40405	State Jury Fee	-	
40407	OMNI Revenue	2,000	
40408	Security Fund	5,000	
40409	Warrant Fee Revenue	30,000	
40410	Court Fines	235,000	
40411	OverPay Refunds (Court Fines)	-	
40413	Bond Escrow/Bond Refund	-	
40414	C.O.L.A.G.Y.	32,000	Collection agency fees
40416	Child Safety Seat Fee	-	
40417	Civil Justice Fee	-	
40418	Arrest Fee	-	
40423	Bond	-	
40424	Truancy Prevention Fund	-	
41906	Tech Fund	9,000	
49902	Intra-Fund Transfer (02) Water	430,711	Funds transferred in from Water/Sewer Fund
49906	Intra-Fund Transfer (06) 4B	21,000	Funds transferred in from Community Development Fund
49907	Intra-Fund Transfer (07) 4A	20,000	Funds transferred in from Economic Development Fund
49910	Intra-Fund Trfr (10) Red Lt Camera	162,329	Funds transferred in from Red Light Camera Fund
		2,963,902	

Expenditure Summary - General Fund

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
General Fund				
Personnel Services	\$1,505,027	\$1,563,019	\$1,515,862	\$1,974,900
Contractual Expenses	\$473,000	\$595,019	\$555,389	\$578,389
Miscellaneous Expenses	\$460,100	\$474,233	\$419,375	\$267,025
Capital Outlay Expenses	\$22,194	\$11,000	\$53,550	\$82,888
Total	\$2,460,321	\$2,643,271	\$2,544,176	\$2,903,202



CITY COUNCIL

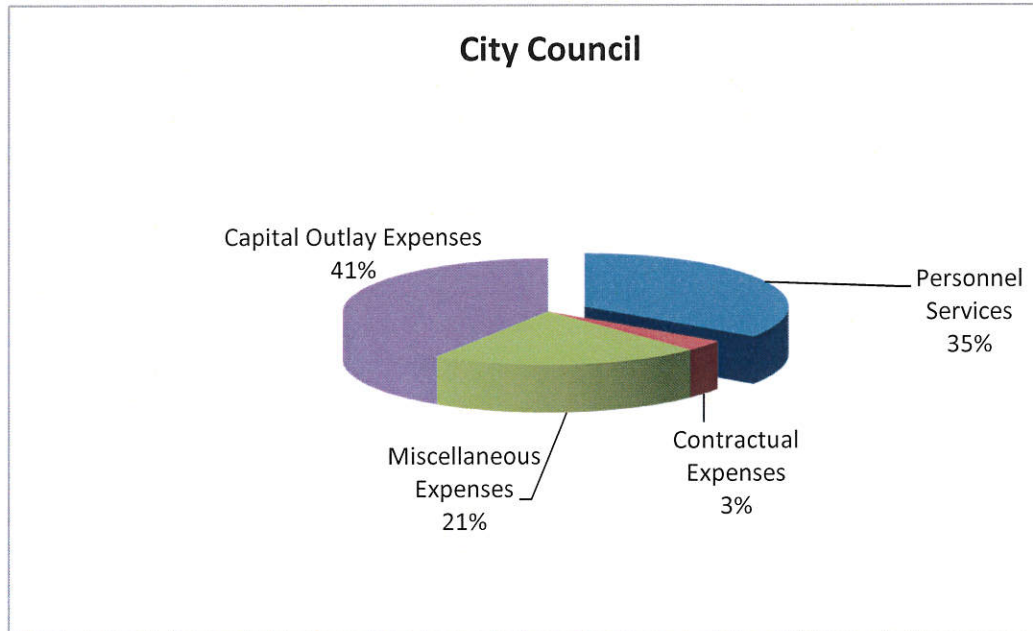


City of Magnolia

City Council Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$32,786	\$58,903	\$6,500	\$8,461
Contractual Expenses	\$1,000	\$800	\$800	\$800
Miscellaneous Expenses	\$3,200	\$3,700	\$5,200	\$5,200
Capital Outlay Expenses	\$1,000	\$1,000	\$10,000	\$10,000
Total	\$37,986	\$64,403	\$22,500	\$24,461

Staffing	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Mayor and Council	6	6	6	6
Total	6	6	6	6



City of Magnolia

City Council	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
<u>Personnel Services</u>					
510526 Insurance(Med,Dental,Vision)	58,403	40,411	6,000	7,224	7,961
510543 Education, Travel, & Certification	500	0	500	0	500
Total Personnel Services	58,903	40,411	6,500	7,224	8,461
<u>Contractual Expenses</u>					
510642 Dues & Memberships	800	200	800	300	800
Total Contractual Expenses	800	200	800	300	800
<u>Miscellaneous Expenses</u>					
510744 Minor Equipment	0	0	2,000	3,084	2,000
510766 Office Supplies	700	68	700	61	700
510775 Ref. Books, Reports, Subscriptions	0	0	0	0	0
510879 Elected Officials-Errors/Omissions Ins.	3,000	2,215	2,500	1,759	2,500
Total Miscellaneous Expenses	3,700	2,283	5,200	4,904	5,200
<u>Capital Expenses</u>					
510920 Computers & Equipment	1,000	1,830	10,000	12,553	10,000
Total Capital Expenses	1,000	1,830	10,000	12,553	10,000
Total City Council Expenditures	64,403	44,724	22,500	24,981	24,461

City of Magnolia

City Council

Account	Account Name	Approved Budget	Description
510526	Employee Insurance	7,961	Medical, dental, vision
510543	Education, Travel, Certifications	500	Training, travel & certifications
510642	Dues & Memberships	800	HGAC 200 Chamber of Commerce 0 Misc. 600
510744	Minor Equipment	2,000	Conference room chairs
510766	Office Supplies	700	Business cards, name plates, etc.
510879	Elected Officials-Errors & Omissions Ins.	2,500	
510920	Computers & Equipment	10,000	Equipment for Council Chambers
		24,461	

ADMINISTRATION



Administration Department

Department Mission

To represent the Mayor and Council in a courteous, professional and efficient manner and still maintain a small-town atmosphere and to provide quality services to the citizens of Magnolia

Program Narrative

The Administration Department oversees the day-to-day operations of the City by setting goals and objectives for the City staff and serving as a liaison between the City Council and the staff and the citizens of Magnolia. The City Administrator also coordinates the City's goals and operations with other governmental entities, agencies and organizations. The department strives to preserve a unique atmosphere and quality of life while cultivating a dynamic economic development for all of the residents of Magnolia.

Accomplishments for FY 2015-2016

- Continued to increase the size of the City by adding parcels of land through annexation
- Oversaw preparation of FY 2016-17 Annual Budget
- Continued the improvement of City's reserve funds
- Prepared the State of the City presentation for the Mayor
- Adoption of zoning map and Unified Development Code

Objectives for FY 2016-2017

- Continue to promote sound and prudent financial management to improve fiscal integrity and sustainability of City finances
- Monitor state legislative trends that impact the city's financial condition and provide appropriate recommendations for action to the city council
- Review department staffing and procedures to promote efficiency and effective municipal operations and services
- Continue to monitor and improve interoperability and cross training
- Pursue professional education opportunities for the staff
- Continue to improve the level of customer service provided to both citizens and external customers to promote positive public and intergovernmental relations

Goals for FY 2016-2017

- Oversee development of additional financial written policies, i.e. capital improvement policy, debt policy
- Development of ordinances to support future zoning
- Strive to attract both commercial and residential development to Magnolia
- Improve the City's level of transparency on funds and all activities
- Implement methods of encouraging open and unfettered communication and information sharing between departments, between administration and city council, and between the city and the public

Permit Department (Administration)

Department Mission

The primary mission of the Permits Department is to enhance the quality of life for all citizens of Magnolia by providing for their health, safety and welfare through the effective and efficient administration and enforcement of the Texas State Building Code and applicable local ordinances.

Program Narrative

The department processes permit applications, collects associated fees, reviews construction plans, schedules inspections, tracks permit and inspection data and inspects for code compliance.

Accomplishments for FY 2015-2016

- Completed inspections within one business day
- Successfully enforced annual sign renewal fees
- Successfully enforced annual alarm renewal fees
- Completed Permit technician class, took certification test, and became certified Permit technician

Objectives for FY 2016-2017

- Ongoing training on International Building Codes for our inspector
- Ensure that all work done within the city limits has proper permitting

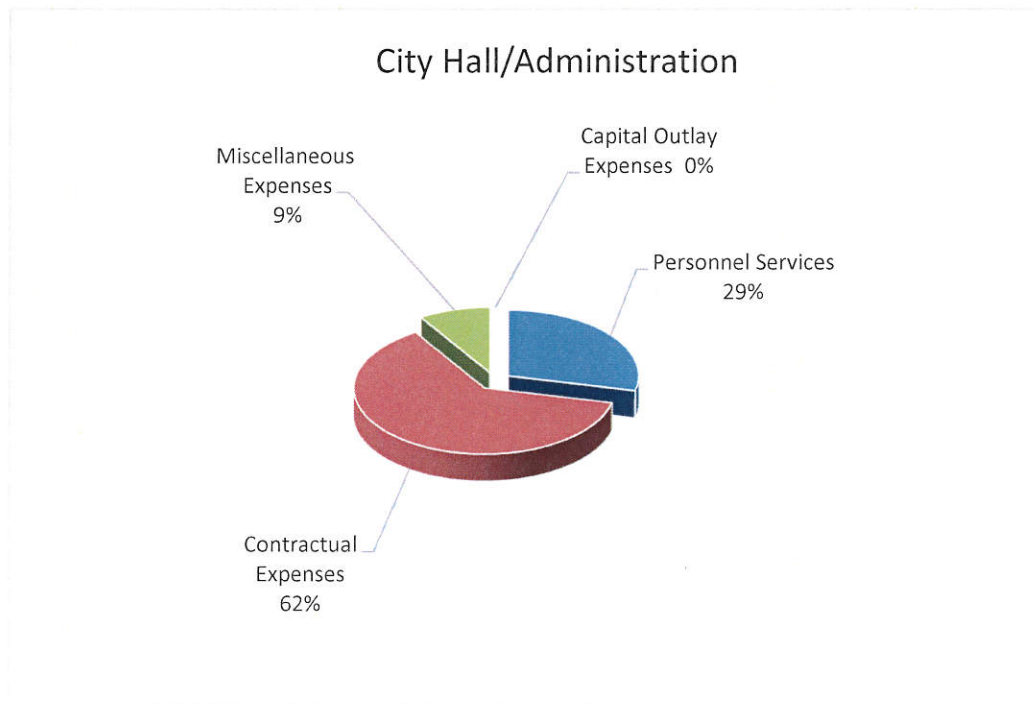
Goals for FY 2016-2017

- Maintain or improve inspection turnarounds
- Continue to provide excellent customer service
- Communicate with Code Enforcement Officer
- Ensure the construction and maintenance of safe residential and commercial structures

City Hall/Administration Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$257,566	\$203,793	\$156,583	\$144,784
Contractual Expenses	\$256,000	\$378,610	\$311,500	\$315,500
Miscellaneous Expenses	\$24,100	\$35,600	\$42,350	\$44,850
Capital Outlay Expenses	\$0	\$2,000	\$2,000	\$0
Total	\$537,666	\$620,003	\$512,433	\$505,134

Staffing	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
City Manager/Administrator	1	1	1	1
City Secretary	0	0	0	0
Permit Technician	0	0	0.5	0
Receptionist	0	0	0	0
Finance	0	0	0	0
Executive Assistant	1	1	0	0
Code Enforcement Officer	0	0	0	0
Total	2	2	1.5	1



City of Magnolia

Department Expenditures City Hall/Administration

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Proposed Budget 2016-2017
Personnel Services					
501501 Salaries	101,365	90,371	89,026	76,123	77,354
501502 Car Allowance	8,400	8,077	8,400	8,400	8,400
501503 Overtime	0	8	0	31	0
501505 Cell Phone Allowance	840	840	840	840	840
501506 Salary 4B	38,563	19,157	16,487	16,500	16,487
501507 Salary 4A	18,745	18,932	16,487	16,500	16,487
501515 Longevity	330	265	320	325	385
501516 T.E.C.(Unemployment)	414	18	135	350	342
501517 TMRS	1,947	1,466	2,144	1,871	2,471
501518 Worker's Compensation	394	365	441	3,126	282
501526 Insurance (Med./Dental/Vision/Life)	19,908	13,976	10,331	7,169	7,961
501536 Payroll Tax (F.I.C.A/Medicare)	8,486	9,815	7,542	8,924	9,176
501543 Education, Travel, & Certifications	3,000	3,110	3,000	2,106	3,000
501547 Drug Test	100	30	30	0	200
501550 Dues and Memberships	1,300	965	1,400	1,202	1,400
Total Personnel Services	203,793	167,396	156,583	143,467	144,784
Contractual Expenses					
501629 Inspection Services	160,000	142,694	140,000	182,235	120,000
501632 Consultant/Contract Services	115,000	59,028	60,000	121,120	60,000
501640 Legal	50,000	62,751	50,000	75,766	60,000
501641 Accounting	10,000	15,600	12,000	12,000	16,000
501643 Engineering	10,000	5,470	10,000	10,084	10,000
501670 Rental of Office Equipment/copier	5,500	5,960	6,000	5,356	6,000
501673 Computer Software (S/W)	25,000	37,257	30,000	39,755	40,000
501674 Posting/Advertising	0	966	0	0	0
501677 Computer Assistance (IT Services)	3,110	12,093	3,500	2,220	3,500
Total Contractual Expenses	378,610	341,819	311,500	448,536	315,500
Miscellaneous Expenses					
501744 Minor Equipment	2,000	1,000	2,000	1,000	4,000
501751 Prior Year Adj-2009	0	0	0	0	0
501760 Fuel	0	57	0	63	0
501766 Office Supplies	9,000	7,389	5,000	3,972	5,000
501768 Planning Commission Expenses	500	155	500	327	500
501774 Cell Phones	600	523	0	0	0
501775 Ref. Books, Reports, Subscriptions	5,000	13	5,000	5,000	5,000
501778 Flower Fund	750	173	600	250	600
501779 Morale/Welfare	1,000	1,389	1,500	1,339	1,500
501800 Bank Fees	0	0	0	369	500
501801 Mayor/Council Christmas Reception	0	887	0	0	0
501806 City Administrators Fund	3,000	3,023	4,000	2,567	4,000
501807 Community Special Events	10,000	20,125	20,000	20,000	20,000
501833 Postage	3,750	2,832	3,750	3,200	3,750
501841 Montgomery Co Tax Assessor/Coll.	0	0	0	0	0
Total Miscellaneous Expenses	35,600	37,565	42,350	38,087	44,850
Capital Expenses					
501889 Trfr to 2014 C/O's I & S	0	0	0	0	0
501919 City Hall Furn/Equip Lease Pay'ts	0	0	0	0	0
501920 Computer Equipment	2,000	1,411	2,000	0	0
Total Capital Expenses	2,000	1,411	2,000	0	0
Total City Hall/Administration Expenditures	620,003	548,190	512,433	630,090	505,134

City of Magnolia

City Hall/Administration

Account	Account Name	Approved Budget	Description
501501	Salaries	77,354	City Administrator
501502	Car Allowance	8,400	Annual car allowance for City Administrator
501505	Cell Phone Allowance	840	Allowance for use of personal cell phone for business purposes
501503	Overtime	-	Authorized overtime for non-exempt employees
501506	Salary 4B	16,487	Transfer amount of payroll expenses for 4B portion of City Administrator's salary
501507	Salary 4A	16,487	Transfer amount of payroll expenses for 4A portion of City Administrator's salary
501515	Longevity	385	\$5 per month per year of service with City
501516	T.E.C. (Unemployment)	342	Unemployment taxes- 1.9% rate
501517	TMRS	2,471	Retirement cost-1.68% for 3 mos., then 2.19% rate for calendar year 2017
501518	Worker's Compensation	282	Premiums paid to TML for W/C ins.
501526	Employee Insurance	7,961	Medical, dental, vision
501536	Payroll Tax	9,176	Social Security & Medicare-7.65% rate
501543	Education, Travel, Certifications	3,000	Training, travel & certifications
501547	Drug Test	200	Pre-employment & post-accident testing
501550	Dues, Memberships & Promotions	1,400	<div> <div>Tx City Mgt Ass'n</div> <div>50</div> <div>TFMA</div> <div>90</div> <div>Amex</div> <div>110</div> <div>TML</div> <div>540</div> <div>Tx Social Security Admin Fee</div> <div>35</div> <div>International Code Council</div> <div>125</div> <div>Sam's Club</div> <div>100</div> <div>Misc.</div> <div>350</div> </div>
501629	Inspection Services	120,000	Inspections and reviews of construction
501632	Consultant/Contract Services	60,000	<div> <div>Consultants, i.e. Kendig Keast,</div> <div>60,000</div> <div>Municode, website hosting,</div> <div>fogging, bonding, on-site shredding</div> </div>

City of Magnolia

City Hall/Administration

Account	Account Name	Current Budget	Description
501640	Legal	60,000	Attorney fees
501641	Accounting	16,000	Fees for annual audit, accounting support
501643	Engineering	10,000	General engineering fees
501670	Rental of Office Equipment/Copier	6,000	Rental expense of copier, extra costs for b/w and color copies
501673	Computer Software (S/W)	40,000	Tyler (Incode) annual maint. 20,000 McAfee support 990 Domain renewal 75 Gov.office annual svc pkg 550 enCodePlus annual s/w licensing 4,500 Constant Contact 250 Google Earth Professional 300 Additional software purchase & maintenance & support 13,335
501677	Computer Assistance (IT Services)	3,500	Technical services for admin
501744	Minor Equipment	4,000	2 computers 3,000 Miscellaneous 1,000
501766	Office Supplies	5,000	Paper, pens, staples, clips, toner, file folders, note pads, etc.
501768	Planning Commission Expenses	500	Expenses incurred on behalf of the Planning Commission
501774	Cell Phones	-	Cost of cell phones and usage
501775	Ref. Books, Reports, Subscriptions	5,000	Periodicals, manuals, updates to Local Gov't Code
501778	Flower Fund	600	Cost of sending flowers for bereavement/ sickness of employees, Council, board members and their families
501779	Morale/Welfare	1,500	Employee luncheons, birthday cakes, etc.
501801	Mayor/Council Christmas Reception	-	Christmas expenses, expenses that are not office supplies
501806	City Administrator's Fund	4,000	Misc. expenses incurred by City Administrator including business lunches
501800	Bank Fees	500	Cost of printed deposit slips, late fees
501807	Community Special Events	20,000	Fireworks for July 4th, other events
501833	Postage	3,750	Admin mailing costs including Pitney Bowes mail machine lease, mail permits, Fedex charges
501920	Computer Equipment	-	Purchase of new computer equipment
		505,134	

CITY SECRETARY



City Secretary

Department Mission

The primary mission of the City Secretary is to maintain the official records of the City for historical preservation and provide support services and information to citizens, council members, and City staff in an effective and efficient manner.

Description

- Upholds the integrity of public service by providing professional assistance and direction in a fair and timely manner.
- Prepares, publishes, records and maintains city records to include Council agendas, minutes, ordinances, resolutions, deeds, contracts, agreements, easements, and other legal documents in accordance with policies set by Council, Code of Ordinances and laws of the State.
- Serves as Election Administrator for municipal elections; coordinates as contracted with Montgomery County for all City elections.
- Coordinates the Council agenda process, attend meetings, record and prepare official minutes.
- Serves as Records Management Officer and administers and coordinates organization-wide records management program
- Posts and publishes all legal notices in accordance with the Texas Local Government Code, Texas Open Meetings Act, City Codes and all other State laws.
- Ensures the codification of ordinances adopted by Council.
- Serves as Public Information Officer and Chief Custodian of Records.
- Attends all meetings of City-related boards and commissions, to include coordination and preparation of all agendas, minutes, resolutions, contracts, agreements, and any other legal documents in accordance with set policies, Code of Ordinances and laws of the State.
- Provides leadership, oversight, assistance and guidance for other administrative departments.
- Maintains City website.

Accomplishments

- Constantly updating the City's website.
- Continually updating applications and forms used in the Permit/Utility Billing Dept.
- Ensured compliance of operating budget for the City Secretary Department.
- Completed inventory and destruction of municipal records.
- Coordinates supplements for the City's Code of Ordinances.
- Continues coordinating an index for all City ordinances and resolutions.
- Provides information and documentation in a timely and efficient manner and in accordance with State and federal laws.

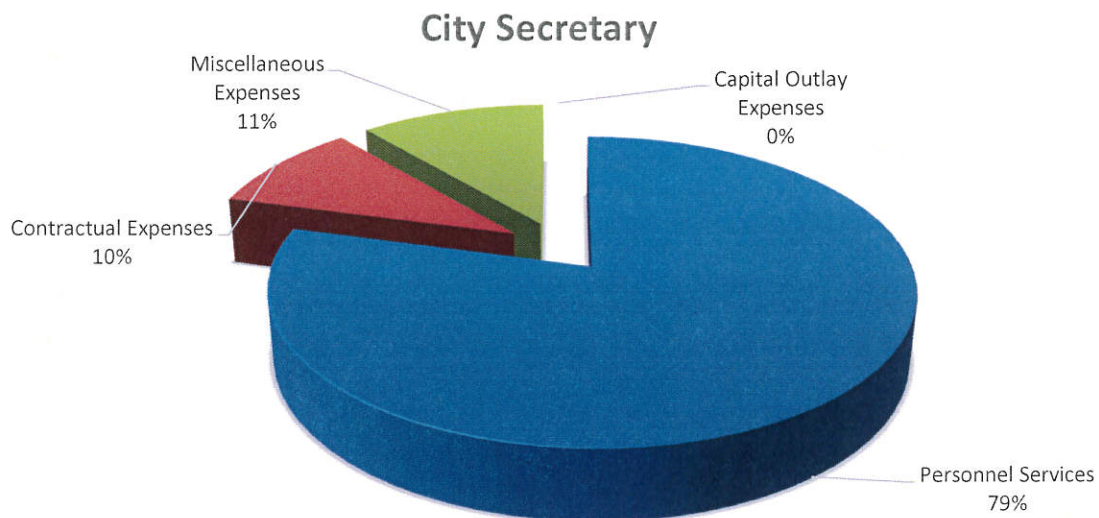
Goals

- Continue to organize/improve maintenance and retention of administrative records.
- Continue to coordinate an index for all City ordinances and resolutions.
- Continue to assist other departments with records retention program.

City Secretary Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$68,556	\$74,008	\$78,513	\$81,920
Contractual Expenses	\$7,000	\$10,000	\$10,000	\$10,000
Miscellaneous Expenses	\$10,800	\$10,900	\$11,500	\$11,500
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$86,356	\$94,908	\$100,013	\$103,420

Staffing	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
City Secretary	1	1	1	1
Deputy City Secretary	0	0	0	0
Total	1	1	1	1



City of Magnolia

City Secretary	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
<u>Personnel Services</u>					
506501 Salaries	56,640	56,487	58,339	58,276	60,089
506506 Salary 4B	0	0	2,541	2,443	2,541
506507 Salary 4A	0	0	2,466	2,372	2,466
506515 Longevity	255	260	315	320	380
506516 T.E.C.	207	9	90	171	171
506517 T.M.R.S.	659	651	1,038	993	1,349
506518 Worker's Comp	141	167	166	172	154
506526 Insurance (Med/Dental/Life/Vision)	9,954	10,156	6,888	7,224	7,961
506536 Payroll Tax (F.I.C.A./Medicare)	4,352	4,341	4,870	4,760	5,009
506543 Education, Travel, Certification	1,500	20	1,500	1,000	1,500
506550 Dues and Memberships	300	224	300	200	300
Total Personnel Services	74,008	72,315	78,513	77,931	81,920
<u>Contractual Expenses</u>					
506674 Posting and Advertising	10,000	3,188	10,000	9,331	10,000
Total Contractual Expenses	10,000	3,188	10,000	9,331	10,000
<u>Miscellaneous Expenses</u>					
506769 Office Equipment	200	0	200	0	200
506773 Cost of Election	10,000	7,366	10,000	10,000	10,000
506775 Magazines, Maps & Books	300	25	300	72	300
506833 Postage	0	0	0	0	0
506834 Recording Fees	400	222	1,000	287	1,000
506836 Printing	0	0	0	0	0
Total Miscellaneous Expenses	10,900	7,613	11,500	10,359	11,500
Total City Secretary Expenditures	94,908	83,116	100,013	97,621	103,420

City of Magnolia

City Secretary

Account	Account Name	Approved Budget	Description
506501	Salaries	60,089	1 full time
506506	Salary 4B	2,541	Transfer amount of payroll expenses for 4B portion of City Secretary's salary
506507	Salary 4A	2,466	Transfer amount of payroll expenses for 4A portion of City Secretary's salary
506515	Longevity	380	\$5 per month per year of service with City
506516	T.E.C. (Unemployment)	171	Unemployment taxes- 1.9% rate
506517	TMRS	1,349	Retirement cost-1.68% for 3 mos., then 2.19% rate for calendar year 2017
506518	Worker's Compensation	154	Cost of W/C insurance
506526	Employee Insurance	7,961	Medical, dental, vision
506536	Payroll Tax	5,009	Social Security & Medicare-7.65% rate
506543	Education, Travel, Certifications	1,500	Training, travel & certifications
506547	Drug Test	-	Pre-employment & post-accident testing
506550	Dues & Memberships	300	TMCA 95 Misc 205
506674	Posting & Advertising	10,000	Posting legal notices, ordinances, election information
505766	Office Supplies	-	Pens, note pads, staples, clips, etc.
506769	Office Equipment	200	Misc. equipment
506773	Cost of Election	10,000	Paid to the County for elections
506775	Magazines, Maps & Books	300	Updates of TX Local Gov't Code, etc.
506833	Postage	-	
506834	Recording Fees	1,000	Costs for recording items with County or State
		103,420	

FINANCE



Finance Department

Department Mission

To ensure responsible oversight of the City's budget, investments, financial transactions, debt service, financial reporting and audit; and to support the City in meeting its goals through its most valuable resource—its people!

Program Narrative

The Finance Department is responsible for the day-to-day processing of financial transactions to ensure that municipal finances are maintained in an effective, up-to-date and accurate manner, complete payroll functions in order to ensure staff are paid in an accurate and timely manner, handle all human resource functions and provide administrative support in order to ensure effective and efficient office operations.

Accomplishments for FY 2015-2016

- Received the Transparency Award from the Texas Comptroller
- Delivered monthly financials to Council and staff by the 5th working day of the following month 100% of the time
- Prepared and distributed vendor checks in a timely and accurate manner
- Provided accurate payroll processing, along with quick responses to employees' payroll questions
- Assisted departments in recruiting efforts
- Modified personnel policy handbook
- Completed the modification of all job descriptions to ensure the most accurate information related to job duties and ADA requirements

Objectives for FY 2016-2017

- Continue to receive Transparency Award from the Texas Comptroller
- Continue to deliver monthly financials to Council and staff by the 5th working day of the following month 100% of the time
- Continue to improve the level of customer service provided to both internal and external customers

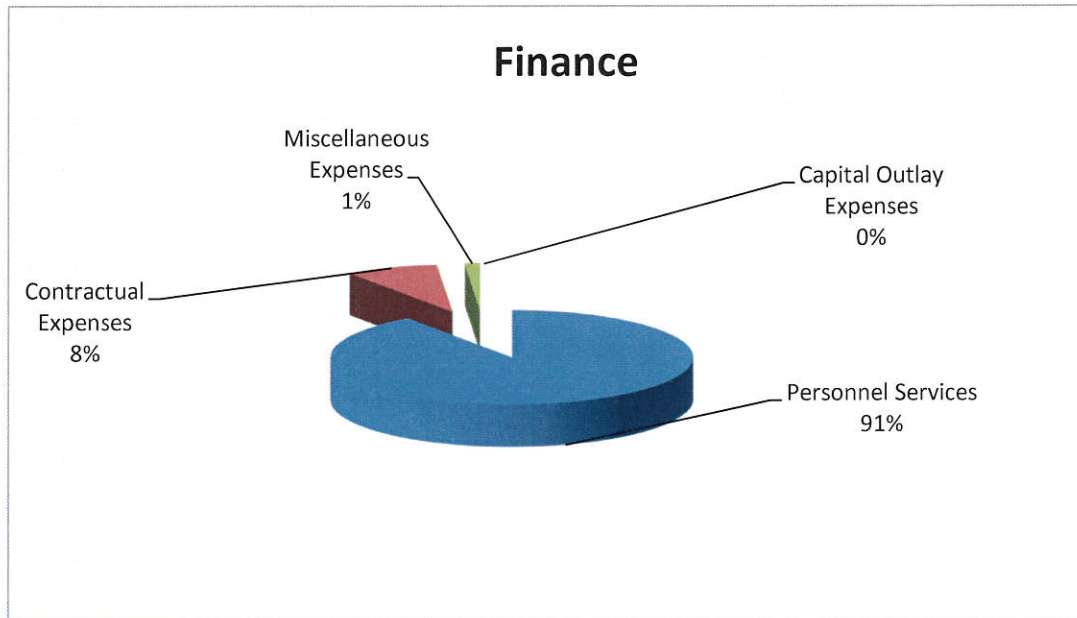
Goals for FY 2016-2017

- Become a more efficient finance department by reducing/eliminating some of the paper-based processes
- Continue to streamline the chart of accounts to eliminate unnecessary funds, per audit comments
- Develop additional financial policies, i.e. capital improvement policy, debt policy

Finance Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$61,446	\$82,610	\$81,182	\$86,908
Contractual Expenses	\$4,500	\$5,500	\$7,000	\$8,000
Miscellaneous Expenses	\$1,800	\$1,600	\$1,300	\$1,300
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$67,746	\$89,710	\$89,482	\$96,208

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Staffing				
Finance Administrator	1	1	1	1
Finance Clerk		0.5	0.5	0.5
Total	1	1.5	1.5	1.5



City of Magnolia

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Finance					
<u>Personnel Services</u>					
505501 Salaries	62,869	63,788	64,754	65,075	66,698
505503 Overtime	2,000	1,704	2,000	3,586	3,000
505515 Longevity	475	480	535	540	600
505516 T.E.C.	414	104	180	344	342
505517 T.M.R.S.	558	569	809	832	1,074
505518 Worker's Comp	156	177	184	185	170
505526 Insurance (Med/Dental/Life/Vision)	9,954	10,160	6,888	7,224	7,961
505536 Payroll Tax (F.I.C.A./Medicare)	4,999	4,951	5,148	5,070	5,378
505543 Education, Travel, Certification	1,000	19	500	1,200	1,500
505547 Drug Test	0	0	0	0	0
505550 Dues and Memberships	185	175	185	0	185
Total Personnel Services	82,610	82,126	81,182	84,056	86,908
<u>Contractual Expenses</u>					
505632 Contract/Outside Services	0	0	0	0	0
505644 Appraisal District Fee	5,500	4,755	7,000	7,332	8,000
Total Contractual Expenses	5,500	4,755	7,000	7,332	8,000
<u>Miscellaneous Expenses</u>					
505766 Office Supplies	600	223	600	556	600
505775 Ref Books, Reports, Subscriptions	200	0	200	46	200
505800 Bank Fees	300	239	300	527	300
505820 Surety&Fidelity Bonds	500	150	200	150	200
Total Miscellaneous Expenses	1,600	613	1,300	1,279	1,300
Total Finance Expenditures	89,710	87,494	89,482	92,667	96,208

City of Magnolia

Finance

Account	Account Name	Approved Budget	Description
505501	Salaries	66,698	1 administrator, 1 part time clerk
505503	Overtime	3,000	Authorized overtime for non-exempt employees
505515	Longevity	600	\$5 per month per year of service with City
505516	T.E.C. (Unemployment)	342	Unemployment taxes- 1.9% rate
505517	TMRS	1,074	Retirement cost-1.68% for 3 mos., then 2.19% rate for calendar year 2017
505518	Worker's Compensation	170	Cost of W/C insurance
505526	Employee Insurance	7,961	Medical, dental, vision
505536	Payroll Tax	5,378	Social Security & Medicare-7.65% rate
505543	Education, Travel, Certifications	1,500	Training, travel & certifications
505547	Drug Test	-	Pre-employment & post-accident testing
505550	Dues, Memberships & Promotions	185	GFOAT dues
505644	Appraisal District Fee	8,000	Qtrly fee paid to Montgomery Co. Central Appraisal District
505766	Office Supplies	600	Paper, pens, staples, clips, note pads, etc.
505775	Ref. Books, Reports, Subscriptions	200	Updates to personnel manuals
505800	Bank Fees	300	Stop pay fees, cost of checks & deposit slips
505820	Surety & Fidelity Bonds	200	Bonding for Finance Dept.
		96,208	

POLICE





MAGNOLIA POLICE DEPARTMENT

Budget Narrative FY 2016-2017

VISION

The Magnolia Police Department is committed to enhancing the safety and security of our citizens by providing effective, efficient, law enforcement and promoting community partnerships.

MISSION

The Mission of the Magnolia Police Department is to enforce state, federal, and local laws within the framework of the constitution and by doing so, we solicit the involvement of the community to assist in holding accountable those that commit crimes.

VALUES

Quality Service

We produce the most distinguished level of excellence and strive to continuously improve our law enforcement services

Respect

We treat each other and the public we serve with the utmost respect in all interactions

Integrity

We are committed to being transparent and making the right decisions for the right reasons

Teamwork

We sustain an environment that respects individual opinion while building consensus to a common goal

Creativity

We encourage fortuity in order to try new approaches and experiencing new ideas

Accountability

We take responsibility and ownership in what we do and do the job right

Leadership

We inspire others to achieve their goals. We accomplish this by setting the example and leading from the front. The Magnolia Police Department embraces community oriented policing. We promote and facilitate input and interaction with the public. Officers respond to calls for police service, ranging from minor incidents to serious crimes in progress. The Department produces an annual report, which is published, and available, online at the City of Magnolia Police Department homepage.

Conducting research is simply not enough, and in most cases, fails to adequately address the issues. While it is good to have the ability to learn from other Departments throughout Texas and the United States, there are many issues locally that are unique to our community. It is imperative we continue to look at local trends and stay ahead of the issues through innovative police work. We believe in establishing reasonable goals and review them for effectiveness as we succeed in those standards. The ability to rationally critique our successes, and disappointments, as these goals are accomplished will allow us greater success in future community oriented policy ventures.

Accomplishments for FY 2015 - 2016

- Participate with the Greater Magnolia Chamber of Commerce in recognizing first responders for their hard work and dedication to public safety.
- Increased the Police Reserve program to supplement the Patrol Division allowing a saving in tax dollars.
- Received a matching grant from the TxDOT DWI Regional Task Force Initiative.
- Received a Click it or Ticket Grant
- Implemented a new salary structure
- Increased advanced Officer training
- Trained and certified a Child Safety Seat Technician
- New Police decals for all Patrol vehicles
- Total Inventory of the Evidence Room
- Added more security to the Evidence Room
- Trained and certified the Evidence Technician
- Added 2 new Patrol Officers
- Passed Child Safety Zone Ordinance
- Passed an Ordinance for Security requirements dealing with events on the City of Magnolia property
- Train, and place in service, a K-9 Unit
- Updated on board audio/video for Patrol vehicles
- Applied, and received, a grant for \$7000 from Montgomery County Crime Stoppers to demolish and remove nuisance homes
- Applied, and received, a grant from Montgomery County Crime Stoppers for \$6800 to buy load bearing vest covers
- Created, and implemented, a Police Department Vehicle Fleet Manager Program

- Worked with Magnolia City Courts to implement, and institute, Alive at 25 Defensive driver program for repeat traffic offenders in partnership with Lone Star Counseling Services
- Supplied all Patrol vehicles with new evidence/crime scene cameras

In-Progress Goals 2015-2016

- Adding and rebuilding external Evidence/Records Archives external storage
- Enhancing security on Evidence/Records Archives external storage
- Seizing 3 vehicles used in criminal activity
- Training 2 new Patrol Officers
- Bringing the Police fleet up to safety standards
- Establishing, and maintaining, a preventive maintenance schedule for all Police vehicles
- Obtaining a traffic count monitor
- Training and certifying 2 Firearms Instructors
- Advanced training for **ALL** Patrol Officers
- Implement Body worn cameras via receiving a grant for the majority of the cost and Magnolia Police Department policies to monitor and establish procedures for Body cameras

Goals for 2016 -2017

- Add an Administrative Lieutenant
- Replace ballistic vests that will expire
- Add 3 portable Police radios
- Implement, and organize, a Community Services Division
- Increase public awareness of distracted driving
- Establish and implement a Driver Safety Program
- Replace out of date Tasers
- Expand indoor security Evidence storage
- Advanced training for **ALL** Magnolia Police Officers. The training will consist of, but not limited to:
 - # TCLEO Crime Prevention Officer training and State certification
 - # Certify and train an Alive at 25 instructor
 - # Train 2 Officers as a TCLEO Instructors
 - # Train 2 Officers as TCLEO Firearms Instructors
 - # Provide TCLEO training in all classes necessary for TCLEO Intermediate, Advanced, and Master Peace Officer license

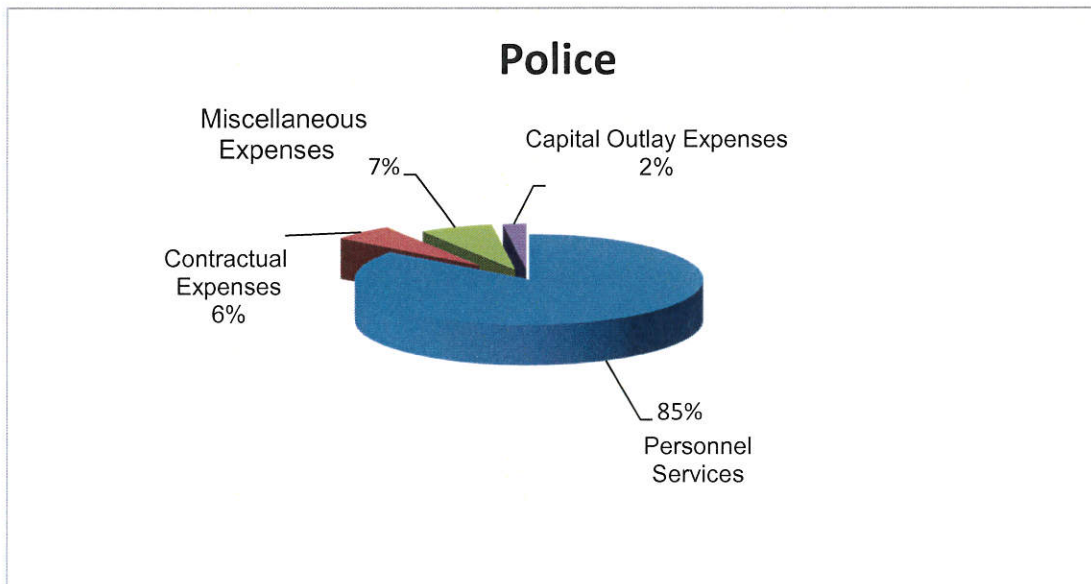
- # Certify and train all Officers in TCLEO High Speed pursuit driving
- # Train all Officers in TCLEO Advanced long gun training for Patrol Officers
- # TCLEO Basic Supervisors Course
- # TCLEO Advanced Leadership/Supervisors Course
- # TCLEO Basic Crime Scene Search and Evidence Recovery
- # TCLEO Advance Crime Scene Search and Evidence Recovery
- # TCLEO approved Reed Integration Techniques
- # TCLEO Violent Death Investigations
- # TCLEO Basic Accident Investigation
- # TCLEO Advanced Accident Instigation
- # DDC 6 class for all Officers and City employees
- # TCLEO Advanced Evidence Technician State certification

City of Magnolia

Police Department Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$853,040	\$938,922	\$1,028,303	\$1,174,745
Contractual Expenses	\$58,000	\$67,939	\$71,089	\$79,089
Miscellaneous Expenses	\$37,500	\$89,950	\$90,400	\$93,900
Capital Outlay Expenses	\$13,194	\$0	\$33,550	\$29,388
Total	\$961,734	\$1,096,810	\$1,223,342	\$1,377,122

Staffing	Approved 2013-2014	Approved 2014-2015	Amended 2015-2016	Approved 2016-2017
Chief of Police	1	1	1	1
Captain	0	0	0	0
Lieutenant	0	0	0	1
Sergeant	3	3	3	3
Corporal	0	0	0	0
Detective	1	1	1	1
Patrol Officers	6	7	9	9
Reserve Officers	9	9	9	9
Dispatch	0	0	0	0
Administrative Asst/Dispatch	1	2	1	1
Code Compliance Officer	0	0	1	1
Executive Officer	1	1	0	0
Evidence Clerk	0	0	1	1
Total	22	24	26	27



City of Magnolia

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Proposed Budget 2016-2017
Police Department					
<u>Personnel Services</u>					
502501 Salaries	590,874	576,690	636,950	625,694	728,876
502503 Overtime	20,000	16,256	20,000	22,558	20,000
502504 S.T.E.P. Overtime	2,000	(116)	2,000	5,206	2,000
502510 Salary and Benefit Reimbursement(TC)	79,959	84,001	159,273	151,146	162,329
502515 Longevity	3,615	2,490	2,035	2,635	2,530
502516 T.E.C.(Unemployment)	3,105	502	1,440	3,049	3,078
502517 TMRS	8,061	6,960	13,370	12,380	18,864
502518 Worker's Compensation	14,220	19,297	17,670	17,295	19,333
502526 Insurance (Med./Dental/Vision/Life)	149,310	128,687	110,200	93,182	143,300
502536 Payroll Tax (F.I.C.A/Medicare)	53,278	46,158	50,565	58,743	57,636
502543 Education,Travel, & Certifications	10,900	6,986	13,325	13,325	15,000
502544 State P. D. Education	0	(1,417)	0	1,008	0
502547 Drug Test	800	640	500	1,272	500
502550 Dues, Memberships, & Promotions	1,300	760	1,300	1,106	1,300
502587 Tx Best Practices	1,500	0	0	0	0
Total Personnel Services	938,922	887,893	1,028,628	1,008,599	1,174,745
<u>Contractual Expenses</u>					
502604 Police Dept Cell Phones	6,000	9,415	8,000	13,587	11,000
502625 Maintenance & Repair Vehicle	23,000	22,437	24,000	30,000	29,000
502630 Outside Services	5,000	5,453	5,000	4,570	5,000
502634 Maintenance & Repair Office Equip.	800	0	800	0	800
502637 Mont. Co Sheriffs Office / Radio	15,526	5,621	15,526	15,526	15,526
502638 Harris County Contract-Radio	2,763	0	2,763	2,763	2,763
502670 Copy Machine/Lease of Office Equip.	6,500	3,516	5,000	3,315	5,000
502673 Computer Software	6,500	6,868	7,000	4,917	7,000
502677 Computer Assistance (IT Services)	1,850	744	3,000	1,120	3,000
Total Contractual Expenses	67,939	54,053	71,089	75,798	79,089
<u>Miscellaneous Expenses</u>					
502744 Minor Equipment	1,200	2,028	1,200	2,024	1,200
502760 Fuel	40,000	41,193	45,000	48,886	45,000
502762 Uniforms & Badges	8,400	9,723	9,500	9,500	10,500
502763 Motor Vehicle Supplies	0	0	0	0	0
502766 Office Supplies	6,000	5,448	6,000	5,571	7,500
502767 Safety Equipment	0	0	0	0	0
502769 Evidence Supplies	600	667	1,200	1,766	2,200
502770 K-9 Expense	3,000	1,056	3,000	3,296	3,000
502771 Citizens Police Academy	1,000	481	675	675	1,000
502772 Officer Safety Equipment Assistance Progr	8,250	345	2,000	0	2,000
502827 Fleet Insurance - TML	10,500	9,975	10,500	17,976	10,500
502828 Law Enforcement Liability	11,000	9,483	11,000	7,814	11,000
502833 Postage	0	0	0	0	0
Total Miscellaneous Expenses	89,950	80,399	90,075	97,508	93,900
<u>Capital Expenses</u>					
502920 Computer Equipment	0	1,286	2,000	0	9,278
502921 Radios	0	0	0	0	10,292
502922 Tasers	0	0	0	0	5,962
502924 Safety Vests	0	0	0	0	3,856
502951 Motor Vehicles	0	54,800	31,550	35,735	0
Total Capital Expenses	0	56,086	33,550	35,735	29,388
Total Police Department Expenditures	1,096,810	1,078,431	1,223,342	1,217,640	1,377,122

City of Magnolia

Police Department

Account	Account Name	Approved Budget	Description	
502501	Salaries	728,876	15 employees	
502503	Overtime	20,000	Authorized overtime for non-exempt employees	
502504	S.T.E.P. Overtime	2,000	State funds	
502510	Salary & Benefit Reimb (TC)	162,329	Salary/payroll tax costs for 3 employees-red light camera	
502515	Longevity	2,530	\$5 per month per year of service with City	
502516	T.E.C. (Unemployment)	3,078	Unemployment taxes- 1.9% rate	
502517	TMRs	18,864	Retirement cost-1.68% for 3 mos., then 2.19% rate for calendar year 2017	
502518	Worker's Compensation	19,333	Premiums paid to TML for W/C ins.	
502526	Employee Insurance	143,300	Medical, dental, vision for 18 empl.	
502536	Payroll Tax	57,636	Social Security & Medicare-7.65% rate	
502543	Education, Travel, Certifications	15,000	Misc education, travel expense	
502547	Drug Test	500	Pre-employment & post-accident testing	
502550	Dues, Memberships & Promotions	1,300	IACP	120
			TPCA	230
			Misc	950
502587	Tx Best Practices	-	Application fee and fee for assessors to conduct site visits	
502604	Cell Phones	11,000	Cost of cell phones & usage (Includes notebook computer usage)	
502625	Maintenance & Repair Vehicles	29,000	Oil changes, inspection, repairs, maintenance of police vehicles	
502630	Outside Services	5,000	Contracted expenses	
502634	Maint/Repair of Office Equipment	800	Routine maintenance or repair costs of office equipment	
502637	Mont. Co.Sheriff's Office/Radio	15,526	Annual contract with Montgomery County and new radios	
502638	Harris County Contract-Radio	2,763	Hand-held radio & annual fees for Police Reserve Program	
502640	Legal	-	Attorney fees	
502670	Copy Machine/Lease-Office Equip.	5,000	Lease payments for copier and charge for extra copies	

City of Magnolia

Police Department

Account #	Account Name	Current Budget	Description
502673	Computer Software	7,000	Annual renewal of TCLEDDS Pay'ts for Ejustice service
502677	Computer Assistance (IT Services)	3,000	Technical services for P/D
502744	Minor Equipment (Ammo)	1,200	Ammunition for training, etc.
502760	Fuel	45,000	Fuel for police vehicles
502762	Uniforms & Badges	10,500	Uniforms & badges, new or replacement
502766	Office Supplies	7,500	Copy paper, pens, file folders, toner, coffee supplies, etc.
502769	Evidence Supplies	2,200	Expense associated with the collection of evidence in crime scenes, drug test kits, flex cuffs, personal protection search gloves
502770	K-9 Expense	3,000	Expenses for the maintenance of the drug detection dog
502771	Citizens Police Academy	1,000	Expenses for volunteer citizens to learn about police work (graduation program, food, etc.)
502772	Officer Safety Equipment Assistance Program	2,000	Program to assist officers with purchase of duty-related firearms (payroll deduction-no cost to City)
502827	Fleet Insurance-TML	10,500	Vehicle insurance
502828	Law Enforcement Liability	11,000	Police officers' liability insurance
502920	Computer Equipment	9,278	New in-car computers
502921	Radios	10,292	3 APX6000 Motorola 700/800 Model 2.5 portable radios w/chargers, batteries, audio jacks, svc agreement, etc.
502922	Tasers	5,962	5 Class III tasers w/holsters, battery packs, cartridges, dataport download kits
502924	Safety Vests	3,856	Bullet-proof vests for 4 officers whose vests have reached 5-yr exp. Date
502951	Motor Vehicles	-	Patrol vehicles - Additional equipment -
		1,377,122	

MUNICIPAL COURT



Municipal Court

Mission Statement:

The Magnolia Municipal Court is dedicated to assisting the public with cases that have been filed in our court. The Court must follow the procedures set by Chapter 45 of the Code of Criminal Procedure on all cases from the filing of the charge to the final disposition. We will handle each case in a timely manner with the most efficient and courteous service possible. We will adhere to the Code of Judicial Conduct and incorporate a standard of excellence as we maintain a productive and enjoyable work environment.

Objectives:

Magnolia Municipal Court's Code of Ideals will serve as the philosophical cornerstone to guide our actions with anyone who relies on the services we provide. It is the heart of those characteristics that we all agree comprise the best in an organization and ourselves.

- **HONESTY** – We will be fair and honest in our relations with defendants while striving to achieve the highest level of integrity and trustworthiness;
- **RESPECT** – We will be respectful, courteous, and understanding of defendants' needs and will always treat them as we would want to be treated;
- **DEDICATION** – We will hold ourselves accountable to ensure that services are provided to the best of our ability in a responsible, dependable, and timely manner;
- **TEAMWORK** – We are part of a Team on many levels. Employees of the City of Magnolia are motivated, cooperative, and dedicated Team players. We assume a sense of responsibility for our actions to ensure our success as individuals and as a City;
- **PROFESSIONALISM** – We will strive to demonstrate competency, knowledge, and efficiency in our jobs that exceeds the expectations of our customers;
- **POSITIVE ATTITUDE** – We are willing to demonstrate a spirit of friendly customer service by providing helpful and responsive assistance in a caring and considerate manner.

Accomplishments for FY 2015-2016:

- The Magnolia Municipal Court won the 2016 TMCEC Traffic Safety Initiative Award for low volume Courts; This is the 3rd consecutive award received;
- The Deputy Court Clerk received a Level One Municipal Court Clerk Certification;

- The Court participated in Magnolia's July 4th celebration by implementing traffic safety programs that helped to educate the public regarding the dangers and consequences of distracted driving and underage drinking;
- The Court participated in National Night Out by educating the public regarding the dangers of distracted driving;
- The Court attended the Magnolia High School Senior Prom to promote the Court's **#justdrive** campaign to educate the students of the dangers of drinking and driving on prom night;
- The Magnolia Municipal Court along with Texas Children's Hospital hosted a Child Safety Seat Inspection to inspect seats and educate the community on proper installation; safety seats were donated to those who did not have one.

Goals for FY 2016-2017:

- Apply for the 2017 TMCEC Traffic Safety Initiative Award;
- Continue to implement traffic safety programs in the community;
- Improve on Court collections; collect on current warrants, implement a program that will help with collections before cases get to warrant status;
- The Court will place traffic safety signs throughout the City of Magnolia to deter drivers from driving distracted;
- Clerks continue education to stay abreast of the latest updated laws and Court procedures; Deputy Court Clerk will apply for a Level Two Municipal Court Certification.

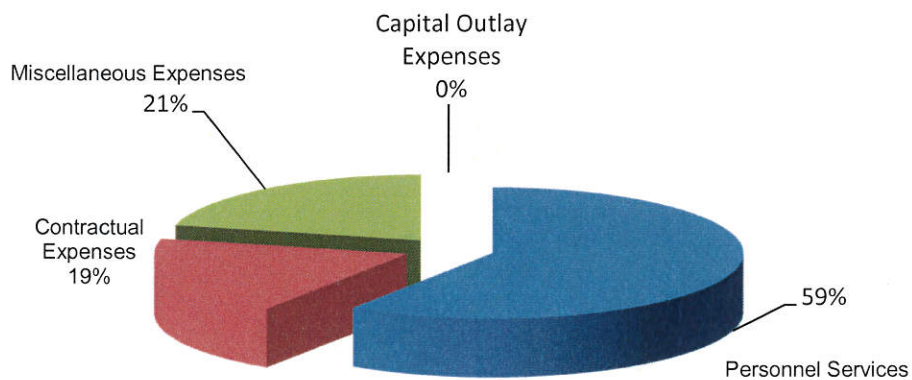
City of Magnolia

Municipal Court Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$99,147	\$95,519	\$104,781	\$91,507
Contractual Expenses	\$12,000	\$29,000	\$29,000	\$30,000
Miscellaneous Expenses	\$330,300	\$288,483	\$218,125	\$32,775
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$441,447	\$413,002	\$351,906	\$154,282

Staffing	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Judge	1	1	1	1
Associate Judge	1	1	1	1
Municipal Court Administrator	0	1	1	1
Municipal Court Clerk	2	1	1	1
Total	4	4	4	4

Municipal Court



City of Magnolia

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Municipal Court					
<u>Personnel Services</u>					
504501 Salaries	64,949	69,801	77,216	64,456	65,806
504503 Overtime	0	26	0	0	0
504515 Longevity	290	295	170	180	300
504516 T.E.C.	414	18	225	351	342
504517 T.M.R.S.	755	778	1,261	1,011	1,362
504518 Worker's Comp	161	179	220	204	168
504526 Insurance (Med/Dental/Life/Vision)	19,908	20,141	17,219	14,447	15,922
504536 Payroll Tax (F.I.C.A./Medicare)	4,991	5,143	5,920	4,835	5,057
504543 Education, Travel, Certification	3,500	600	2,000	1,718	2,000
504547 Drug Test	50	30	50	0	50
504550 Dues and Memberships	500	240	500	120	500
Total Personnel Services	95,519	97,250	104,781	87,322	91,507
<u>Contractual Expenses</u>					
504605 Utilities/Telephone/Internet	0	0	0	0	0
504632 Contract/Outside Services	17,000	15,090	17,000	12,000	18,000
504633 Maint. & Repair/Building/Equipment	0	0	0	0	0
504640 Legal	12,000	9,900	12,000	7,425	12,000
504673 Incode Software & Support	0	0	0	0	0
504677 Computer Assistance/IT Services	0	0	0	0	0
Total Contractual Expenses	29,000	24,990	29,000	19,425	30,000
<u>Miscellaneous Expenses</u>					
504565 Security Fund Expense	28,763	2,876	6,000	23,858	5,000
504766 Office Supplies	5,000	2,556	3,000	3,950	3,000
504775 Ref. Books, Rpts, Subscriptions	300	0	300	300	300
504810 Court Jurors	1,000	72	500	54	500
504812 O.M.N.I.	1,500	3,612	3,000	3,186	0
504814 C.O.L.A.G.Y.	30,000	16,302	12,000	11,713	12,000
504815 State Comptroller Fees	200,000	188,321	180,000	132,616	0
504833 Postage	4,000	1,689	3,000	2,500	3,000
519570 Tech Fund Expense	17,920	11,296	10,325	9,037	8,975
Total Miscellaneous Expenses	288,483	226,723	218,125	187,214	32,775
Total Municipal Court Expenditures	413,002	348,964	351,906	293,961	154,282

City of Magnolia

Municipal Court

Account	Account Name	Approved Budget	Description
504501	Salaries	65,806	1 administrator, 1 clerk
504503	Overtime	-	Authorized overtime for non-exempt employees
504515	Longevity	300	\$5 per month per year of service with City
504516	T.E.C. (Unemployment)	342	Unemployment taxes- 1.9% rate
504517	TMRS	1,362	Retirement cost-1.68% for 3 mos., then 2.19% rate for calendar year 2017
504518	Worker's Compensation	168	Cost of W/C insurance
504526	Employee Insurance	15,922	Medical, dental, vision
504536	Payroll Tax	5,057	Social Security & Medicare-7.65% rate
504543	Education, Travel, Certifications	2,000	Training, travel & certifications
504547	Drug Test	50	Pre-employment & post-accident testing
504550	Dues, Memberships & Promotions	500	TMCCA 150 TCCA 80 Misc. 270
504565	Security Fund Expense	5,000	Bailiff charges for court nights 2,500 Misc. court security expense 2,500
504632	Contract/Outside Services	18,000	Fees paid to judge 12,000 Certified court interpreter fees 1,000 Other court contractual services 5,000
504640	Legal	12,000	Fees paid to prosecutor
504766	Office Supplies	3,000	Copy paper, pens, file folders, toner, etc.
504775	Ref. Books, Reports, Subscriptions	300	Updated law manuals
504810	Court Jurors	500	Money paid to jurors for their service

City of Magnolia

Municipal Court

Account	Account Name	Current Budget	Description
504812	O.M.N.I.	-	Quarterly cost to send information to DPS
504814	C.O.L.A.G.Y.	12,000	Collection agency fees
504815	State Comptroller Fees	-	State's portion of all tickets and fines
504833	Postage	3,000	Costs for court mailings
519570	Tech Fund Expense	8,975	Lexis Nexis Risk Mgt 1,125 Lexis Nexis CourtLink 675 Credit card fees 1,200 DeLage Landen lease 2,725 Extra copies 1,750 IT Services/computer equipment 1,500
		154,282	

PUBLIC WORKS/ FACILITIES



Public Works Department/Facilities

Department Mission

To exceed the expectations of the citizens of Magnolia by providing exceptional customer service, ensuring citizen safety, maintaining the infrastructure, supporting City departments and providing quality essential municipal services in an efficient manner

Program Narrative

The Public Works Department is responsible for ensuring the safety of the City's vehicles, creating secure and clean environments in City facilities, providing safe, well-maintained streets for travel, and City-wide right-of-way maintenance.

Accomplishments for FY 2015-2016

- Replaced fire hydrants throughout the City
- Replaced street signs throughout the City
- Maintained roads/repared potholes
- Trimmed vegetation along right-of-ways
- Provided barricades and safety apparatus for flooded areas

Objectives for FY 2016-2017

- Continue to increase the quality and efficiency of customer service delivered with minimal staff
- Maintain a safe and healthy environment for City staff and the community

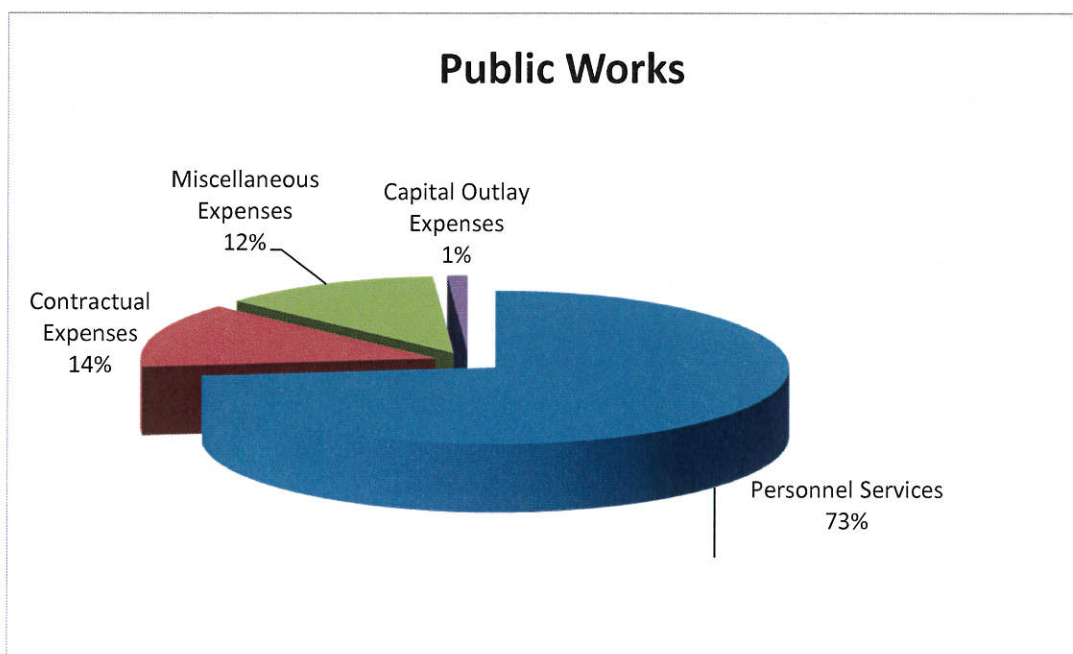
Goals for FY 2016-2017

- Continue to conduct quarterly operational and safety training seminars to increase employee safety awareness and proper working knowledge of select tools and practices
- Overlay and pave major roads

Public Works Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$132,487	\$109,266	\$59,999	\$386,575
Contractual Expenses	\$45,000	\$32,000	\$64,000	\$72,000
Miscellaneous Expenses	\$22,900	\$23,500	\$31,000	\$63,500
Capital Outlay Expenses	\$8,000	\$8,000	\$8,000	\$6,000
Total	\$208,387	\$172,766	\$162,999	\$528,075

Staffing	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Public Works Director	0	0	0	1
Water/Sewer Plant Operator	0	0	0	1
Utility Maintenance Worker	0	0	0	4
Laborers	2	2	1	1
Mechanic	1	0.5	0.5	1
Total	3	2.5	1.5	8



City of Magnolia

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Public Works					
<u>Personnel Services</u>					
503501 Salaries	72,893	101,716	42,330	45,296	267,848
503503 Overtime	2,813	5,453	1,693	703	20,791
503505 Cell Phone Allowance	500	706	600	94	1,400
503515 Longevity	410	378	155	148	1,325
503516 T.E.C.	518	59	135	536	1,197
503517 T.M.R.S.	887	1,227	730	712	6,002
503518 Worker's Comp	0	0	0	0	5,795
503526 Insurance (Med/Dental/Life/Vision)	24,885	33,618	10,331	11,738	55,728
503536 Payroll Tax (F.I.C.A./Medicare)	5,861	8,035	3,426	3,402	22,289
503543 Education, Travel, Certification	400	0	400	0	3,600
503547 Drug Test	100	620	200	0	600
Total Personnel Services	109,266	151,813	59,999	62,629	386,575
<u>Contractual Expenses</u>					
503604 Electric (Street Lights)	15,000	17,757	15,000	18,946	18,000
503625 Maint/Repair-Vehicle(parts,inspection)	5,000	8,507	10,000	9,121	15,000
503633 Maint. & Repair Equip-Heavy	4,000	6,807	6,000	4,593	6,000
503650 Mowing	0	0	25,000	25,000	25,000
503653 Ditch Renovations	2,000	248	2,000	0	2,000
503655 Street Signs & Flags	3,000	2,921	3,000	2,329	3,000
503663 Rental of Equipment	3,000	10,225	3,000	364	3,000
Total Contractual Expenses	32,000	46,464	64,000	60,353	72,000
<u>Miscellaneous Expenses</u>					
503700 General Supplies	6,000	7,142	6,000	4,504	6,000
503744 Minor Tools and Equipment	6,000	3,545	6,000	5,380	8,000
503749 Street Supplies	1,000	396	1,000	130	1,000
503760 Fuel	9,000	13,521	14,000	14,482	31,000
503761 Tires and Tubes	1,500	1,978	4,000	4,000	8,000
503762 Uniforms and Badges	0	0	0	0	5,000
503827 Fleet Insurance - TML	0	0	0	0	4,500
Total Miscellaneous Expenses	23,500	26,583	31,000	28,496	63,500
<u>Capital Expenses</u>					
503940 Mowers & Edgers	2,000	383	2,000	7,500	0
503945 Other Equipment	6,000	8,490	6,000	9,670	6,000
Total Capital Expenses	8,000	8,873	8,000	17,170	6,000
Total Public Works Expenditures	172,766	233,733	162,999	168,648	528,075

City of Magnolia

Public Works

Account	Account Name	Approved Budget	Description
503501	Salaries	267,848	8 employees
503503	Overtime	20,791	Authorized overtime for non-exempt employees
503505	Cell Phone Allowance	1,400	Allowance for use of personal cell phones for business purposes
503515	Longevity	1,325	\$5 per month per year of service with City
503516	T.E.C. (Unemployment)	1,197	Unemployment taxes- 1.9% rate
503517	TMRS	6,002	Retirement cost-1.68% for 3 mos., then 2.19% rate for calendar year 2017
503518	Worker's Compensation	5,795	Cost of W/C insurance
503526	Employee Insurance	55,728	Medical, dental, vision
503536	Payroll Tax	22,289	Social Security & Medicare-7.65% rate
503543	Education, Travel, Certifications	3,600	Training, travel & certifications
503547	Drug Test	600	Pre-employment & post-accident testing
503604	Electric (Street Lights)	18,000	Expense for all street lights in the City
503625	Maintenance & Repair Vehicles	15,000	Oil changes, inspection, repairs, maintenance of P W vehicles
503633	Maint & Repair Equipment-Heavy	6,000	Costs to repair backhoe, tractor, & other equipment
503650	Mowing	25,000	Contracted work for mowing right-of-ways
503653	Ditch Renovations	2,000	Expenses for repairing ditches
503655	Street Signs & Flags	3,000	Expenses to replace street signs and flags
503663	Rental of Equipment	3,000	Cost to rent work equipment

City of Magnolia

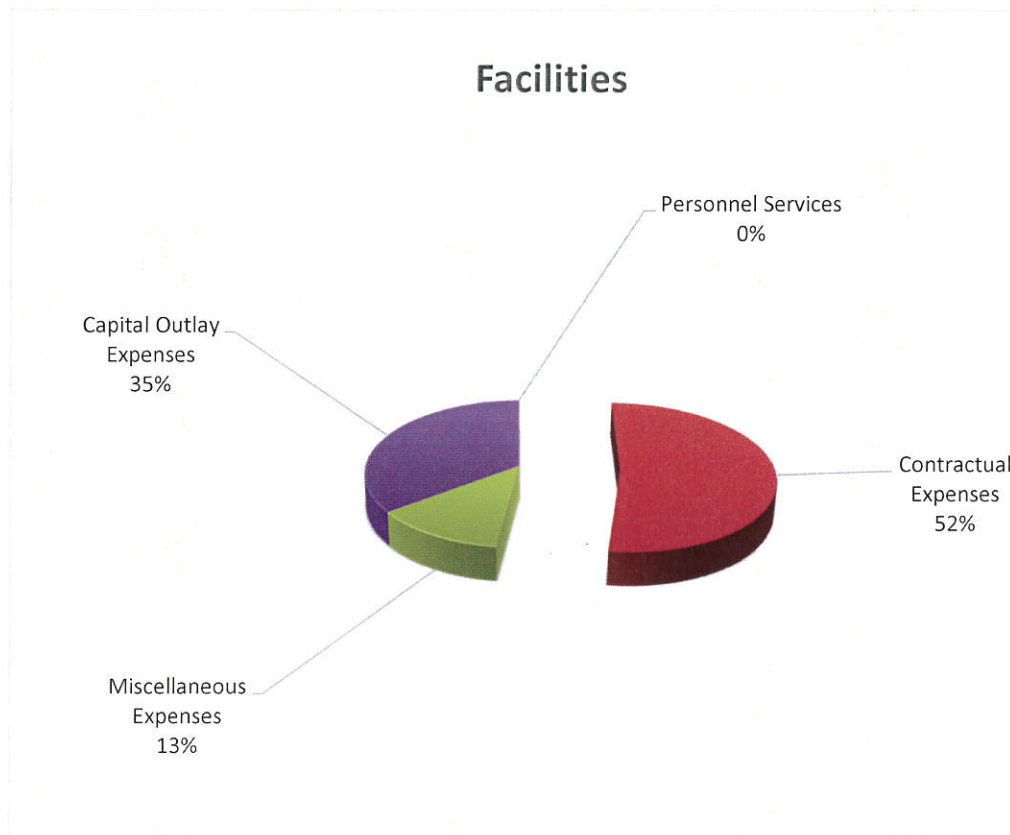
Public Works

Account	Account Name	Current Budget	Description
503700	General Supplies	6,000	Misc supplies-marking paint, gloves, safety equipment, insect repellent, batteries, ragsinabox, shop supplies
503744	Minor Tools & Equipment	8,000	Flashlights, generators, rakes, shovels, saws, drills/drill bits, lawn mowers, edgers, misc small tools
503749	Street Supplies	1,000	Street supply costs that aren't HB445 fund repairs
503760	Fuel	31,000	Cost of fuel for P/W vehicles
503761	Tires and Tubes	8,000	Cost of tires for P/W vehicles, tractors & mowers
503762	Uniforms & Badges	5,000	Supply uniforms & cleaning
503827	Fleet Insurance-TML	4,500	Vehicle insurance
503940	Mowers & Edgers	-	Included with minor equipment
503945	Other Equipment	6,000	Major equipment such as trailers, forklifts, etc.
		528,075	

City of Magnolia

Facilities Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$0	\$0	\$0	\$0
Contractual Expenses	\$78,500	\$64,670	\$54,500	\$55,500
Miscellaneous Expenses	\$14,000	\$14,000	\$13,500	\$13,500
Capital Outlay Expenses	\$0	\$23,500	\$0	\$37,500
Total	\$92,500	\$102,170	\$68,000	\$106,500



City of Magnolia

Facilities	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
<u>Contractual Expenses</u>					
509603 Utilities / Electric	20,000	21,791	18,000	18,453	19,000
509605 Telephone & Internet	18,000	15,472	17,000	15,715	17,000
509632 Contractual Services	1,000	540	1,000	3,273	1,000
509633 Bldg Lease & Grounds Maint	5,000	5,264	5,000	8,678	5,000
509634 Heat/A/C	0	0	0	371	0
509671 Janitorial Services / Cleaning	13,000	12,834	13,500	12,100	13,500
509673 Computer Software Lic/Upgrade	7,000	0	0	0	0
509677 Computer Assistance (IT Services)	670	625	0	0	0
Total Contractual Expenses	64,670	56,527	54,500	58,590	55,500
<u>Miscellaneous Expenses</u>					
509700 Supplies (Misc.)	10,000	12,504	10,000	7,847	10,000
509826 Building Insurance - TML	4,000	2,790	3,500	2,824	3,500
Total Miscellaneous Expenses	14,000	15,294	13,500	10,671	13,500
<u>Capital Expenses</u>					
509974 Capital Outlay	23,500	23,500	0	0	37,500
Total Capital Expenses	23,500	23,500	0	0	37,500
Total Facilities Expenditures	102,170	95,321	68,000	69,261	106,500

City of Magnolia

Facilities

Account	Account Name	Approved Budget	Description	
509603	Utilities/Electric	19,000	Electricity for City Hall, some stations	
509605	Telephone & Internet	17,000	Stationary phone usage for facilities	
509632	Contractual Services	1,000	ADT security services, etc.	
509633	Building Lease & Grounds Maint.	5,000	Fire extinguisher service, lock svc., misc. building/grounds maint. costs	
509634	Heat & A/C	-	Costs to repair a/c & heating equipment	
509671	Janitorial Services/Cleaning	13,500	Costs for cleaning the building	
509673	Computer Software License/Upgrade	-	Renewal of licenses & software	
509677	Computer Assistance (IT Services)	-	Technical services for Facilities	
509700	Supplies (Misc.)	10,000	Rug service, kitchen/bathroom supplies, trash bags, coffee, etc.	
509826	Building Insurance-TML	3,500	Property insurance	
509974	Capital Outlay	37,500	Replacement of A/C unit	25,000
			New phone system for City Hall	12,500
		106,500		

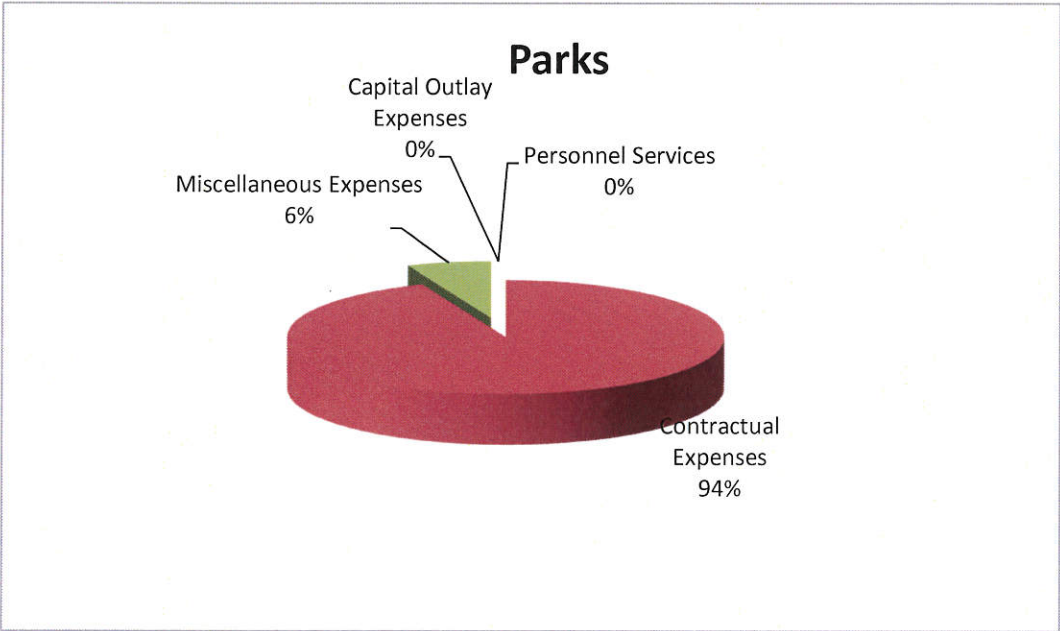
PARKS



Parks Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$0	\$0	\$0	\$0
Contractual Expenses	\$11,000	\$6,500	\$7,500	\$7,500
Miscellaneous Expenses	\$15,500	\$6,500	\$6,000	\$500
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$26,500	\$13,000	\$13,500	\$8,000

Staffing	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Laborers	0	0	0	0
Total	0	0	0	0



City of Magnolia

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Parks					
<u>Personnel Services</u>					
511501 Salaries	0	0	0	0	0
511503 Overtime	0	0	0	0	0
511515 Longevity	0	0	0	0	0
511516 TEC	0	0	0	0	0
511517 TMRS	0	0	0	0	0
511518 Worker's Comp	0	0	0	0	0
511526 Insurance	0	0	0	0	0
511536 Payroll Tax (FICA)	0	0	0	0	0
Total Personnel Services	0	0	0	0	0
<u>Contractual Expenses</u>					
511603 Utilities / Electric	5,500	5,553	6,500	6,945	6,500
511632 Contractual Services / Parks	0	0	0	304	0
511633 Grounds Maintenance/Mulch	0	0	0	0	0
511634 Building Maintenance	1,000	0	1,000	0	1,000
511671 Janitorial Services / Cleaning	0	0	0	0	0
Total Contractual Expenses	6,500	5,553	7,500	7,249	7,500
<u>Miscellaneous Expenses</u>					
511700 Supplies	0	256	0	0	0
511744 Minor Equipment	0	0	0	0	0
511760 Gas/Oil	1,000	0	500	500	500
511826 Property Insurance - TML	2,500	1,000	2,500	0	0
511940 Equipment	3,000	0	3,000	0	0
Total Miscellaneous Expenses	6,500	1,256	6,000	500	500
Total Parks Expenditures	13,000	6,808	13,500	7,749	8,000

City of Magnolia

Parks

Account	Account Name	Approved Budget	Description
511603	Utilities/Electric	6,500	Electricity for parks, stroll
511633	Grounds Maintenance/Mulch	-	Costs for maintaining the park grounds
511634	Building Maintenance	1,000	Costs for maintaining park structures
511671	Janitorial Services/Cleaning	-	Costs for cleaning the park structures
511700	Supplies	-	Paper towels, toilet tissue, soap, cleaning supplies for park
511744	Minor Equipment	-	
511760	Gas/Oil	500	Gas & oil for mowers, park equipment
511826	Property Insurance - TML	-	Insurance for park buildings
511940	Equipment	-	Batteries, misc equipment
		8,000	

ENTERPRISE FUND



City of Magnolia

Proprietary (Enterprise) Fund

Fund Description

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds are used to account for activities that are similar to those often found in the private sector.

Fund narrative

All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The City presents the following major proprietary fund:

Enterprise Fund: The Enterprise Fund is used to account for the provision of water and wastewater collection and wastewater treatment operations. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

2016/2017 Budget

Per our auditor's recommendation, the Water, Sewer and Impact Funds have all been combined into one fund beginning with this fiscal year's budget.

Revenue

Revenue for the Water/Sewer Department is budgeted conservatively at \$2,061,600, which is \$85,000 or 4.3% more than last year's budget. Budget increases were for fees collected for the San Jacinto River Authority, sewer fund revenue and garbage revenue. Other revenues were budgeted consistent with last year's budget numbers.

Expenditures/Transfers Out

Expenditures/transfers out for the Water/Sewer Fund are budgeted at \$1,809,217 or \$274,803 more than the previous year's budget. All of the employees except for the utility/permit technician were transferred into the Public Works Department of the General Fund, resulting in an 83.6% decrease in personnel costs. However, funds are being transferred from the Water/Sewer Fund to cover the salary, benefit and other related expenses for these employees. The transfer to debt service also increased from the previous year, so total transfers out increased by \$472,311.

City of Magnolia

Contractual expense increases were for maintenance/repair costs for the water plants, consultant services, and cost of garbage service. There was a decrease in the budget for electricity costs.

San Jacinto River Authority expense was increased by \$40,000 from the previous year's original approved budget.

There are no plans to spend any of the water/sewer impact monies in the upcoming fiscal year.

Enterprise Funds Budgeted Statement of Revenues, Expenditures, and Changes in Net Position				
	Water/Sewer	Enterprise	Enterprise	
	Fund	Debt Svc	Capital	Total of
		Funds	Projects Fund	Enterprise Funds
REVENUES:				
Property Taxes		292,100		292,100
Sales Taxes				0
Other Taxes				0
Franchise Fees				0
Licenses & Permits				0
Fines & Forfeitures				0
Interest Income	600			600
Water User Fees	1,372,000			1,372,000
Sewer User Fees	579,000			579,000
Impact Fees	110,000			110,000
Other Revenue			700,000	700,000
Miscellaneous				0
Total Revenues	2,061,600	292,100	700,000	3,053,700
TRANSFERS:				
Intra-Fund Transfer (06)4B		165,541		165,541
Intra-Fund Transfer (07)4A				0
Intra-Fund Trfr (10)Red Lt Camera(TC)				0
Intra-Fund Trfr (28)2014 GO Bonds				0
Total Intra-Fund Transfers	0	165,541	0	165,541
Total Revenues/Transfers	2,061,600	457,641	700,000	3,219,241
EXPENDITURES:				
Personnel Services	49,286			49,286
Contractual Expenses	526,300			526,300
Miscellaneous Expenses	594,870			594,870
Capital Expenses	62,000		700,000	762,000
Bond/C O Principal Payments		229,781		229,781
Bond/C O Interest Payments		227,859		227,859
Intra-Fund Trfrs Out	576,761			576,761
Total Expenditures/Transfers	1,809,217	457,641	700,000	2,966,858
Total Revenue Over/(Under) Expenditures	252,383	0	0	252,383
Projected Beginning Fund Balance/ Retained Earnings	4,297,720	695,173	77,905	5,070,798
Projected Ending Fund Balance/ Retained Earnings	4,550,103	695,173	77,905	5,323,181

Water/Sewer Department

Department Mission

To continue to provide Superior Quality Water at good volume and pressure, and at reasonable cost, to our citizens, to continue to provide Superior, safe operation of the sanitary sewer service to the City of Magnolia, and to support the growth of Magnolia

Program Narrative

The Water/Sewer Department is responsible for providing high standards and quality in the day-to-day operation and maintenance of the water supply system and water plants and of the sanitary sewer collection system and operations and maintenance of the sewage processing plant.

Accomplishments for FY 2015-2016

- Maintained Superior Water Rating from TCEQ
- Worked with the TxDot contractor to identify and relocate any lines which stood in the way of progress on the widening of FM 1774
- Changed out approximately 400 water meters with self-reading meters
- Continued to detect and repair major infiltration points throughout the sewer system
- Maintained excellent reporting criteria on all lab samples/tests for sewer plant
- Maintained excellent record keeping and reporting for all state requirements to TCEQ
- Placed a 16-inch line and sewer system to the newly annexed area at FM 1488 and FM 149
- Neared completion on lift stations at newly annexed area

Objectives for FY 2016-2017

- Continue to receive Superior Water Rating from TCEQ
- Maintain high standards of customer service
- Remain current on all testing, reporting and monitoring of the water systems and maintain strict compliance with state and federal regulations
- Monitor the operations of both water plants to ensure dependability and reliability to preclude any system failures
- Develop plans to extend water service to the newly annexed property at FM 149
- Complete plans and permit applications to build a new sewer plant to support the impending growth of the City of Magnolia
- Remain current on all testing, reporting and monitoring of the sewer systems and maintain strict compliance with state and federal regulations
- Continue monitoring and smoke testing program for infiltration and leakage in collection system

Goals for FY 2016-2017

- Finish upgrading all water meters with self-reading meters to increase accuracy to the customer and cut down man hours required to read the meters manually
- Remove and replace old and sub-standard pipes that are found outside the city limits but inside the system
- Increase responsiveness by completing all standard work orders within 24 working hours
- Complete all emergency work orders within 2 working hours

Utility Billing

Mission

To be committed to assuring a quality of life for our valued customers by providing the highest levels of water and sanitary sewer services in a safe and efficient manner. To treat everyone we serve both internally and externally with utmost respect.

Program Narrative

The Utility Billing Section is responsible for the accurate billing and collection of all City of Magnolia water, sewer and sanitation accounts. Our functions include receiving the scheduled readings of all meters, preparing and sending the monthly billing, processing and posting various forms of payment to customers' accounts, handling the collection efforts of delinquent accounts, and responding to various customer requests.

Accomplishments for FY 2015-2016

- Bills were mailed by the 5th day of the month 100% of the time
- Cut offs were highly enforced for non-payment accounts
- Researched new electronic meter system and City approved

Objectives for FY 2016-2017

- Process monthly bills by the 5th working day of the month 100% of the time
- Strive to have a 24-hour turn around on service order completion 100% of the time
- Research an online bill pay option for customers
- Install new electronic meters

Goals for FY 2016-2017

- Develop tools to measure customer service success, i.e. questionnaires, surveys or comment cards
- Use new meter services
- Implement online bill pay

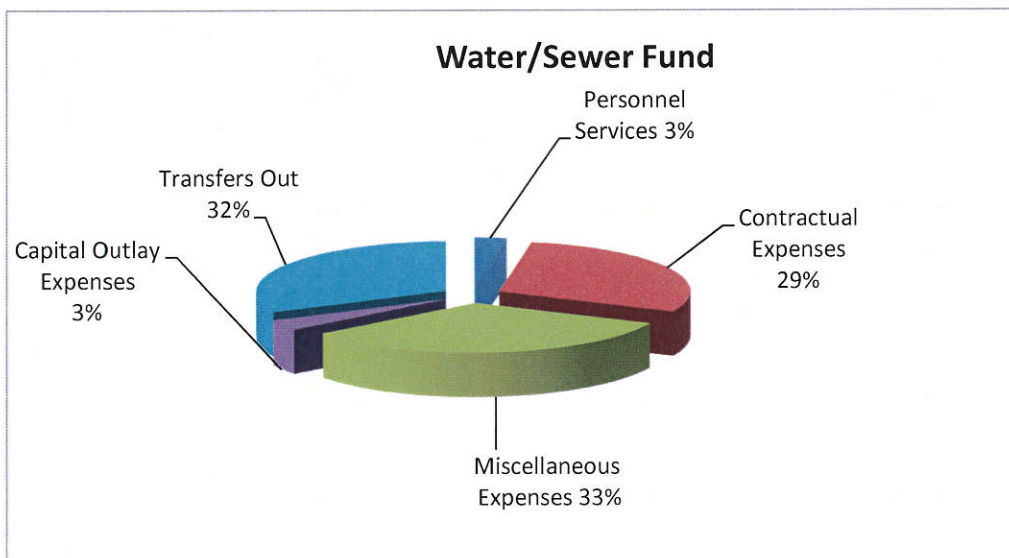
Water/Sewer Fund Revenue Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Revenue and Fees	\$1,585,350	\$2,090,201	\$1,976,600	\$2,061,600

Water/Sewer Fund Expenditure Summary

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Personnel Services	\$176,730	\$192,909	\$302,094	\$49,286
Contractual Expenses	\$449,900	\$473,400	\$482,300	\$526,300
Miscellaneous Expenses	\$400,100	\$553,102	\$579,570	\$594,870
Capital Outlay Expenses	\$11,000	\$66,000	\$66,000	\$62,000
Transfers Out	\$312,000	\$210,500	\$104,450	\$576,761
Total	\$1,349,730	\$1,495,911	\$1,534,414	\$1,809,217

	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017
Staffing				
Utility Maintenance Worker	0.5	1	2	0
Water Plant Operator	1	1	0.5	0
Mechanic	0	0	0.5	0
Utility/Permit Technician	0.67	0.67	0.67	1
Total	2.17	2.67	3.67	1



City of Magnolia

WATER/SEWER FUND - 02

		Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenues						
<u>Revenue</u>						
40001	Water Fund Revenue	850,000	1,005,668	950,000	988,042	950,000
40002.09	Water Impact Revenue	50,000	114,000	50,000	65,250	50,000
40003.09	Sewer Impact Revenue	60,000	222,000	60,000	126,000	60,000
40004	Water Tap Fees	5,000	11,106	10,000	7,155	10,000
40005	Reconnect Fees	6,000	8,820	8,000	7,665	8,000
40006	Credit Card Fees	2,500	5,955	4,000	7,343	4,000
40012	Misc. Revenues-Water	0	5,472	0	0	0
40015	Cash Collections/Misc.	0	(10)	0	0	0
40016	Late Fees-Water	10,000	11,232	10,000	10,137	10,000
40018	Disconnect Fees	15,000	24,325	20,000	20,265	20,000
40020	Interest Income	100	35	100	0	100
40020.09	Impact Fund Interest	300	744	500	2,557	500
40024	Lone Star Groundwater	23,550	19,341	20,000	20,828	20,000
40025	San Jacinto River Authority	392,500	295,155	300,000	356,850	350,000
40033	Transfer in from Fund 28	165,551	165,651	0	0	0
40001.03	Sewer Fund Revenue	400,000	446,518	400,000	458,317	420,000
40003.03	Road Bore Fee	2,000	0	2,000	0	2,000
40004.03	Sewer Tap Fees	3,000	16,180	12,000	5,550	12,000
40010.03	Garbage Collection Fees	700	1,524	1,000	1,108	1,000
40011.03	Garbage Revenue	100,000	128,826	125,000	139,815	140,000
40012.03	Misc. Revenues-Sewer	0	335	0	0	0
40016.03	Late Fees-Sewer	4,000	5,105	4,000	4,611	4,000
Total Revenue		2,090,201	2,487,981	1,976,600	2,221,493	2,061,600
Total Revenue		2,090,201	2,487,981	1,976,600	2,221,493	2,061,600

Department Expenditures

Personnel Services

500501	Salaries	121,729	130,948	214,022	222,280	37,235
500503	Overtime	9,500	13,009	11,000	21,402	0
500505	Cell Phone Allowance	600	263	1,100	1,136	0
500515	Longevity	940	948	945	982	190
500516	T.E.C.	725	10	585	695	171
500517	T.M.R.S.	1,533	1,609	3,701	3,748	771
500518	Worker's Comp	9,887	6,826	5,301	7,362	95
500526	Insurance (Med/Dental/Life/Vision)	34,839	34,974	44,769	47,142	7,961
500536	Payroll Tax (F.I.C.A./Medicare)	10,156	10,539	17,371	17,964	2,863
500543	Education, Travel, Certification	2,900	1,180	3,200	1,008	0
500547	Drug Test	100	90	100	147	0
Total Personnel Services		192,909	200,395	302,094	323,866	49,286

City of Magnolia

WATER/SEWER FUND - 02

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
<u>Contractual Expenses</u>					
500603 Utilities / Electric-Water	58,000	59,872	55,000	57,708	55,000
500603.03 Utilities / Electric-Sewer	90,000	94,386	95,000	64,161	75,000
500605 Utilities / Telephone-Water	2,400	2,542	2,800	2,850	2,800
500605.03 Utilities / Telephone-Sewer	3,000	2,302	3,000	2,034	3,000
500625 Maintenance & Repair / Vehicles	6,000	4,279	7,000	1,138	0
500627 Maintenance/ Bldg & Plant-Water	15,000	6,896	15,000	80,181	50,000
500627.03 Maintenance & Repair-Lift Station	85,000	64,276	85,000	56,563	85,000
500631 Contract Svc Utilities (TNG)	0	2,205	0	0	0
500632 Contract/Consultant Svcs-Water	5,000	553	2,500	5,116	22,500
500632.03 Contract/Consultant Svcs-Sewer	0	6,961	6,000	5,413	6,000
500633 Maint & Repair Water Equipment	2,000	132	2,000	8,870	6,000
500633.03 Maint & Repair Sewer Equipment	25,000	38,590	25,000	26,603	25,000
500643 Engineering-Water	30,000	287	10,000	835	10,000
500643.03 Engineering-Sewer	10,000	591	10,000	1,437	10,000
500652 Permits, Fees, Sample Test-Water	30,000	26,653	35,000	25,697	35,000
500652.03 Permits & Testing-Sewer	4,000	6,116	8,000	7,167	10,000
500663 Rental of Equipment-Water	5,000	46	5,000	1,551	5,000
500663.03 Rental of Equipment-Sewer	2,000	0	2,000	0	2,000
500672.03 Garbage Service	95,000	83,409	110,000	120,361	120,000
500673 Computer Update	4,000	0	4,000	0	4,000
Total Contractual Expenses	471,400	400,094	482,300	467,685	526,300
<u>Miscellaneous Expenses</u>					
500677 Minor Equipment-Water	2,000	0	2,000	1,494	2,000
500700 General Supplies-Water	60,000	23,937	50,000	46,469	50,000
500700.03 General Supplies-Sewer	15,000	18,039	20,000	11,840	20,000
500744.03 Minor Tools & Equip.-Sewer	0	0	0	0	5,000
500760 Fuel	7,382	21,048	7,000	13,872	0
500761 Tires & Tubes	2,000	584	14,000	771	0
500762 Uniforms & Badges	3,500	5,137	5,000	5,335	0
500766 Office Supplies	1,000	69	1,500	435	1,000
500780 Chemicals/ Water Treatment-Water	14,000	13,731	16,000	15,315	16,000
500780.03 Chemicals/ Water Treatment-Sewer	12,000	9,620	14,000	10,047	15,000
500800 Bank Fees	2,000	2,722	2,900	4,218	2,500
500802.09 Water Impact Expense	0	0	0	238,489	0
500803.09 Sewer Impact Expense	0	0	0	238,489	0
500804 San Jacinto River Authority	353,250	425,204	360,000	404,046	400,000
500805 Lone Star Water Conservation	15,420	12,796	15,420	14,396	15,420
500825.03 Sewer Liability Insurance - TML	1,500	1,027	1,500	816	1,500
500826 Water Plant Insurance - TML	7,000	6,341	7,000	6,417	7,500
500826.03 Sewer Plant Insurance - TML	3,000	2,344	3,000	2,373	3,000
500827 Fleet Insurance	3,500	2,907	3,500	4,279	0
500830.03 Personal Property Ins.-TML	550	536	550	585	700
500831.03 Damage Claims	1,000	1,250	1,000	0	1,000
500833 Postage	5,200	4,180	5,200	3,558	4,250
500855 Bad Debts	0	4,220	0	0	0
500857.03 Sludge Hauling	45,000	35,702	50,000	51,257	50,000
500858 Depreciation	0	248,851	0	0	0
500550 Interest Expense	0	128,030	0	0	0
500099 Amortization of Premium	0	3,603	0	0	0
Total Miscellaneous Expenses	554,302	971,877	579,570	1,074,501	594,870

City of Magnolia

WATER/SEWER FUND - 02

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
<u>Capital Expenses</u>					
500920 Computer Equipment	1,000	0	1,000	0	0
500960 Equipment-Water	55,000	1,635	55,000	96,476	55,000
500960.03 Capital Equipment & Tools-Sewer	10,000	7,434	10,000	10,000	7,000
Total Capital Expenses	66,000	9,068	66,000	106,476	62,000
<u>Transfers Out</u>					
500859 Transfer to General Fund	0	0	0	0	430,711
500861 Transfer to Debt Service	210,500	(21,917)	104,450	104,450	146,050
Total Transfers Out	210,500	(21,917)	104,450	104,450	576,761
Total Expenditures/Transfers Out	1,495,111	1,559,517	1,534,414	2,076,978	1,809,217
Total Revenue Over(Under) Expenditures/Transfers	595,090	928,464	442,186	144,515	252,383

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description
Revenues:			
40001	Water Fund Revenue	950,000	Estimated water revenue per current fee schedule
40002.09	Water Impact Revenue	50,000	Chgs against new development to pay for off-site construction or expansion of water infrastructure facilities that are necessitated by and benefit the new development
40003.09	Sewer Impact Revenue	60,000	Chgs against new development to pay for off-site construction or expansion of sewer infrastructure facilities that are necessitated by and benefit the new development
40004	Water Tap Fees	10,000	\$650/water tap
40005	Application/Connection Fees	8,000	\$35/account
40006	Credit Card Fees	4,000	Credit card fees
40016	Late Fees-Water	10,000	5% of customer's balance
40018	Disconnect Fees	20,000	\$35/disconnect
40020	Interest Income	100	Interest earned
40020.09	Impact Fund Interest	500	Interest earned
40024	Lone Star Groundwater Conservation	20,000	\$.15/1000 gal pumped
40025	San Jacinto River Authority	350,000	\$2.75/1000 gal pumped
40051.03	Sewer Fund Revenue	420,000	Estimated sewer revenue per current fee schedule
40053.03	Road Bore Fee	2,000	Road bore costs
40054.03	Sewer Tap Fees	12,000	\$925/sewer tap
40060.03	Garbage Collection Fees/Taxes	1,000	Sales tax on garbage sales
40061.03	Garbage Revenue	140,000	Residential garbage fees
40066.03	Late Fees-Sewer	4,000	5% of customer's balance
		2,061,600	

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Current Budget	Description
Expenditures			
500501	Salaries	37,235	1 employee
500503	Overtime	-	Authorized overtime for non-exempt employees
500505	Cell Phone Allowance	-	Allowance for use of personal cell phones for business purposes
500515	Longevity	190	\$5 per month per year of service with City
500516	T.E.C. (Unemployment)	171	Unemployment taxes- 1.9% rate
500517	TMRS	771	Retirement cost-1.68% for 3 mos., then 2.19% rate for calendar year 2017
500518	Worker's Compensation	95	Cost of W/C insurance
500526	Employee Insurance	7,961	Medical, dental, vision
500536	Payroll Tax	2,863	Social Security & Medicare-7.65% rate
500543	Education, Travel, Certifications	-	Training, travel & certifications
500547	Drug Test	-	Pre-employment & post-accident testing
500602	Utilities/Water-Montgomery County	-	
500603	Utilities/Electric-Water	55,000	Electricity for water plants
500603.03	Utilities/Electric-Sewer	75,000	Electricity for sewer plants, lift stations
500605	Utilities/Telephone-Water	2,800	Telephone service at water plants
500605.03	Utilities/Telephone-Sewer	3,000	Telephone service at sewer plant(s)
500625	Maintenance & Repair/Vehicles	-	Oil changes, inspection, repairs, maintenance of vehicles
500627	Maintenance/Bldg & Plant-Water	50,000	Repairs to buildings and plant
500627.03	Maintenance & Repair/Lift Station	85,000	Repairs to lift stations & sewer plant
500632	Contract/Consultant Svcs-Water	22,500	Utility rate study-Jones & Carter Answering service, etc.
			20,000 2,500
500632.03	Contract/Consultant Svcs-Sewer	6,000	Contracted work-sewer
500633	Maint & Repair Water Equipment	6,000	Costs to repair water equipment
500633.03	Maint & Repair Sewer Equipment	25,000	Costs to repair sewer equipment

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Current Budget	Description
Expenditures			
500643	Engineering-Water	10,000	Costs for engineering services related to water construction
500643.03	Engineering-Sewer	10,000	Costs for engineering services related to sewer construction
500652	Permits, Fees, Sample Test-Water	35,000	Water permits and water sample testing
500652.03	Permits and Testing-Sewer	10,000	Sewer permit renewal
500663	Rental of Equipment-Water	5,000	Cost to rent work equipment-Water
500663.03	Rental of Equipment-Sewer	2,000	Cost to rent work equipment-Sewer
500672	Garbage Service	120,000	Dumpster at plant/garbage residential
500673	Computer Update	4,000	Costs to update and maintain current software
500674	Posting & Advertising	-	Consumer Quality Report Notice
500677	Minor Equipment-Water	2,000	Minor equipment
500700	General Supplies-Water	50,000	Misc operating supplies-Water
500700.03	General Supplies-Sewer	20,000	Misc operating supplies-Sewer
500744.03	Minor Tools & Equipment-Sewer	5,000	Boring equipment,sewer hose, misc. small tools
500760	Fuel	-	Fuel for Water Dept. vehicles and equipment
500761.03	Tires & Tubes	-	Replacement of tires for equipment
500762	Uniforms & Badges	-	Cost of uniforms and cleaning
500766	Office Supplies	1,000	Office supplies designated for water/sewer department
500780	Chemicals/Water Treatment-Water	16,000	Cost of chemicals for water treatment
500780.03	Chemicals/Water Treatment-Sewer	15,000	Cost of chemicals to treat wastewater
500800	Bank Fees	2,500	Credit card processing fees
500802.09	Water Impact Expense	-	Cost for construction or expansion of water infrastructure facilities
500803.09	Sewer Impact Expense	-	Cost for construction or expansion of sewer infrastructure facilities

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Current Budget	Description
500804	San Jacinto River Authority	400,000	Cost to participate in WRAP \$2.57/1000 gal. pumped
500805	Lone Star Water Conservation	15,420	Cost for historical & operating permit renewals @ \$.06/1000 gal.
500825.03	Sewer Liability Insurance-TML	1,500	Liability insurance-sewer
500826	Water Plant Insurance-TML	7,500	Property insurance for water plants
500826.03	Sewer Plant Insurance-TML	3,000	Property insurance for sewer plant
500827	Fleet Insurance-TML	-	Vehicle insurance
500830.03	Personal Property Insurance-TML	700	Personal property insurance
500831.03	Damage Claims	1,000	Amounts paid to settle damage claims
500833	Postage	4,250	Mailing cost for water bills, etc.
500857.03	Sludge Hauling	50,000	Cost to haul sludge
500859	Transfer to General Fund	357,686	Transfers to cover Public Works employees & related expense, including vehicle maintenance,fuel,insurance, etc.
500859	Additional transfer to General Fund	73,025	Additional transfer to General Fund
500861	Transfer to 2014 R/Bond	146,050	Transfer to cover bond debt service payments
500920	Computer Equipment	-	New computer/software
500960	Capital Equipment-Water	55,000	Automatic water meters 50,000 Misc. 5,000
500960.03	Capital Equipment & Tools-Sewer	7,000	Camera equipment for videoing sewer lines
		1,809,217	

DEBT SERVICE/ CAPITAL EQUIPMENT



City of Magnolia

Long-Term Debt:

The City of Magnolia enters into loan agreements and issues revenue bonds and certificates of obligation to provide financing for its various operations. Loan agreements, bonds, and certificates of obligation can and have been issued for the governmental activities, business-type activities and the component unit, Economic Development Corporation, 4A.

For each of the bond and certificate of obligation issues, the City is required to establish an interest & sinking fund. Depending upon the individual bond or C/O agreement, a reserve fund may also need to be established. For each fund, for each bond and certificate of obligation issue, equal monthly payments are to be made into these funds.

The City maintains good communications with bond rating agencies about its financial condition and currently has an "AA" rating from Standard & Poor's.

The City does not have a formal debt policy, and there is no direct limit on debt in the City Charter.

The following page summarizes the outstanding long-term debt of the City.

City of Magnolia 2016-2017 Debt Service

A portion of the total Ad Valorem Tax (property tax) rate is allocated for debt service; however, the actual portion to be paid by property tax depends on the project(s) approved. Depending on the project's purpose, additional debt service payments are expected to be paid by the Enterprise Fund (Water) or by Sales Taxes.

BOND INFORMATION							2016-2017 DEBT SERVICE		
FUND	BOND ISSUED	ISSUE AMOUNT	MATURITY	OUTSTANDING PRINCIPAL BALANCE 9/2016	FISCAL PAY Principal	FISCAL PAY Interest	FISCAL PAY TOTAL P&I		
GENERAL	General Obligation Refunding Bond, Series 2014 Issued February 2014 in the amount of \$5,860,000. This bond combines the 2004 Certificate of Deposit issued for new sewer construction ; 2006 Certificate of Deposit issued for the construction of City Hall; and 2006 Utility System Revenue and Refunding Bond issued for Water/Sewer Improvements.	\$5,860,000.00	09/30/2037	\$5,325,000.00	\$235,000.00	\$172,575.00	\$407,575.00		
4A EDC	Sales Tax Refunding Bond, Series 2012 Issued January 2012 in the amount of \$2,945,000 This bond combined the 2003 Sales Tax Revenue Bond issued for the improvements of Smith and Melton Streets , and the 2009 Sales Tax Revenue Bond issued for the creation of Unity Park and for downtown improvements.	\$2,945,000.00	09/30/2024	\$2,005,000.00	\$215,000.00	\$85,212.50	\$300,212.50		
ENTERPRISE	2011 State Infrastructure Bank- Loan Issued September 2011 in the amount of \$2,000,000 Issued for funding the relocation of utilities along FM 1774 in conjunction with the Texas Department of Transportation widening of the road to include extra lanes. *4B-CDC has agreed to assume this debt for this year.	\$2,000,000.00	02/01/2026	\$1,421,037.81	\$124,781.24	\$40,759.38	\$165,540.62		
4A EDC	2014 Promissory Loan Entered agreement August 2014 in the amount of \$700,000 for the purchase of property in anticipation of a future utility system to service potential business. *Included in 4A-EDC budget. Not a separate fund.	\$700,000.00	08/26/2019	\$575,706.79	\$65,017.17	\$15,880.79	\$80,897.96		
ENTERPRISE	Certificates of Obligation, Series 2014 Issued December 2014 in the amount of \$4,960,000 Proceeds are to pay for the construction of improvements to the City's waterworks and sewer system, including lift stations.	\$4,960,000.00	09/30/2045	\$4,960,000.00	\$105,000.00	\$187,100.00	\$292,100.00		
TOTAL		\$16,465,000.00		\$14,286,744.60	\$744,798.41	\$501,527.67	\$1,246,326.08		

City of Magnolia

2014 Tax Revenue C/O I & S - 31

Bank Balance as of 05/31/16 \$ 5

	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue			
<u>Revenues</u>			
40001 Tax Revenue	188,675	188,675	292,100
40020 Interest Income			
Total Revenue	188,675	188,675	292,100
Total Revenue	188,675	188,675	292,100
Expenditures			
<u>Expenses</u>			
500033 2014 C/O I&S Principal Pay't	0	0	105,000
500034 2014 C/O I&S Interest Pay't	188,675	188,675	187,100
500800 Bank Fees			
Total Expenses	188,675	188,675	292,100
Total Expenses	188,675	188,675	292,100
Total Revenue Over(Under) Expenditures	0	0	0

2014 Certificates of Obligation
Water/Sewer Improvements, Including Lift Stations

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
05/01/2015		3.00%	63,415.76	63,415.76	
09/30/2015					63,415.76
11/01/2015		3.00%	94,337.50	94,337.50	
05/01/2016		3.00%	94,337.50	94,337.50	
09/30/2016					188,675.00
11/01/2016	105,000.00	3.00%	94,337.50	199,337.50	
05/01/2017		3.00%	92,762.50	92,762.50	
09/30/2017					292,100.00
11/01/2017	105,000.00	3.00%	92,762.50	197,762.50	
05/01/2018		3.00%	91,187.50	91,187.50	
09/30/2018					288,950.00
11/01/2018	110,000.00	3.00%	91,187.50	201,187.50	
05/01/2019		3.00%	89,537.50	89,537.50	
09/30/2019					290,725.00
11/01/2019	110,000.00	3.00%	89,537.50	199,537.50	
05/01/2020		3.00%	87,887.50	87,887.50	
09/30/2020					287,425.00
11/01/2020	115,000.00	3.00%	87,887.50	202,887.50	
05/01/2021		3.00%	86,162.50	86,162.50	
09/30/2021					289,050.00
11/01/2021	115,000.00	3.00%	86,162.50	201,162.50	
05/01/2022		3.00%	84,437.50	84,437.50	
09/30/2022					285,600.00
11/01/2022	120,000.00	3.00%	84,437.50	204,437.50	
05/01/2023		3.00%	82,637.50	82,637.50	
09/30/2023					287,075.00
11/01/2023	125,000.00	3.50%	82,637.50	207,637.50	
05/01/2024		3.50%	80,450.00	80,450.00	
09/30/2024					288,087.50
11/01/2024	130,000.00	3.50%	80,450.00	210,450.00	
05/01/2025		3.50%	78,175.00	78,175.00	
09/30/2025					288,625.00
11/01/2025	130,000.00	3.50%	78,175.00	208,175.00	
05/01/2026		3.50%	75,900.00	75,900.00	
09/30/2026					284,075.00
11/01/2026	135,000.00	4.00%	75,900.00	210,900.00	
05/01/2027		4.00%	73,200.00	73,200.00	
09/30/2027					284,100.00
11/01/2027	145,000.00	4.00%	73,200.00	218,200.00	
05/01/2028		4.00%	70,300.00	70,300.00	
09/30/2028					288,500.00
11/01/2028	150,000.00	4.00%	70,300.00	220,300.00	
05/01/2029		4.00%	67,300.00	67,300.00	
09/30/2029					287,600.00
11/01/2029	155,000.00	4.00%	67,300.00	222,300.00	
05/01/2030		4.00%	64,200.00	64,200.00	
09/30/2030					286,500.00

City of Magnolia

2014 Certificates of Obligation Water/Sewer Improvements, Including Lift Stations

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
11/01/2030	160,000.00	4.00%	64,200.00	224,200.00	
05/01/2031		4.00%	61,000.00	61,000.00	
09/30/2031					285,200.00
11/01/2031	165,000.00	4.00%	61,000.00	226,000.00	
05/01/2032		4.00%	57,700.00	57,700.00	
09/30/2032					283,700.00
11/01/2032	175,000.00	4.00%	57,700.00	232,700.00	
05/01/2033		4.00%	54,200.00	54,200.00	
09/30/2033					286,900.00
11/01/2033	180,000.00	4.00%	54,200.00	234,200.00	
05/01/2034		4.00%	50,600.00	50,600.00	
09/30/2034					284,800.00
11/01/2034	185,000.00	4.00%	50,600.00	235,600.00	
05/01/2035		4.00%	46,900.00	46,900.00	
09/30/2035					282,500.00
11/01/2035	195,000.00	4.00%	46,900.00	241,900.00	
05/01/2036		4.00%	43,000.00	43,000.00	
09/30/2036					284,900.00
11/01/2036	200,000.00	4.00%	43,000.00	243,000.00	
05/01/2037			39,000.00	39,000.00	
09/30/2037					282,000.00
11/01/2037	210,000.00	4.00%	39,000.00	249,000.00	
05/01/2038			34,800.00	34,800.00	
09/30/2038					283,800.00
11/01/2038	220,000.00	4.00%	34,800.00	254,800.00	
05/01/2039			30,400.00	30,400.00	
09/30/2039					285,200.00
11/01/2039	230,000.00	4.00%	30,400.00	260,400.00	
05/01/2040			25,800.00	25,800.00	
09/30/2040					286,200.00
11/01/2040	240,000.00	4.00%	25,800.00	265,800.00	
05/01/2041			21,000.00	21,000.00	
09/30/2041					286,800.00
11/01/2041	245,000.00	4.00%	21,000.00	266,000.00	
05/01/2042			16,100.00	16,100.00	
09/30/2042					282,100.00
11/01/2042	255,000.00	4.00%	16,100.00	271,100.00	
05/01/2043			11,000.00	11,000.00	
09/30/2043					282,100.00
11/01/2043	270,000.00	4.00%	11,000.00	281,000.00	
05/01/2044			5,600.00	5,600.00	
09/30/2044					286,600.00
11/01/2044	280,000.00	4.00%	5,600.00	285,600.00	
09/30/2045					285,600.00
Total	4,960,000.00		3,588,903.26	8,548,903.26	8,548,903.26

City of Magnolia

2014 General Obligation Refunding Bonds I & S - 05

	Bank Balance as of 05/31/16 \$ 95,513				
	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue					
<u>Revenues</u>					
40020 Interest Income	0	24	0	0	0
40001 Ad Valorem Tax Revenue	358,551	364,678	304,450	304,450	262,775
40032 Trfr from 02/Water Fund	210,500	208,000	104,450	104,450	146,050
40034 2014 G/O I&S Interest Earned	100	59	100	209	200
Total Revenue	569,151	572,760	409,000	409,109	409,025
Total Revenue	569,151	572,760	409,000	409,109	409,025
Expenditures					
<u>Miscellaneous Expenses</u>					
500033 2014 G/O I&S Principal Pay't	220,000	220,000	230,000	230,000	235,000
500034 2014 G/O I&S Interest Pay't	182,900	182,900	178,400	178,400	172,575
500766 2014 G/O Bank Fees				500	500
500800 Bank Fees	500	500	500	750	750
500925 Transfer to Water Dept	165,651	165,651			
Total Miscellaneous Expenses	569,051	569,051	408,900	409,650	408,825
Total Expenditures	569,051	569,051	408,900	409,650	408,825
Total Revenue Over(Under) Expenditures	100	3,709	100	(541)	200

City of Magnolia

2014 General Obligation Refunding Bonds

2006 Revenue Bond, 2006 Cert. of Obligation, 2004 Cert. of Obligation

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
05/01/2014	85,000.00	2.00%	46,700.00	131,700.00	
09/30/2014					131,700.00
11/01/2014	220,000.00	2.00%	92,550.00	312,550.00	
05/01/2015		2.00%	90,350.00	90,350.00	
09/30/2015					402,900.00
11/01/2015	230,000.00	2.00%	90,350.00	320,350.00	
05/01/2016		2.00%	88,050.00	88,050.00	
09/30/2016					408,400.00
11/01/2016	235,000.00	3.00%	88,050.00	323,050.00	
05/01/2017		3.00%	84,525.00	84,525.00	
09/30/2017					407,575.00
11/01/2017	270,000.00	3.00%	84,525.00	354,525.00	
05/01/2018		3.00%	80,475.00	80,475.00	
09/30/2018					435,000.00
11/01/2018	275,000.00	3.00%	80,475.00	355,475.00	
05/01/2019		3.00%	76,350.00	76,350.00	
09/30/2019					431,825.00
11/01/2019	285,000.00	3.00%	76,350.00	361,350.00	
05/01/2020		3.00%	72,075.00	72,075.00	
09/30/2020					433,425.00
11/01/2020	295,000.00	3.00%	72,075.00	367,075.00	
05/01/2021		3.00%	67,650.00	67,650.00	
09/30/2021					434,725.00
11/01/2021	305,000.00	3.00%	67,650.00	372,650.00	
05/01/2022		3.00%	63,075.00	63,075.00	
09/30/2022					435,725.00
11/01/2022	315,000.00	3.00%	63,075.00	378,075.00	
05/01/2023		3.00%	58,350.00	58,350.00	
09/30/2023					436,425.00
11/01/2023	330,000.00	3.00%	58,350.00	388,350.00	
05/01/2024		3.00%	53,400.00	53,400.00	
09/30/2024					441,750.00
11/01/2024	330,000.00	3.00%	53,400.00	383,400.00	
05/01/2025		3.00%	48,450.00	48,450.00	
09/30/2025					431,850.00
11/01/2025	340,000.00	3.00%	48,450.00	388,450.00	
05/01/2026		3.00%	43,350.00	43,350.00	
09/30/2026					431,800.00
11/01/2026	355,000.00	3.00%	43,350.00	398,350.00	
05/01/2027		3.00%	38,025.00	38,025.00	
09/30/2027					436,375.00
11/01/2027	170,000.00	3.50%	38,025.00	208,025.00	
05/01/2028		3.50%	35,050.00	35,050.00	
09/30/2028					243,075.00
11/01/2028	175,000.00	3.50%	35,050.00	210,050.00	
05/01/2029		3.50%	31,987.50	31,987.50	
09/30/2029					242,037.50
11/01/2029	180,000.00	3.50%	31,987.50	211,987.50	
05/01/2030		3.50%	28,837.50	28,837.50	
09/30/2030					240,825.00

City of Magnolia

2014 General Obligation Refunding Bonds

2006 Revenue Bond, 2006 Cert. of Obligation, 2004 Cert. of Obligation

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
11/01/2030	185,000.00	3.50%	28,837.50	213,837.50	
05/01/2031		3.50%	25,600.00	25,600.00	
09/30/2031					239,437.50
11/01/2031	195,000.00	4.00%	25,600.00	220,600.00	
05/01/2032		4.00%	21,700.00	21,700.00	
09/30/2032					242,300.00
11/01/2032	200,000.00	4.00%	21,700.00	221,700.00	
05/01/2033		4.00%	17,700.00	17,700.00	
09/30/2033					239,400.00
11/01/2033	210,000.00	4.00%	17,700.00	227,700.00	
05/01/2034		4.00%	13,500.00	13,500.00	
09/30/2034					241,200.00
11/01/2034	215,000.00	4.00%	13,500.00	228,500.00	
05/01/2035		4.00%	9,200.00	9,200.00	
09/30/2035					237,700.00
11/01/2035	225,000.00	4.00%	9,200.00	234,200.00	
05/01/2036		4.00%	4,700.00	4,700.00	238,900.00
09/30/2036					
11/01/2036	235,000.00	4.00%	4,700.00	239,700.00	
09/30/2037					239,700.00
Total	5,860,000.00		2,244,050.00	8,104,050.00	8,104,050.00

City of Magnolia

2012 Sales Tax Revenue Bond Interest & Sinking Fund - 21

	Bank Balance as of 05/31/16 \$ 178,646				
	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue					
<u>Revenue</u>					
40007 Trans from 4A-EDC	302,425	102,425	298,925	298,925	300,213
40120 2012 R/Bond Int & Sinking Interest Earned	85	112	85	203	150
Total Revenue	302,510	102,537	299,010	299,128	300,363
Total Revenue	302,510	102,537	299,010	299,128	300,363
Expenditures					
<u>Expenses</u>					
500033 2012 R/Bond Int & Sinking Principal Pay't	200,000	0	205,000	205,000	215,000
500034 2012 R/Bond Int & Sinking Interest Pay't	102,425	102,425	93,925	93,925	85,213
500800 2012 R/Bond Int & Sinking Bank Fees	0	0	0	0	0
Total Expenses	302,425	102,425	298,925	298,925	300,213
Total Expenditures	302,425	102,425	298,925	298,925	300,213
Total Revenue Over(Under) Expenditures	85	112	85	203	150
Beginning Fund Balance	0		25,415	25,415	25,618
Ending Fund Balance	85	25,415	25,500	25,618	25,768

Series 2012, Sales Tax Revenue Refunding Bonds

4A- Park / Downtown Revitalization
Melton/Smith Street

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
03/01/2012			12,516.25	12,516.25	
09/01/2012	200,000.00	4.25%	62,581.25	262,581.25	
09/30/2012					275,097.50
03/01/2013			58,331.25	58,331.25	
09/01/2013	145,000.00	4.25%	58,331.25	203,331.25	
09/30/2013					261,662.50
03/01/2014			55,250.00	55,250.00	
09/01/2014	190,000.00	4.25%	55,250.00	245,250.00	
09/30/2014					300,500.00
03/01/2015			51,212.50	51,212.50	
09/01/2015	200,000.00	4.25%	51,212.50	251,212.50	
09/30/2015					302,425.00
03/01/2016			46,962.50	46,962.50	
09/01/2016	205,000.00	4.25%	46,962.50	251,962.50	
09/30/2016					298,925.00
03/01/2017			42,606.25	42,606.25	
09/01/2017	215,000.00	4.25%	42,606.25	257,606.25	
09/30/2017					300,212.50
03/01/2018			38,037.50	38,037.50	
09/01/2018	225,000.00	4.25%	38,037.50	263,037.50	
09/30/2018					301,075.00
03/01/2019			33,256.25	33,256.25	
09/01/2019	235,000.00	4.25%	33,256.25	268,256.25	
09/30/2019					301,512.50
03/01/2020			28,262.50	28,262.50	
09/01/2020	245,000.00	4.25%	28,262.50	273,262.50	
09/30/2020					301,525.00
03/01/2021			23,056.25	23,056.25	
09/01/2021	255,000.00	4.25%	23,056.25	278,056.25	
09/30/2021					301,112.50
03/01/2022			17,637.50	17,637.50	
09/01/2022	265,000.00	4.25%	17,637.50	282,637.50	
09/30/2022					300,275.00
03/01/2023			12,006.25	12,006.25	
09/01/2023	275,000.00	4.25%	12,006.25	287,006.25	
09/30/2023					299,012.50
03/01/2024			6,162.50	6,162.50	
09/01/2024	290,000.00	4.25%	6,162.50	296,162.50	
09/30/2024					302,325.00
Total	2,945,000.00		900,660.00	3,845,660.00	3,845,660.00

City of Magnolia

State Infrastructure Bank Loan Debt Service - 23

	Bank Balance as of 05/31/16		\$	165,707	
	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue					
<u>Revenue</u>					
40106 Transfer In from 4B	165,652	165,652	165,597	165,597	165,541
40120 SIB Loan I & S Int Earned	0	0	0	0	0
Total Revenue	165,652	165,652	165,597	165,597	165,541
Total Revenue	165,652	165,652	165,597	165,597	165,541
Expenditures					
<u>Expenses</u>					
230 SIB Loan I & S Principal Pay't	117,622	117,622	121,149	121,149	124,781
500034 SIB Loan I & S Interest Pay't	48,030	48,030	44,448	44,448	40,759
Total Expenses	165,652	165,652	165,597	165,597	165,541
Total Expenditures	165,652	165,652	165,597	165,597	165,541
Total Revenue Over(Under) Expenditures	0	0	0	0	0

State Infrastructure Bank-Loan

FM 1774 Utility Relocation

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
02/01/2012	115,122.76	3.00%	19,666.67	134,789.43	
08/01/2012		3.00%	28,273.16	28,276.16	163,065.59
02/01/2013	110,873.00	3.00%	28,273.16	139,146.16	
08/01/2013		3.00%	26,610.06	26,610.06	165,756.22
02/01/2014	114,197.49	3.00%	26,610.06	140,807.55	
08/01/2014		3.00%	24,897.10	24,897.10	165,704.65
02/01/2015	117,621.68	3.00%	24,897.10	142,518.78	
08/01/2015		3.00%	23,132.78	23,132.78	165,651.56
02/01/2016	121,148.56	3.00%	23,132.78	144,281.34	
08/01/2016		3.00%	21,315.55	21,315.55	165,596.89
02/01/2017	124,781.24	3.00%	21,315.55	146,096.79	
08/01/2017		3.00%	19,443.83	19,443.83	165,540.62
02/01/2018	128,522.86	3.00%	19,443.83	147,966.69	
08/01/2018		3.00%	17,515.99	17,515.99	165,482.68
02/01/2019	132,376.70	3.00%	17,515.99	149,892.69	
08/01/2019		3.00%	15,530.34	15,530.34	165,423.03
02/01/2020	136,346.13	3.00%	15,530.34	151,876.47	
08/01/2020		3.00%	13,485.14	13,485.14	165,361.61
02/01/2021	140,434.63	3.00%	13,485.14	153,919.77	
08/01/2021		3.00%	11,378.62	11,378.62	165,298.39
02/01/2022	144,645.75	3.00%	11,378.62	156,024.37	
08/01/2022		3.00%	9,208.94	9,208.94	165,233.31
02/01/2023	148,983.16	3.00%	9,208.94	158,192.10	
08/01/2023		3.00%	6,974.19	6,974.19	165,166.29
02/01/2024	153,450.67	3.00%	6,974.19	160,424.86	
08/01/2024		3.00%	4,672.43	4,672.43	165,097.29
02/01/2025	158,052.18	3.00%	4,672.43	162,724.61	
08/01/2025		3.00%	2,301.65	2,301.65	165,026.26
02/01/2026	153,443.19	3.00%	2,301.65	155,744.84	
					155,744.84
Total	2,000,000.00		469,146.23	2,469,149.23	2,469,149.23

LOAN

4A - PURCHASE PROPERTY

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
03/01/2015	30,267.87	2.80%	10,181.11	40,448.98	
09/01/2015	30,864.37	2.80%	9,584.61	40,448.98	80,897.96
03/01/2016	31,405.45	2.80%	9,043.53	40,448.98	
09/01/2016	31,755.52	2.80%	8,693.46	40,448.98	80,897.96
03/01/2017	32,344.31	2.80%	8,104.67	40,448.98	
09/01/2017	32,672.86	2.80%	7,776.12	40,448.98	80,897.96
03/01/2018	33,259.61	2.80%	7,189.37	40,448.98	
09/01/2018	33,616.43	2.80%	6,832.55	40,448.98	80,897.96
03/01/2019	34,201.07	2.80%	6,247.91	40,448.98	
08/26/2019	409,612.51	2.80%	5,670.86	415,283.37	455,732.35
Totals	700,000.00		79,324.19	779,324.19	779,324.19

City of Magnolia

2017 Capital Improvement Fund for Relocation of FM 1774

	Approved Budget 2016-2017
Revenue	
<u>Revenues</u>	
40001 Loan from TxDOT Infrastructure Fund	700,000
40002 Transfer from Water/Sewer	0
Total Revenue	700,000
Total Revenue	700,000
Expenditures	
<u>Expenses</u>	
500850 Project Expenses (Materials/Labor)	630,000
500950 Engineering Expense	70,000
Total Expenses	700,000
Total Expenses	700,000
Total Revenue Over(Under) Expenditures	<u><u>0</u></u>

SPECIAL REVENUE FUNDS



City of Magnolia

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) to finance specified activities which are required by statute, ordinance, resolution or executive order.

The City of Magnolia has four of these funds, the largest of which are the ATS-Red Light Camera Fund and the HB445 Road Repair Fund. Each fund is described in a separate budget page.

The combined Statement of Revenues, Expenditures, and Changes in Fund Balance for these accounts are included in the Governmental Funds Summary on page 8.

City of Magnolia

ATS-Red Light Camera -10

	Bank Balance as of 05/31/16		\$ 436,253		
Revenue	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
<u>Revenue</u>					
40022 Red Light Camera Revenue	250,000	320,892	250,000	647,741	712,515
40020 Red Light Camera Fund Interest	200	149	200	1,047	1,152
Total Gross Revenue	250,200	321,041	250,200	648,788	713,667
500815 State Comptroller Fees	(60,000)	(74,636)	(14,588)	(211,929)	(242,700)
Total Net Revenue	190,200	246,404	235,612	436,860	470,967
 <u>Expenditures</u>					
<u>Expenses</u>					
500501 Transfer out for Salary Reimb.	86,251	93,465	159,273	164,987	162,329
500543 Education, Travel, Certification	0	0	0	0	0
500630 Red Light Camera Expense	45,000	49,108	45,000	75,965	83,561
500631 Contractual-Am. Traffic Sys	60,843	24,977	61,752	59,944	65,938
500760 Fuel	40,000	8,782	0	0	0
500635 Refunds	500	0	500	0	500
500800 Bank Fees	0	0	0	0	0
Total Operating Expenses	232,595	176,331	266,525	300,896	312,328
 Capital Expenses					
500951 Motor Vehicles	0	0	0	0	0
503945 Other Equipment	0	0	0	0	0
Total Capital Expenses	0	0	0	0	0
 Total Red Light Camera Fund Expenses	232,595	176,331	266,525	300,896	312,328
Total Revenue Over(Under) Expenditures	(42,395)	70,073	(30,913)	135,964	158,639
Beginning Fund Balance	168,551	126,156	196,229	196,229	332,193
FY 2014 Audit Adj.					
Ending Fund Balance	126,156	196,229	165,317	332,193	490,832

Automated red light photo enforcement cameras were set up during FY 2010 with the goal of reducing the number of injury accidents caused by "red light running". By law, the use of the revenues is limited to traffic safety programs, including pedestrian safety programs, public safety programs, intersection improvements, and traffic enforcement.

City of Magnolia

HB445 Road Repair - 11

Bank Balance as of 05/31/16 \$ 767,542 (Bal includes \$185K Invested)

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue					
<u>Revenues</u>					
40009 HB445 Sales Tax Revenue	287,500	316,435	287,500	297,315	300,000
40014 Trfr in from Fund 14	0	0	0	0	0
40020 HB445 Interest Earned	700	776	700	1,697	700
Total Revenue	288,200	317,211	288,200	299,012	300,700
Total Revenue	288,200	317,211	288,200	299,012	300,700
Expenditures					
<u>Expenses</u>					
500805 Sls Tax-Repay State of Texas	0	0	0	0	0
500850 HB445 Road Repair	287,500	456,095	287,500	525,000	300,000
Total Expenses	287,500	456,095	287,500	525,000	300,000
Total Expenditures	287,500	456,095	287,500	525,000	300,000
Total Revenue Over(Under) Expenditures	700	(138,884)	700	(225,988)	700
Beginning Fund Balance	1,228,072	1,228,072	1,045,641	1,089,188	863,200
Ending Fund Balance	1,228,772	1,089,188	1,046,341	863,200	863,900

The HB445 Road Repair Fund is a Special Revenue Fund used to account for the receipt and expenditure of funds received from additional sales tax within the City.

City of Magnolia

Hotel/Motel Occupancy Tax - 17

Bank Balance as of 05/31/16 \$ 80,997

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue					
<u>Revenue</u>					
40110 Hotel/Motel Occupancy Tax Revenue	35,000	46,759	45,000	47,000	45,000
40117 Event Donations	0	0	0	0	0
Total Revenue	35,000	46,759	45,000	47,000	45,000
Total Revenue	35,000	46,759	45,000	47,000	45,000
Expenditures					
<u>Expenses</u>					
501560 Event Funding	35,000	30,692	45,000	54,376	45,000
Total Expenses	35,000	30,692	45,000	54,376	45,000
Total Expenditures	35,000	30,692	45,000	54,376	45,000
Total Revenue Over(Under) Expenditures	0	16,067	0	(7,376)	0
Beginning Fund Balance	69,846	69,846	90,635	85,913	78,537
Ending Fund Balance	69,846	85,913	90,635	78,537	78,537

The Hotel/Motel Occupancy Tax Fund accounts for revenues received from hotel occupancy taxes, which are used to promote tourism. Hotels submit quarterly to the City an occupancy tax based upon 7% of total room receipts. Compliance with the provisions of the state statutes is monitored by City finance personnel on a continuing basis.

City of Magnolia

In Kind Fees - 27

Bank Balance as of 05/31/16 \$ 18,018

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue					
<u>Revenue</u>					
40120 In Kind Franchise Fee	0	4,091	0	7,249	0
Total Revenue	0	4,091	0	7,249	0
Total Revenue	0	4,091	0	7,249	0
Expenditures					
<u>Expenses</u>					
	0	0	0	0	0
Total Expenses	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Total Revenue Over(Under) Expenditures	0	4,091	0	7,249	0

COMPONENT UNIT FUNDS



City of Magnolia

Component Unit Funds

Fund Description

The criteria for including organizations as component units within the City's reporting entity, as set forth by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

Based on this, and based upon their significant financial and operational relationships to the City, the City has two discrete component units, as follows: Economic Development Corporation – 4A (EDC) and Community Development Corporation – 4B (CDC).

Fund narrative

Economic Development Corporation – 4A: On September 8, 1997, the City incorporated the "City of Magnolia Economic Development Corporation" (EDC). The purpose of the EDC is to promote economic development within the City and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City, and for improving the assessed valuations through the promotion of: (a) existing business enterprise expansion and retention and (b) new business enterprise development and attraction by developing, implementing, providing and financing projects. A one-half percent City sales tax is designated for this purpose. Directors to the EDC are appointed by the governing body of the City. Although the EDC is legally separate from the City, it is reported as if it were a part of the primary government because its sole purpose is to expend the proceeds of any sales tax levied for the City's benefit in order to promote economic development for the City. The EDC does not issue separate financial statements.

Community Development Corporation – 4B: On June 21, 1995, the City incorporated the "City of Magnolia Community Development Corporation" (CDC). The purpose of the CDC is to promote economic development within the City and the State of Texas in order to eliminate unemployment and underemployment, and to promote and to encourage employment and the public welfare of, for and on behalf of the City, and for parks, auditoriums, learning centers, open space improvements, athletic and exhibition facilities, and other related improvements and for maintenance and operating costs of publicly owned and operated projects by developing, implementing, providing, and financing projects.

A one-half percent City sales tax was designated for this purpose until September 14, 2002, when the voters approved reducing the 4B's City sales tax to one-fourth of a percent of the City sales tax. Although the CDC is legally separate from the City, it is reported as if it were a part of the primary government because its sole purpose is to expend the proceeds of any sales tax levied for the City's benefit and to take sole title of real property and transfer it to the City in order to promote community development for the City. The CDC does not issue separate financial statements.

Component Unit Funds Statement of Revenues, Expenditures, and Changes in Fund Balance				
		DEBT SVC FOR		Total of
	EDC (4A)	EDC (4A)	CDC (4B)	Component
	Fund	Fund	Fund	Unit Funds
REVENUES:				
Property Taxes				-
Sales Taxes	600,000		300,000	900,000
Other Taxes				-
Franchise Fees				-
Licenses & Permits				-
Fines & Forfeitures				-
Interest Income	1,000	150	200	1,350
Water User Fees				-
Sewer User Fees				-
Impact Fees				-
Other Revenue				-
Miscellaneous			39,320	39,320
Total Revenues	601,000	150	339,520	940,670
TRANSFERS:				
Intra-Fund Transfer (06)4B				-
Intra-Fund Transfer (07)4A		300,213		300,213
Total Intra-Fund Transfers	-	300,213	-	300,213
Total Revenues/Transfers	601,000	300,363	339,520	1,240,883
EXPENDITURES:				
Personnel Services	21,995		22,500	44,495
Contractual Expenses	24,700		20,950	45,650
Miscellaneous Expenses	3,200		1,700	4,900
Other Expenses	5,700		63,500	69,200
Capital Expenses			6,000	6,000
Bond/Loan Principal Payments	65,017	215,000		280,017
Bond/Loan Interest Payments	15,881	85,213		101,093
Intra-Fund Trfrs Out	397,917		165,541	563,457
Total Expenditures/Transfers	534,409	300,213	280,191	1,114,813
Total Revenue Over/(Under)	66,591	150	59,329	126,070
Expenditures				
Projected Beginning Fund Balance	266,692	2,139,250	595,024	3,000,966
Projected Ending Fund Balance	333,283	2,139,400	654,353	3,127,036

City of Magnolia

Economic Development Corporation (4A)

Mission

To focus on the future, to be “open for business” and remain a “Community of Unity”.

Vision

To aggressively pursue all avenues of growth for new and existing businesses, and to maximize employment opportunities, tax base, and quality of life.

The Magnolia Economic Development Corporation (“4A”) promotes community improvements and economic development within the City and on behalf of the City by developing, implementing, providing, and financing projects under the State of Texas Development Corporation Act of 1979. The City of Magnolia adopted the 4A in 1997 with the passage of one-half (1/2) of one percent (1%) sales tax dedicated to economic development. The corporation is defined in Section 4B of the Act; and for all other purposes allowed by law as permitted by the Development Corporation Act.

Methods Used:

- Regional, nationwide and global marketing
- Incentive programs
- Provide demographics
- Coordination/facilitation of state, regional and federal programs
- Site search assistance
- Plan development

2016 4A EDC Board of Directors:

President - Jonny Williams

Vice President - Phyllis Stegen

Secretary/Treasurer – Basil Tate

Pat Zaiontz

Anne Sundquist

Staff Contacts:

Paul Mendes, City Administrator/Economic Executive Director

Tana Ross, Economic Development Coordinator

City of Magnolia

4A- Economic Development Corporation - 07

Bank Balance as of 05/31/16 \$ 482,150

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue					
40011 4A 1/2 Sales Tax Revenue	575,000	632,871	600,000	594,630	600,000
40022 4A Interest Earned	300	383	300	1,328	1,000
40124 Misc Revenue	0	0	0	0	0
40126 Grant Proceeds	0	3,000	0	1,125	0
40127 Inclusive Park Income	0	1,338	0	21,077	0
Total Revenue	575,300	637,591	600,300	618,159	601,000
Expenses					
Personnel Services					
500501 Salary & Benefit Reimbursement	20,000	20,573	20,495	20,707	20,495
500543 Training & Travel	1,000	268	1,000	784	1,000
500550 Dues & Membership	500	383	500	150	500
Total Personnel Services	21,500	21,224	21,995	21,641	21,995
Contractual Expenses					
500632 Contract/consultant Services	15,450	15,413	16,000	15,450	17,050
500640 Legal	2,000	6,645	5,000	6,324	5,000
500641 Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,500
500643 Engineering	0	0	0	0	0
500674 Posting/Advertising	150	0	150	525	150
Total Contractual Expenses	20,100	24,558	23,650	24,799	24,700
Miscellaneous Expenses					
500742 Magazines, Maps & Books	2,000	2,835	2,000	0	2,000
500743 Copies/Admin.	200	0	200	0	200
500745 Hospitality/Refreshments	500	0	500	41	500
500746 Magnolia Tomorrow/Grow Magnolia	0	0	0	0	0
500766 Office Supplies	500	15	500	81	500
Total Miscellaneous Expenses	3,200	2,850	3,200	122	3,200
Expenses (continued)					
500551 Interest Expense	0	0	0	0	0
500824 Error & Omissions Insurance	1,700	1,027	1,700	1,224	1,700
500825 Liability Insurance	3,000	2,215	3,000	2,639	3,000
500833 Postage	0	0	0	0	0
500836 Printing	500	0	500	0	500
500838 Promotional Expense	0	405	500	47	500
500843 Business Recruitment Package	0	0	0	0	0
500847 Inclusive Park Expenses	0	0	0	8,063	0
500858 Depreciation Expense	0	164,773	0	0	0
Total Expenses (continued)	5,200	168,420	5,700	11,972	5,700
Capital Expenses					
500909 Trfr to Fund 12-R/Bond I&S	302,425	102,425	298,925	298,925	300,213
500959 Land Purchase	0	0	0	0	0
500902 2014 Loan Principal	61,132	0	63,161	63,161	65,017
500903 2014 Loan Interest	19,766	18,940	17,737	17,737	15,881
500906 Trfr to EDC Promissory Note	0	39,310	97,704	97,704	97,704
500970 Computer Equipment	0	0	0	0	0
Total Capital Expenses	383,323	160,674	477,527	477,527	478,814
Total 4A E D C Expenditures/Transfers	433,323	377,726	532,072	536,061	534,409
Revenue Over(Under) Expenditures	141,977	259,866	68,228	82,098	66,591

City of Magnolia

Community Development Corporation (4B)

Mission

To provide leadership and funding for projects that enhance and preserve Magnolia's excellent quality of life.

The City of Magnolia Community Development Corporation ("4B") was established on March 14, 1995 following the passage of one-fourth (1/4) of one percent (1%) sales tax dedicated to community development by the residents of Magnolia. The MCDC-4B is a non-profit, tax exempt Texas Corporation, which is a separate entity from any other board or commission of the City of Magnolia. The Magnolia Tomorrow program, comprised of community volunteers, participates with the MCDC in planning parks, downtown revitalization, and special projects.

The Section 4B sales tax provides cities with a wider range of uses for the tax revenues because it is intended to give communities an opportunity to undertake a project for quality of life improvements. The Section 4B tax can be used to fund projects that are typically considered to be community development initiatives. Authorized categories under Section 4B include, among others, land, buildings, equipment, facilities, expenditures and improvements for professional and amateur sports facilities, park facilities and events, entertainment, convention and tourist facilities. As of June 20, 2003, the Section 4B tax may also be expended for the development of water supply facilities or water conservation programs; however, in order to undertake a water supply facility or water conservation program, the facility or program has to be approved by a majority of the qualified voters of the City of Magnolia in an election called and held for that purpose.

2016 4B CDC Board of Directors:

President – Pat Zaiontz
Vice President –Gari Lynn Hessong
Treasurer – Barbara Gardner
David Arevalo
Clyde Hunt
Jonny Williams

Staff Contacts:

Paul Mendes, City Administrator/Executive Director
Tana Ross, Community Development Coordinator

City of Magnolia

4B- Community Development Corporation - 06

Bank Balance as of 05/31/16 \$ 219,275

	Approved 2014-2015	Actual 2014-2015	Approved 2015-2016	Projected 2015-2016	Approved Budget 2016-2017
Revenue					
40014 4B 1/4 Sales Tax Revenue	287,500	316,435	300,000	297,315	300,000
40022 4B Interest Earned	100	161	100	577	200
Total Revenue	287,600	316,597	300,100	297,892	300,200
Misc. Revenue					
40124 Misc. Revenues	0	0	0	1,108	0
40127 Park Rental Fees	10,000	5,689	10,000	3,570	6,000
40128 Yellow House-Rental Fees	33,000	3,600	19,800	6,600	28,320
40131 Economic Development Grants	0	0	0	750	0
40133 The Stroll	2,000	11,056	2,000	9,729	5,000
Total Misc. Revenue	45,000	20,345	31,800	21,757	39,320
Total Revenue	332,600	336,942	331,900	319,649	339,520
Expenses					
Personnel Services					
500501 Salary & Benefit Reimbursement	41,700	20,815	21,000	20,788	21,000
500543 Training & Travel	1,000	268	1,000	784	1,000
500550 Dues & Membership	500	383	500	150	500
Total Personnel Services	43,200	21,466	22,500	21,722	22,500
Contractual Expenses					
500632 Contract/consultant Services	18,220	15,413	18,220	15,450	16,650
500640 Legal	500	4,653	500	8,350	500
500641 Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,500
500674 Posting/Advertising	300	20	300	533	300
500675 Promotions	1,000	125	1,000	92	1,000
Total Contractual Expenses	22,520	22,710	22,520	26,925	20,950
Miscellaneous Expenses					
500742 Magazines, Maps & Books	500	2,835	500	0	500
500743 Copies/Admin.	200	0	200	0	200
500745 Hospitality Refreshments	500	0	500	41	500
500746 Magnolia Tomorrow/Grow Magnolia	0	0	0	0	0
500766 Office Supplies	500	245	500	71	500
Total Miscellaneous Expenses	1,700	3,080	1,700	112	1,700
Expenses (continued)					
500824 Error & Omissions Insurance	2,500	2,215	2,500	1,979	2,500
500825 Liability Insurance	1,500	1,027	1,500	918	1,500
500836 Printing	2,000	0	2,000	0	2,000
500840 Econ Dev Business Impr Grant	0	0	0	0	0
500841 Farmers Market, Market Park	0	0	0	0	0
500845 Monuments/Signs	0	0	0	5,425	0
500848 Park Maintenance	32,000	42,484	45,000	43,638	45,000
500850 Other Expenses	500	114	500	0	500
500851 Downtown Revitalization	0	11,557	0	14,886	12,000
500858 Depreciation Expense		6,472			
Total Other Expenses	38,500	63,870	51,500	66,846	63,500
Capital Expenses					
500971 Yellow House	5,000	20	6,000	13,629	6,000
500924 SIB Loan transfer for prmt	165,652	165,652	165,652	165,597	165,541
Total Capital Expenses	170,652	165,672	171,652	179,226	171,541
Total 4B Community Dev. Expenditures	276,572	276,799	269,872	294,831	280,191
Revenue Over(Under) Expenditures	56,028	60,143	62,028	24,818	59,329

SUPPLEMENTAL INFORMATION



Property Tax Information

Taxable Assessed Valuation

2007-2008	\$67,783,205
2008-2009	\$78,746,846
2009-2010	\$91,636,764
2010-2011	\$100,019,218
2011-2012	\$107,126,405
2012-2013	\$118,367,686
2013-2014	\$141,779,270
2014-2015	\$162,777,486
2015-2016	\$185,538,070
2016-2017	\$192,782,750

Property Tax Rate Per \$100 Valuation

Fiscal Year	General Fund		Interest & Sinking Fund		Total Tax Rate
	Tax Rate	% of Total	Tax Rate	% of Total	
2007-2008	0.2650	53.93%	0.2264	46.07%	0.4914
2008-2009	0.2798	56.94%	0.2116	43.06%	0.4914
2009-2010	0.3119	63.47%	0.1795	36.53%	0.4914
2010-2011	0.3219	65.51%	0.1695	34.49%	0.4914
2011-2012	0.3319	68.94%	0.1495	31.06%	0.4814
2012-2013	0.3371	70.43%	0.1415	29.57%	0.4786 rollback rate
2013-2014	0.2426	50.69%	0.2360	49.31%	0.4786
2014-2015	0.2426	52.41%	0.2203	47.59%	0.4629 rollback rate
2015-2016	0.1972	42.60%	0.2657	57.40%	0.4629
2016-2017	0.1751	37.83%	0.2878	62.17%	0.4629

For Fiscal Year 2016-17 (2016 Tax Year)

Taxable Assessed Valuation \$192,782,750

Adopted Tax Rate 0.4629

Estimated Levy \$892,391

Property taxes are levied on October 1 and are payable on or before January 31. They attach as an enforceable lien on January 1. Penalties and interest are charged if taxes are not paid by the succeeding January 31. All property taxes are collected by the Montgomery County Tax Assessor-Collector.

Assessment Roll Grand Totals Report

Tax Year: 2016 As of: Certification

CMA - City Of Magnolia (ARB Approved Totals)

Number of Properties: 1528

Land Totals

Land - Homesite	(+)	\$15,747,190		
Land - Non Homesite	(+)	\$38,355,964		
Land - Ag Market	(+)	\$2,364,270		
Land - Timber Market	(+)	\$6,383,290		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$62,850,714	(+)	\$62,850,714

Improvement Totals

Improvements - Homesite	(+)	\$70,855,580		
Improvements - Non Homesite	(+)	\$125,218,670		
Total Improvements	(=)	\$196,074,250	(+)	\$196,074,250

Other Totals

Personal Property (310)		\$55,819,025	(+)	\$55,819,025
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value			(=)	\$314,743,989
Total Homestead Cap Adjustment (184)				(-) \$3,790,675
Total Exempt Property (97)				(-) \$84,902,926

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$8,747,560		
Ag Use (4)	(-)	\$12,840		
Timber Use (16)	(-)	\$114,580		
Total Productivity Loss	(=)	\$8,620,140		(-) \$8,620,140
Total Assessed			(=)	\$217,430,248

Exemptions

(HS Assd 49,670,910)

(HS) Homestead Local (352)	(+)	\$1,663,990		
(HS) Homestead State (352)	(+)	\$0		
(O65) Over 65 Local (129)	(+)	\$3,050,970		
(O65) Over 65 State (129)	(+)	\$0		
(DP) Disabled Persons Local (11)	(+)	\$0		
(DP) Disabled Persons State (11)	(+)	\$0		
(DV) Disabled Vet (16)	(+)	\$155,500		
(DVX/MAS) Disabled Vet 100% (4)	(+)	\$718,480		
(AUTO) Lease Vehicles Ex (9)	(+)	\$396,892		
(FP) Freeport (2)	(+)	\$21,908,559		
(HB366) House Bill 366 (6)	(+)	\$1,607		
Total Exemptions	(=)	\$27,895,998		(-) \$27,895,998
Net Taxable (Before Freeze)			(=)	\$189,534,250

Assessment Roll Grand Totals Report

Tax Year: 2016 As of: Certification

CMA - City Of Magnolia (Under ARB Review Totals)

Number of Properties: 33

Land Totals

Land - Homesite	(+)	\$682,375		
Land - Non Homesite	(+)	\$0		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$682,375	(+)	\$682,375

Improvement Totals

Improvements - Homesite	(+)	\$4,725,520		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$4,725,520	(+)	\$4,725,520

Other Totals

Personal Property (1)		\$3,178	(+)	\$3,178
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value			(=)	\$5,411,073
Total Homestead Cap Adjustment (11)				(-) \$297,685
Total Exempt Property (0)				(-) \$0

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$0		
Ag Use (0)	(-)	\$0		
Timber Use (0)	(-)	\$0		
Total Productivity Loss	(=)	\$0	(-)	\$0
Total Assessed			(=)	\$5,113,388

Exemptions (HS Assd 3,933,060)

(HS) Homestead Local (23)	(+)	\$115,000		
(HS) Homestead State (23)	(+)	\$0		
(O65) Over 65 Local (4)	(+)	\$100,000		
(O65) Over 65 State (4)	(+)	\$0		
Total Exemptions	(=)	\$215,000	(-)	\$215,000
Net Taxable (Before Freeze)			(=)	\$4,898,388

Assessment Roll Grand Totals Report

MCAD

Tax Year: 2015 As of: Supplement 12

CMA - City Of Magnolia (2016 WithHeld Accounts @ 2015 Values) (ARB Approved Totals)

Number of Properties: 32

Land Totals

Land - Homesite	(+)	\$540,155		
Land - Non Homesite	(+)	\$3,500		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$543,655	(+)	\$543,655

Improvement Totals

Improvements - Homesite	(+)	\$3,284,440		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$3,284,440	(+)	\$3,284,440

Other Totals

Personal Property (0)		\$0	(+)	\$0
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value			(=)	\$3,828,095
Total Homestead Cap Adjustment (11)				(-) \$384,595
Total Exempt Property (0)				(-) \$0

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$0		
Ag Use (0)	(-)	\$0		
Timber Use (0)	(-)	\$0		
Total Productivity Loss	(=)	\$0	(-)	\$0
Total Assessed			(=)	\$3,443,500

Exemptions

(HS Assd 2,830,500)

(HS) Homestead Local (19)	(+)	\$95,000		
(HS) Homestead State (19)	(+)	\$0		
(O65) Over 65 Local (4)	(+)	\$100,000		
(O65) Over 65 State (4)	(+)	\$0		
Total Exemptions	(=)	\$195,000	(-)	\$195,000
Net Taxable (Before Freeze)			(=)	\$3,248,500

Effective Tax Rate Report

TaxYear: 2016

Taxing Units: CMA - City Of Magnolia

MCAD

NEW EXEMPTIONS:

	COUNT	2015 ABSOLUTE EX VALUES	2016 PARTIAL EX VALUES
NEW EXEMPT PROPERTY	0	\$0	
NEW HS EXEMPTIONS	33		\$146,110
NEW PRO EXEMPTIONS	0		\$0
NEW OA EXEMPTIONS	6		\$40,930
NEW DP EXEMPTIONS	0		\$0
NEW DV1 EXEMPTIONS	0		\$0
NEW DV2 EXEMPTIONS	0		\$0
NEW DV3 EXEMPTIONS	0		\$0
NEW DV4 EXEMPTIONS	1		\$12,000
NEW DVX EXEMPTIONS	0		\$0
NEW HB366 EXEMPTIONS	0		\$0
NEW PC EXEMPTIONS	0		\$0

ABSOLUTE EX TOTAL		\$0
PARTIAL EX TOTAL	(+)	\$199,040
2015 TAXABLE VALUE LOST DUE TO PROPERTY BECOMING EXEMPT IN 2016	(=)	\$199,040

NEW ANNEXED PROPERTY:

	COUNT	APPRAISED VALUE	TAXABLE VALUE
NEWLY ANNEXED PROPERTY	1	\$335,000	\$335,000
IMPROVEMENT SEGMENTS	1	\$0	
LAND SEGMENTS	1	\$0	
MINERAL	0	\$0	
OTHER	0	\$0	
TAXABLE VALUE ON NEWLY ANNEXED PROPERTY:			\$335,000

Printed on 07/22/2016 at 6:12 PM

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Effective Tax Rate Report

TaxYear: 2016 Taxing Units: CMA - City Of Magnolia

MCAD

NEW AG APPLICATIONS:

NEW AG APPLICATIONS COUNT		0
2015 MARKET		\$0
2016 USE	(-)	\$0
VALUE LOST DUE TO AG APPLICATIONS:	(=)	\$0
		(\$0 Taxable)

NEW IMPROVEMENTS:

	COUNT	TOTAL APPRAISED VALUE ¹	NEW CURRENT TAXABLE ²
NEW IMPROVEMENTS	95	\$18,037,850	\$14,579,216
RESIDENTIAL	91	\$16,982,620	\$14,121,886
COMMERCIAL	4	\$1,055,230	\$457,330
OTHER	0	\$0	\$0
NEW ADDITIONS	1	\$132,000	\$11,780
RESIDENTIAL	1	\$132,000	\$11,780
COMMERCIAL	0	\$0	\$0
OTHER	0	\$0	\$0
PERCENT COMPLETION CHANGED	0	\$0	\$0
TOTAL NEW PERSONAL VALUE	0	\$0	\$0
SECTION 52 & 59	0	\$0	\$0
REDUCED/EXPIRING ABATEMENTS	0	\$0	\$0
TOTALS:		\$18,169,850	\$14,590,996

2016 Effective Tax Rate Worksheet

City of Magnolia

Date: 07/27/2016 03:15 PM

1. 2015 total taxable value. Enter the amount of 2015 taxable value on the 2015 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14). ¹	\$190,179,674
2. 2015 tax ceilings. Counties, cities and junior college districts. Enter 2015 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2015 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$0
3. Preliminary 2015 adjusted taxable value. Subtract Line 2 from Line 1.	\$190,179,674
4. 2015 total adopted tax rate.	\$0.4629/\$100
5. 2015 taxable value lost because court appeals of ARB decisions reduced 2015 appraised value. A. Original 2015 ARB Values.	\$0
B. 2015 values resulting from final court decisions.	\$0
C. 2015 value loss. Subtract B from A. ³	\$0
6. 2015 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$190,179,674
7. 2015 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2015. Enter the 2015 value of property in deannexed territory. ⁴	\$0
8. 2015 taxable value lost because property first qualified for an exemption in 2016. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost to freeport or goods-in-transit exemptions.	
A. Absolute exemptions. Use 2015 market value:	\$0
B. Partial exemptions. 2016 exemption amount or 2016 percentage exemption times 2015 value:	\$199,040
C. Value loss. Add A and B. ⁵	\$199,040
9. 2015 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2016. Use only properties that qualified in 2016 for the first time; do not use properties that qualified in 2015.	
A. 2015 market value:	\$0
B. 2016 productivity or special appraised value:	\$0

C. Value loss. Subtract B from A. ⁶	\$0
10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$199,040
11. 2015 adjusted taxable value. Subtract Line 10 from Line 6.	\$189,980,634
12. Adjusted 2015 taxes. Multiply Line 4 by Line 11 and divide by \$100.	\$879,420
13. Taxes refunded for years preceding tax year 2015. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2015. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2015. This line applies only to tax years preceding tax year 2015. ⁷	\$1,609
14. Taxes in tax increment financing (TIF) for tax year 2015. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2016 captured appraised value in Line 16D, enter 0. ⁸	\$0
15. Adjusted 2015 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14. ⁹	\$881,029
16. Total 2016 taxable value on the 2016 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled. ¹⁰ A. Certified values: B. Counties: Include railroad rolling stock values certified by the Comptroller's office: C. Pollution control exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control property: D. Tax increment financing: Deduct the 2016 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2016 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below. ¹¹ E. Total 2016 value. Add A and B, then subtract C and D.	\$189,534,250 \$0 \$0 \$0 \$189,534,250
17. Total value of properties under protest or not included on certified appraisal roll. ¹² A. 2016 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value. ¹³ B. 2016 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value. ¹⁴	\$3,248,500 \$0

C. Total value under protest or not certified: Add A and B.	\$3,248,500
18. 2016 tax ceilings. Counties, cities and junior colleges enter 2016 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2015 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁵	\$0
19. 2016 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$192,782,750
20. Total 2016 taxable value of properties in territory annexed after Jan. 1, 2015. Include both real and personal property. Enter the 2016 value of property in territory annexed. ¹⁶	\$335,000
21. Total 2016 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2015. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2015, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2016. ¹⁷	\$14,590,996
22. Total adjustments to the 2016 taxable value. Add Lines 20 and 21.	\$14,925,996
23. 2016 adjusted taxable value. Subtract Line 22 from Line 19.	\$177,856,754
24. 2016 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100. ¹⁸	\$0.4953/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2016 county effective tax rate. ¹⁹	

A county, city or hospital district that adopted the additional sales tax in November 2015 or in May 2016 must adjust its effective tax rate. The Additional Sales Tax Rate Worksheet sets out this adjustment. Do not forget to complete the Additional Sales Tax Rate Worksheet if the taxing unit adopted the additional sales tax on these dates.

¹Tex. Tax Code Section 26.012(14)

²Tex. Tax Code Section 26.012(14)

³Tex. Tax Code Section 26.012(13)

⁴Tex. Tax Code Section 26.012(15)

⁵Tex. Tax Code Section 26.012(15)

⁶Tex. Tax Code Section 26.012(15)

⁷Tex. Tax Code Section 26.012(13)

⁸Tex. Tax Code Section 26.03(c)

⁹Tex. Tax Code Section 26.012(13)

¹⁰Tex. Tax Code Section 26.012(15)

¹¹Tex. Tax Code Section 26.03(c)

¹²Tex. Tax Code Section 26.01(c)

¹³Tex. Tax Code Section 26.04 and 26.041

¹⁴Tex. Tax Code Section 26.04 and 26.041

¹⁵Tex. Tax Code Section 26.012(6)

¹⁶Tex. Tax Code Section 26.012(17)

¹⁷Tex. Tax Code Section 26.012(17)

¹⁸Tex. Tax Code Section 26.04(c)

¹⁹Tex. Tax Code Section 26.04(d)

2016 Rollback Tax Rate Worksheet

City of Magnolia

Date: 07/27/2016

26. 2015 maintenance and operations (M&O) tax rate.	\$0.1972/\$100
27. 2015 adjusted taxable value. Enter the amount from Line 11.	\$189,980,634
28. 2015 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$374,641
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2015. Enter amount from full year's sales tax revenue spent for M&O in 2015 fiscal year, if any. Other taxing units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	\$0
C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other taxing units enter 0.	\$0
D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in H below. The taxing unit receiving the function will add this amount in H below. Other taxing units enter 0.	\$0
E. Taxes refunded for years preceding tax year 2015: Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2015. This line applies only to tax years preceding tax year 2015.	\$843
F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	\$0
G. Taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2016 captured appraised value in Line 16D, enter 0.	\$0
H. Adjusted M&O Taxes. Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$375,484
29. 2016 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$177,856,754
30. 2016 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$0.2111/\$100
31. 2016 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$0.2279/\$100

32. Total 2016 debt to be paid with property taxes and additional sales tax revenue. "Debt" means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses.	
A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. List the debt in Schedule B: Debt Service.	\$866,466
B. Subtract unencumbered fund amount used to reduce total debt.	\$0
C. Subtract amount paid from other resources.	
D. Adjusted debt. Subtract B and C from A.	\$311,591
	\$554,875
33. Certified 2015 excess debt collections. Enter the amount certified by the collector.	\$0
34. Adjusted 2016 debt. Subtract Line 33 from Line 32D.	\$554,875
35. Certified 2016 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
36. 2016 debt adjusted for collections. Divide Line 34 by Line 35	\$554,875
37. 2016 total taxable value. Enter the amount on Line 19.	\$192,782,750
38. 2016 debt tax rate. Divide Line 36 by Line 37 and multiply by \$100.	\$0.2878/\$100
39. 2016 rollback tax rate. Add Lines 31 and 38.	\$0.5157/\$100
40. COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2016 county rollback tax rate.	

A taxing unit that adopted the additional sales tax must complete the lines for the Additional Sales Tax Rate. A taxing unit seeking additional rollback protection for pollution control expenses completes the Additional Rollback Protection for Pollution Control.

ORDINANCE NO. O-2016-026

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS, APPROVING AND ADOPTING THE BUDGET OF THE CITY OF MAGNOLIA, TEXAS FOR THE FISCAL YEAR 2016-2017; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH YEAR AS REFLECTED IN SAID BUDGET; AND MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, on the 28th day of July 2016, the Mayor filed with the City Secretary a proposed budget of expenditures for the City of Magnolia for the fiscal year 2016-2017, the same being the fiscal year of the City; and

WHEREAS, after notice required by law, a public hearing on such budget were held at the regular meeting place of the City Council on the 27th day of September 2016, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard and those who requested to be heard were heard;

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interests of the citizens and taxpayers of the City; and

WHEREAS, the City Council now desires to approve and adopt the same;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS:

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. The City Council hereby approves and adopts the general budget thereto described in the preamble of this Ordinance, a copy of which is attached hereto and made a part of this Ordinance for all purposes and which shall be filed with the City Secretary. The City Secretary is hereby directed to place on said budget an endorsement, which shall be signed by the City Secretary, which shall read as follows:

"The Original General Budget of the City of Magnolia, Texas, for the Fiscal Year 2016-2017"

Such budget, as thus endorsed, shall be kept on file in the office of the City Secretary as a public record. Further, it is directed that a true copy of the approved budget be filed in the office of the Montgomery County Clerk.

Section 3. In support of said budget and by virtue of the adoption thereof, including any and all changes adopted thereto, the several amounts specified for the various purposes named in said budget are hereby appropriated to and for such purposes.

Section 4. That City Council takes cognizance of the fact that in order to facilitate operations of the City and its various departments and activities and to make adjustments occasioned by events transpiring during the year, some transfer may be necessary to and from some accounts contained within the budget as originally adopted. Accordingly, should the City Administrator from time to time determine that transfers are necessary from unexpended funds, in one or more budget accounts to another budget account, and the same may be accomplished without creating a deficit in the requirements of any City Department or activity, he shall recommend such transfers to the City Council. Upon approval thereof by the City Council, an amendment sheet reflecting such transfer or transfers shall be attached to the budget as specifically adopted, whereupon the City Council shall treat such funds as if they had been thus budgeted in the first instance.

Section 5. That all ordinances of the City in conflict with the provisions of this Ordinance be, and the same are hereby repealed and all other Ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section 6. City Council expressly repeals all previous budget ordinances and appropriations if in conflict with the provisions of this Ordinance. If a court of competent jurisdiction declares any part, portion, or section of this Ordinance invalid, inoperative, or void for any reason, such decision, opinion, or judgment shall in no way affect the remaining portions, parts, or sections, or parts of a section of this Ordinance, which provisions shall be, remain, and continue to be in full force and effect.

Section 8. This ordinance shall take effect immediately after its passage.

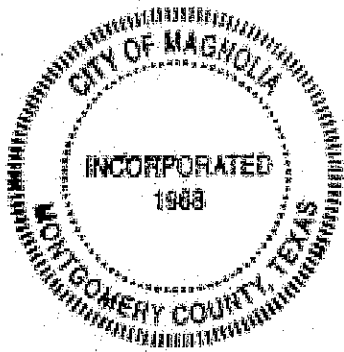
City Council Members Present Were:

	Aye	Nay	Absent
Mayor Todd Kana	_____	_____	_____
Council member Anne Sundquist Position 1	<u>X</u>	_____	_____
Council member John Bramlett Position 2	<u>X</u>	_____	_____
Council member Rick Carby Position 3	<u>X</u>	_____	_____
Council member Brenda Hoppe Position 4	<u>X</u>	_____	_____
Mayor Pro Tem Jonny Williams Position 5	<u>X</u>	_____	_____

Member(s) Present But Not Voting:

<u>MAYOR TODD KANA</u>	_____	_____	_____
_____	_____	_____	_____

DULY PASSED BY THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS on this the 27th day of September 2016.



THE CITY OF MAGNOLIA, TEXAS

By: Todd Kana
Todd Kana, Mayor

ATTEST:

Lynne George
Lynne George, TRMC, CPM, City Secretary

ORDINANCE NO. O-2016-027

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS, PROVIDING FOR THE ASSESSMENT, LEVY, AND COLLECTION OF AD VALOREM TAXES OF THE CITY OF MAGNOLIA, TEXAS, FOR THE YEAR 2016 AND FOR EACH YEAR THEREAFTER UNTIL OTHERWISE PROVIDED; PROVIDING THE DATE ON WHICH SUCH TAXES SHALL BE DUE AND PAYABLE; PROVIDING FOR PENALTY AND INTEREST ON ALL TAXES NOT TIMELY PAID; AND REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH.

* * * * *

WHEREAS, Section 26.05 of the Texas Property Tax Code provides that by September 30, or as soon thereafter as practicable, the governing body of each taxing unit shall adopt a tax rate for the current year; and

WHEREAS, such Section further provides that where the tax rate consists of two components (one which will impose the amount of taxes needed to pay the unit's debt service and the other which will impose the amount of taxes needed to fund maintenance and operations expenditures of the unit for the next year), each of such two components must be approved separately; and

WHEREAS, the proposed tax rate for the current tax year of the City of Magnolia, Texas, consists of two such components; a tax rate of **twenty eight and seventy eight hundredths cents (0.2878)** for debt service and a tax rate of **seventeen and fifty one hundredths cents (0.1751)** to fund maintenance and operations expenditures; and

WHEREAS, by separate motions heretofore adopted by the City Council of the City of Magnolia, Texas, at a meeting of said City Council held on this 28th day of September 2016, said City Council has set separately the tax rate heretofore specified for each of said components; and

WHEREAS, having thus separately approved the tax rate for each of such components, it is necessary and appropriate for the City Council to now formally pass, approve, and adopt a 2016 tax rate ordinance for the City of Magnolia; and

WHEREAS, all notices and hearings required by law as a prerequisite to the passage, approval and adoption of said tax rate ordinance have been timely and properly given and held;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS:

Section 1. The facts and matters set forth in the preamble of this Ordinance are found to be true and correct and hereby adopted, ratified and confirmed.

Section 2. All property subject to ad valorem taxation by the City of Magnolia, Texas, shall be equally and uniformly assessed for such purposes at One Hundred Percent (100%) of the fair market value of such property.

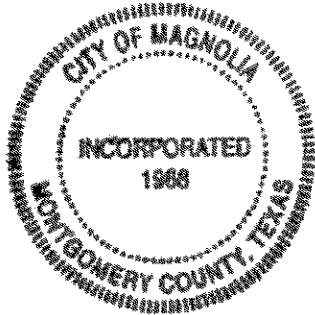
Section 3. There is hereby levied for general purposes and use by the City of Magnolia, Texas, for the year 2016, and for each year thereafter until otherwise provided, and ad valorem tax at the rate of **seventeen and fifty one hundredths cents (0.1751)** on each One Hundred Dollars (\$100.00) of assessed valuation on all property, real, personal, and mixed, within the corporate city limits upon which and ad valorem tax is authorized by law to be levied by the City of Magnolia, Texas. The proceeds from such tax shall be applied to the payment of the general and current expenses of the government of the City. All such taxes shall be assessed and collected in current money of the United States of America.

Section 4. For the purpose of paying the interest on bonds, warrants, certificates of obligation, or other lawfully authorized evidence of indebtedness issued by the City of Magnolia, Texas, including the various installments of principal due on the serial bonds, warrants, certificates of obligation, or other lawfully authorized evidence of indebtedness issued by the City as such installments shall respectively mature, and for the purpose of repaying any sums borrowed in anticipation of current revenues for use in the payment of bonds and certificates of obligation and interest thereon maturing in the fiscal year 2016-2017, and for the purpose of paying interest and making provisions for the sinking fund on such other bond issues, warrants, certificates of obligation, or other lawfully authorized evidence of indebtedness as may be authorized, there is hereby levied for the year 2016 and for each year thereafter until otherwise provided, to be assessed and collected upon all property described in Section 3 of this Ordinance, an annual ad valorem tax at the rate of **twenty eight and seventy eight hundredths cents (0.2878)** on each One Hundred Dollars (\$100.00) of assessed valuation.

Section 5. All ad valorem taxes levied hereby, in the total amount of **forty six and twenty nine hundredths cents (0.4629)** on each One Hundred Dollars (\$100.00) of assessed valuation, as reflected by Section 3 and 4 hereof, shall be due and payable on or before January 31, 2017. All ad valorem taxes due the City of Magnolia, Texas, and not paid on or before January 31, 2017 following the year for which they were levied shall bear penalty and interest as prescribed in the Property Tax Code of the State of Texas.

Section 6. All ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, are hereby repealed.

PASSED AND APPROVED this 28th day of September 2016.



THE CITY OF MAGNOLIA, TEXAS

By: Todd Kana
Todd Kana, Mayor

ATTEST:

Lynne George
Lynne George, TRMC, CPM, City Secretary

City of Magnolia

Budgeting Process

The City of Magnolia's fiscal year runs from October 1 through September 30. The Mayor is responsible for producing the City's annual budget. The Finance Department monitors it throughout the year.

The annual process begins in early spring with a request for Council's budgetary goals. Department directors and supervisors present their requests for capital improvement/replacement items and any changes in employees, based on programs and priorities that Council has discussed or committed to in the past. The Mayor, City Administrator and Finance Department then compile a recommended budget based on projected revenues and expenditure trends from previous years. The first draft of the proposed budget is presented to Council in July, and at least one workshop is held which is open to the public. After hearing input from the public and the staff, Council has the chance to revise the budget to conform to its objectives.

Council proposes the property tax rate in early August. An additional workshop may be held then, too. Public hearings regarding the tax rate and proposed budget are held in August or September, and the final tax rate and budget are legally enacted through passage of an ordinance by the end of September.

The newly adopted budget takes effect on October 1. After that, the Mayor is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Copies of the budget are available for review online or in the office of the City Secretary.

City of Magnolia

Financial Policies:

The City of Magnolia has a responsibility to its citizens to carefully account for public funds, to manage finances wisely, and to plan for the provision of services desired by the public. The City does not currently have formal financial policies in place; however, the following practices are used:

Accounting

The City maintains a high standard of internal controls and accounting practices. The accounting system maintains records on a basis consistent with accepted standards for local government accounting.

Annual Reporting

In accordance with Charter requirements, the City contracts for an annual audit by a qualified independent certified public accountant. The City uses generally accepted accounting principles in preparing its annual financial statements and strives to meet the requirements of the GFOA's Award for Excellence in Financial Reporting program. The City issues audited financial statements within 180 days after year end.

Interim Reporting

The City prepares and issues timely interim reports comparing actual revenues and expenditures to budgeted amounts. This includes online access to the City's financial management system by City staff, monthly reports to Council and staff and interim annual reports.

Budgeting

The City complies with all Federal, State or local legal requirements pertaining to the operating budget, including the adoption of a balanced budget. The budget is developed using a "budgeting by priorities" process. Essential services receive first priority for funding. The City attempts to maintain current service levels for all essential services. The budget is aligned with citizen priorities and getting the best value for each tax dollar.

Revenues

The City strives to maintain as diversified and stable a revenue system as permitted by state law to shelter it from short-run fluctuations in any one revenue source. Because revenues, especially those of the General Fund, are sensitive to both local and regional economic activities, revenue estimates provided to the City Council are conservative. The City estimates its annual revenues by an objective, analytical process using best practices as defined by the Government Finance Officers Association. The City establishes all user charges at a level that fully supports the total direct and indirect costs of providing the service and within policy parameters established by the City Council and reviews those fees to adjust for the effects of inflation and other factors as appropriate.

Capital Equipment

The City maintains all its assets at a level such that it protects the City's capital investment and minimizes future maintenance and replacement costs. The City determines the least costly financing method for all new projects.

City of Magnolia

Long-Term Debt

The City utilizes long-term borrowing for capital improvements that cannot reasonably be financed on a pay-as-you-go basis from anticipated cash flows. Acceptable uses of bond proceeds are items which can be capitalized and depreciated. Refunding bond issues designed to restructure currently outstanding debt is also an acceptable use of bond proceeds. Bond reserves are created and maintained in accordance with the provisions set forth in the individual bond covenants. The City maintains good communications with bond rating agencies about its financial condition.

City of Magnolia

Comprehensive Plan

In April 2013, the City of Magnolia adopted the first of its kind Comprehensive Plan. At the top of its priority list are infrastructure improvements, transportation and connectivity. With a new town center outlined in the comprehensive plan, growth within the City is certain.

Kendig Keast Collaborative, an urban planning firm in Sugarland, has been working with the City and its comprehensive plan. Capturing more than five miles in the City's extraterritorial jurisdiction ("ETJ") was just one parallel goal of the plan. Other accomplishments include utility upgrades and a Unified Code of Ordinances.

In 2015 the City of Magnolia adopted a Unified Development Code and Zoning following two years of implementation of its Comprehensive Plan. During this time, the City widely expanded its extraterritorial jurisdiction ("ETJ"), pushing the city limits to the FM 149 spur at FM 1488. With these accomplishments, the City is clearly focused on the future and prepared with a plan.

With the area's expected growth, infrastructure and transportation improvements are musts. But just as important is meeting the needs of entrepreneurs, start-ups and developers interested in becoming part of the progress and excitement that is Magnolia.

Strategic Recommendations

- Quality Appearance and Function
- Preservation of Community Character
- Destination for Housing, Entertainment, and Jobs

For full details of the City of Magnolia's Comprehensive Plan, please visit the City's website. By reviewing it, you will see the intent and vision of city leaders who listened to the community.

Glossary

Accrual Basis – The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows

Ad Valorem – Latin for “value of”. Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property

Annual Budget – A budget applicable to a single fiscal year

Balanced Budget – A budget in which the total of estimated revenues, income, and funds available is equal to or in excess of appropriations

Capital Outlays – Expenditures which result in the acquisition of or addition to fixed assets

Comprehensive Annual Financial Report (CAFR) – The published results of the City’s annual audit

Debt Service – The annual amount of money necessary to pay the interest and principal (or sinking fund contribution) on outstanding debt

Debt Service Fund – A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest

Department – Separate branch of operation in the organization structure

Enterprise Fund – A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of Enterprise Funds are those for water, gas, and electric utilities; swimming pools; airports; parking garages; and transit systems

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The City of Magnolia’s fiscal year begins each October 1st and ends the following September 30th

Fund – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations

Fund Balance – The fund equity of governmental funds and Trust Funds. The difference between governmental fund assets and liabilities; also referred to as fund equity

General Fund – The fund used to account for all financial resources except those required to be accounted for in another fund

Glossary (cont.)

Generally Accepted Account Principles (GAAP) – Uniform minimum standards of and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is NCGA Statement 1. The objectives of governmental GAAP financial reports are different from and much broader than the objectives of business enterprise GAAP financial reports.

Governmental Accounting Standards Board (GASB) – The authoritative accounting and financial reporting standard-setting body of governmental agencies

Long-Term Debt – Obligation of the City with a remaining maturity term of more than one (1) year

Operating Budget – Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law.

Special Revenue Fund – A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes

Tax Rate – The amount of tax stated in terms of a unit of the tax base; for example, 25 cents per \$100 of assessed valuation of taxable property