



ANNUAL OPERATING BUDGET

**OCTOBER 1, 2014
TO
SEPTEMBER 30, 2015**

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 \$71,772 which is a 10.5% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$38,507.

A record vote was conducted of the City Council on August 29, 2014 for approval of an ordinance adopting the City of Magnolia 2014-2015 Fiscal Year Annual Budget as follows:

City Council	Aye	Nay	Absent
Anne Sundquist, Position 1			X
Jeff Chumley, Position 2	X		
Rick Carby, Mayor Pro Tem, Position 3	X		
Brenda Hoppe, Position 4	X		
Jonny Williams, 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	2014	2013
Fiscal Year	2014-2015	2013-2014
Proposed Rate	\$ 0.4629	\$ 0.4786
Total Adopted Rate	\$ 0.4629	\$ 0.4786
Adopted Operating Rate	\$ 0.2426	\$ 0.2426
Adopted Debt Rate	\$ 0.2203	\$ 0.2360
Effective Tax Rate	\$ 0.4427	\$ 0.4369
Effective Operating Rate (M&O)	\$ 0.2224	\$ 0.3066
Maximum Operating Rate (M&O)	\$ 0.2426	\$ 0.3311
Debt Rate (I&S)	\$ 0.2203	\$ 0.2360
Rollback Rate	\$ 0.4629	\$ 0.5671

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	\$ 7,972,350	\$ 402,900
Self-Supporting	\$ 5,762,347	\$ 548,975
Total Debt	\$13,734,697	\$ 951,875

MAGNOLIA CITY COUNCIL



Todd Kana
Mayor

Elected May 2010
Serving 3rd term
tkana@cityofmagnolia.com



Anne Sundquist
Position 1

Elected May _____
asundquist@cityofmagnolia.com



Jeff Chumley
Position 2

Elected May _____
jchumley@cityofmagnolia.com



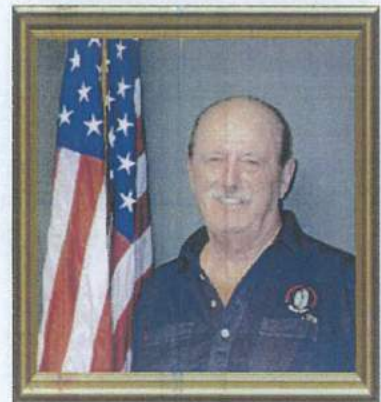
Rick Carby
Mayor Pro Tem

Elected May _____
rcarby@cityofmagnolia.com



Brenda Hoppe
Position 4

Elected May 2014
bhoppe@cityofmagnolia.com



Jonny Williams
Position 5

Elected May 2014
jwilliams@cityofmagnolia.com



Welcome!

This City of Magnolia, Texas annual budget is for the fiscal year beginning October 1, 2014 and ending September 30, 2015. 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 2014-2015 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 2014 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 2013 actual. The ending balance of the actual year becomes the beginning balance of the projected current fiscal year, FY2014. 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 2015 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.

**CITY OF MAGNOLIA
APPROVED BUDGET
FISCAL YEAR 2014-2015**

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INTRODUCTION



A Message from Mayor Kana

August 29, 2014

To Our Magnolia Residents:

I take great pride in presenting the attached City's operational budget for fiscal year 2015. I bring to your attention some of our accomplishments incorporated in the budget for the coming year.

2014 has proven to be a positive year financially for the City. Revenues were modestly improved and our departments have continued to be frugal in their spending. As a result, we expect to see an increase in our general fund balance based on our projections. It is too early to give an exact number at this time; however, the auditors are working diligently on the year-end reports.

Magnolia's local economy has improved. In spite of the near stagnant economy in parts of the country, our revenues have improved and are expected to continue to do so in the coming year. Where housing starts have remained slow, we have experienced growth in our community, and in the Magnolia Ridge area, we have added approximately 100 new homes. There are several other developers who are poised to start building on Nichols Sawmill Road and in Windmill Estates. On the retail side of our community, Tractor Supply has opened and is doing well, and other new businesses are scheduled to start construction in 2015.

The main street project is projected to be completed by the first of the year. This will give downtown Magnolia a whole new look with two traffic lanes in each direction and a turn lane. On the east side of town, TxDot has started the FM 149 /Railroad overpass. The SH 249 Aggie Expressway is under construction south of Tomball, and is scheduled to start in Montgomery County in 2015. SH 249 will run from Beltway 8 north to Hwy 105 and on to Hwy 6 and Navasota to College Station.

The City of Magnolia continues to refine and implement a Strategic Plan with the annexation out to Spur149 with the inclusion of another 253 acres into the city limits, and a strategic development agreement with Magnolia 1138 LLC. The City of Magnolia has made a strong showing in financial management and received an (A+) Rating from STANDARD AND POORS, and we signed a new contract that has reduced the city's electric bill by approximately 75% in the last 4 years. Your Council carefully refinanced the City Bond Debt which will save the tax payers over a Million Dollars in interest over the life of the bond. In addition, we have included a 3% cost of living adjustment ("COLA") for most employees which will marginally help our employees with the increased cost of living.

I am pleased with the financial condition of the City and I attribute the conditions to the actions of a strong City Council, good leadership and a truly dedicated City staff. The balanced budget does not require any additional taxes and, in fact, we have reduced the tax rate by 3.3% this year. This makes the 5th year running without a tax increase, while still maintaining the high service level that our citizens enjoy. Our employees are truly committed to public service and we, as elected officials, can be truly proud of their performance.

Mayor Todd Kana

Fast Facts

Magnolia, Texas is one of the fastest growing communities in the nation. Located in southwest Montgomery County, the City is poised for even more expansion with the arrival of the SH 249 Toll Way and major corporations such as ExxonMobil moving into the area. Having earned the name, Community of Unity, due to its community spirit during the 2011 Tri-County wildfires, Magnolia is truly a place to call home or grow your business.

Demographics:

Population/Income -

2010 Census Population – 1,393 inside city limits

2018 Population Projection – 1,693 inside city limits

Median age: 37.7

Average household size: 2.63

Median household income: \$82,000

Population in greater Magnolia area: 138,000

City Size & Taxes -

City size in square miles: approx. 3 square miles

Property tax rate for FY 2014: \$0.4786 per \$100 valuation

Property tax rate for FY 2015: \$0.4629 per \$100 valuation

Sales tax collected for FY 2014: approximately \$2.25 mil

Education/Labor Force –

Bachelor's Degree or higher 17.6%

High school diploma or higher 83.6%

White collar workers 61%

Blue collar workers 38%

Number of universities within an hour's drive – 4

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

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. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two fund categories: 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 accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

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 general long-term debt.

Capital Projects Funds – The Capital Projects Funds are used to account for expenditures or resources accumulated from road projects grants to construct or acquire capital facilities and improvements.

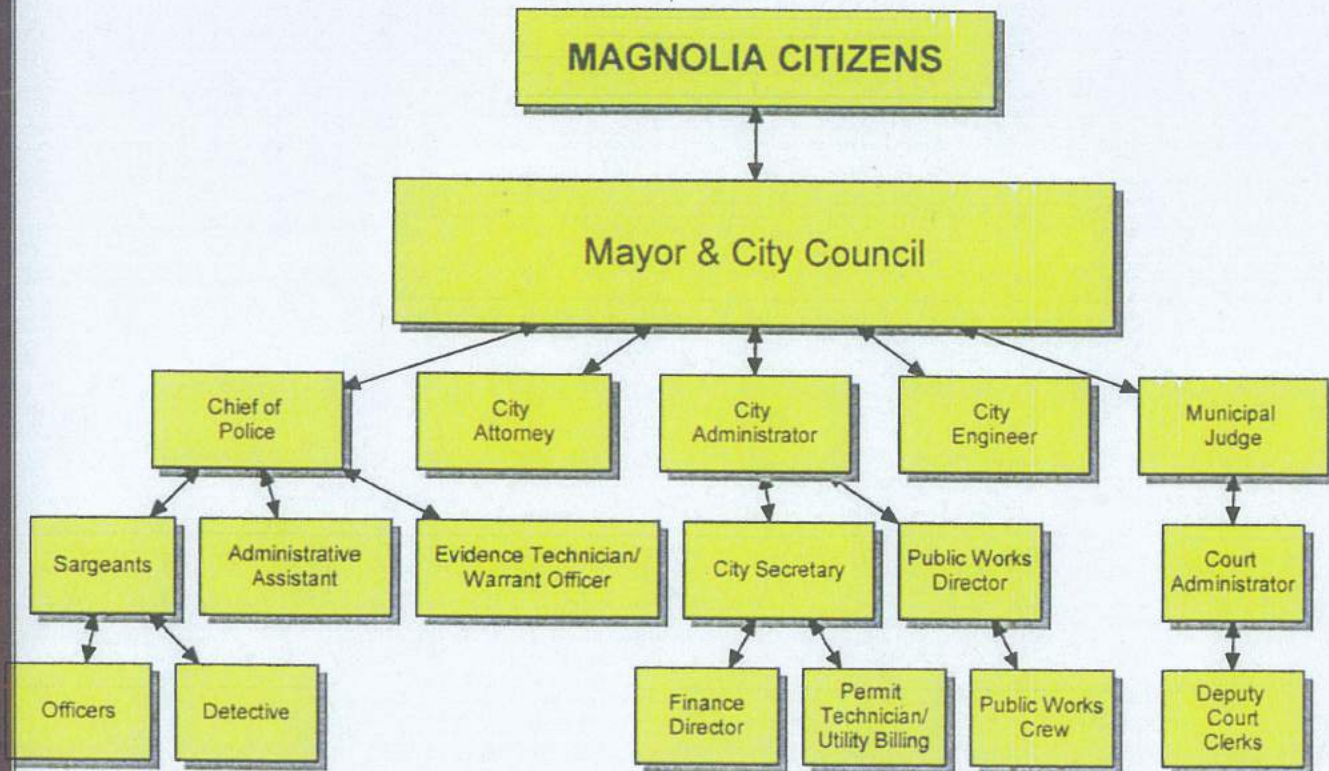
Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted or designated for specified activities. The City has two such major funds – the HB445 fund and the Red Light Camera fund. The HB455 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 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.

City of Magnolia

Organizational Chart



City of Magnolia

Staffing:

Please see the chart of staffing positions on the following page. It reflects a total of 31.5 paid positions for FY 2014-15 and 6 mayor/council positions. This is an increase of .5 FTE in Finance for a part-time clerk and 1.0 FTE in the Police Department for an additional clerical position. Additionally, half of the mechanic position was allocated from Public Works to the Water Department.

City of Magnolia

Authorized Positions by Department

		Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
CITY COUNCIL	Mayor and Council	6	6	6	6
	Total	6	6	6	6
ADMINISTRATION	City Manager/Administrator	1	1	1	1
	Executive Assistant	0	0	1	1
	Code Enforcement Officer	0	1	0	0
	Total	1	2	2	2
POLICE	Chief of Police	1	1	1	1
	Sergeant	2	2	3	3
	Detective	1	1	1	1
	Patrol Officers	5	5	6	6
	Reserve Officers	9	9	9	9
	Administrative Asst/Dispatch	1	1	1	2
	Code Compliance Officer	1	0	0	0
	Executive Officer	0	0	1	1
	Evidence Clerk	1	1	0	0
	Total	21	20	22	23
PUBLIC WORKS	Maintenance Worker	2	2	2	2
	Mechanic	1	1	1	0.5
	Total	3	3	3	2.5
MUNICIPAL COURT	Judge	1	1	1	1
	Associate Judge	1	1	1	1
	Municipal Court Administrator	1	1	0	1
	Municipal Court Clerk	1	1	2	1
	Total	4	4	4	4
FINANCE	Finance Clerk	1	1	1	1.5
	Total	1	1	1	1.5
CITY SECRETARY	City Secretary	1	1	1	1
	Total	1	1	1	1
WATER	Utility Maintenance Worker	0.5	0.5	0.5	1
	Water Plant Operator	1	1	1	1
	Permit Technician	0.67	0.67	0.67	0.67
	Total	2.17	2.17	2.17	2.67
SEWER	Sewer Operator	0.5	0.5	0.5	0.5
	Permit Technician	0.33	0.33	0.33	0.33
	Total	0.83	0.83	0.83	0.83
Grand Total		34	34	36	37.5

City of Magnolia

2015 Approved Budget Major Items

Overall

Increased certification pay	15,000
3% pay increase	35,338

City Hall/Admin

Community Activities (Fireworks for July 4th)	10,000
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Police Dept

New position - secretary salary/benefits	40,200
Officer Safety Equipment Assistance Program (Payroll deduction w/ matching revenue)	8,250

City Council

Insurance (Med, Dental, Vision)	58,403
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Water

Automatic water meters (1st of 5 years)	50,000
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Court Security Fund

Build out front portion of clerks' windows to include 2 full work stations with desks, louder window speakers and bullet-proof glass	20,000
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City of Magnolia

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance											
				Hotel		Court	Court	In-Kind		Capital	Total of
Approved Budget 2014-2015	General	HB 445	Red Light	Occupancy	Debt Svc	Security	Tech	Franchise	Scofflaw	Projects	Governmental
	Fund	Fund	Camera Fund	Tax	Funds	Fund	Fund	Fees Fund	Fund	Funds	Funds*
REVENUES:											
Property Taxes	394,849				358,551						753,400
Sales Taxes	1,150,000	287,500									1,437,500
Other Taxes	9,000										9,000
Franchise Fees	200,000										200,000
Licenses & Permits	250,000										250,000
Fines & Forfeitures	540,750		190,000			7,000	10,000				747,750
Hotel Occupancy Tax				45,000							45,000
Interest Income	-	700	200		100						1,000
Water User Fees											-
Sewer User Fees											-
Impact Fees											-
Other Revenue	14,550						6,000				20,550
Miscellaneous	7,000										7,000
Total Revenues	2,566,149	288,200	190,200	45,000	358,651	7,000	16,000	-	-	-	3,471,200
TRANSFERS:											
Intra-Fund Transfer (06)4B	41,700										41,700
Intra-Fund Transfer (07)4A	20,000										20,000
Intra-Fund Trfr (10)Red Lt Camera(TC)	86,251										86,251
Intra-Fund Trfr (02)Water Dept Fund					210,500						210,500
Intra-Fund Trfr (28)2014 GO Bonds											-
Total Intra-Fund Transfers	147,951	-	-	-	210,500	-	-	-	-	-	358,451
Total Revenues/Trfrs	2,714,101	288,200	190,200	45,000	569,151	7,000	16,000	-	-	-	3,829,652
EXPENDITURES:											
Personnel Services	1,563,019										1,563,019
Contractual Expenses	595,019		60,843			2,763	12,600				671,225
Miscellaneous Expenses	427,550		85,500		500	6,000	5,320				524,870
Capital Expenses/Road Repair	11,000	287,500				20,000					318,500
Tourism				45,000							45,000
Bond/Loan Principal Payments					220,000						220,000
Bond/Loan Interest Payments					182,900						182,900
Intra-Fund Trfrs Out			86,251		165,651						251,902
Total Expenditures/Trfrs	2,596,587	287,500	232,595	45,000	569,051	28,763	17,920	-	-	-	3,777,416
Total Revenue Over/(Under) Expenditures	117,513	700	(42,395)	-	100	(21,763)	(1,920)	-	-	-	52,236
Projected Beginning Fund Balance	247,483	1,025,825	139,462	63,118	397,521	66,514	3,406	5,618	125	(58,042)	1,891,030
Projected Ending Fund Balance	364,996	1,026,525	97,067	63,118	397,621	44,751	1,486	5,618	125	(58,042)	1,943,267
*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.

Financial Performance for FY 2014

Ending Fund Balance in the General Fund for FY 2014 is projected to be \$247,483. This is \$112,859 or 83.8% more than budgeted. Revenues (including intra-fund transfers) for the current fiscal year, budgeted at \$2,448,975, are expected to come in approximately 9.3% or \$227,358 more than budgeted. This is primarily due to increases in sales tax, license and permit fees, and franchise tax revenue which offset the decrease in intra-fund transfers.

Operating expenditures for FY 2014 are projected to come in approximately \$57,102 or 2.3% under budget. Increases in Administration, Public Works and Finance were more than offset by decreases in Court, Facilities, Parks and Police Department expenses.

2014/2015 Budget

Revenues

Revenues are budgeted at \$2,717,984 which is \$269,009 or almost 11% more than last year. This increase is primarily due to sales tax, license and permit fees and franchise tax revenue increases. These increases reflect an improved economy. Consumer spending is on the rise, and new retail is expected to further enhance sales tax collections. Home sales are also on the upswing, resulting in more building permit fees.

Expenditures

The budget for operating expenditures for FY 2015 is \$2,608,444 or 6.7% more than the adopted budget for FY 2014. Included in the budget are 3% salary adjustments for all employees, along with approximately \$15,000 for the implementation of a new policy of employee certification pay. Health insurance costs increased substantially due to a rate increase and also an increase in the number of employees and council members being covered. Contractual expenses increased over the prior year budget by 25.8%, largely due to increases in building inspector fees.

City of Magnolia

SUMMARY-Approved Budget 2014-2015

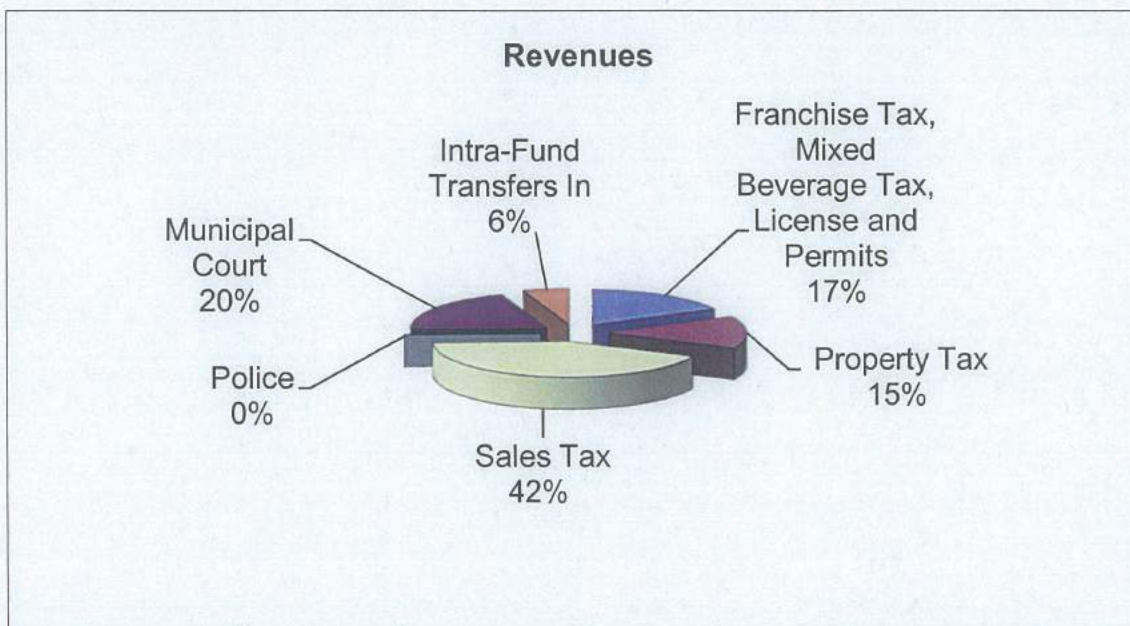
GENERAL FUND

REVENUE SUMMARY	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	-/+ % Change
City Hall / Administration	\$1,579,650	\$1,667,650	\$2,017,149	20.96%
Police Department	\$0	\$0	\$8,250	N/A
Municipal Court	\$416,660	\$516,660	\$540,750	4.66%
Intra-Fund Transfers In	\$248,434	\$264,665	\$147,951	-44.10%
TOTAL REVENUE	\$2,244,744	\$2,448,975	\$2,714,101	10.83%
EXPENDITURE SUMMARY				
City Hall / Administration	\$443,000	\$537,665	\$620,003	15.31%
Police Department	\$924,062	\$961,734	\$1,096,810	14.05%
Public Works	\$190,235	\$208,387	\$172,766	-17.09%
Municipal Court	\$333,894	\$425,447	\$366,319	-13.90%
Finance	\$64,284	\$67,746	\$89,710	32.42%
City Secretary	\$79,745	\$86,356	\$94,908	9.90%
Facilities	\$77,100	\$92,500	\$78,670	-14.95%
City Council	\$28,618	\$37,986	\$64,403	69.54%
Parks	\$84,698	\$26,500	\$13,000	-50.94%
TOTAL EXPENDITURES	\$2,225,636	\$2,444,321	\$2,596,587	6.23%
REVENUE OVER (UNDER) EXPENDITURES	\$19,107	\$4,654	\$117,513	2424.85%
PROJECTED BEGINNING FUND BALANCE			\$247,483	
PROJECTED ENDING FUND BALANCE			\$364,996	

City of Magnolia

Revenue Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
General Fund				
Franchise, Beverage, Permits	\$363,950	\$208,650	\$247,650	\$472,300
Property Tax	\$347,636	\$379,000	\$420,000	\$394,849
Sales Tax	\$900,000	\$992,000	\$1,000,000	\$1,150,000
Police	\$0	\$0	\$0	\$8,250
Municipal Court	\$416,617	\$416,660	\$516,660	\$540,750
Intra-Fund Transfers In	\$120,140	\$248,434	\$264,665	\$147,951
Total	\$2,148,343	\$2,244,744	\$2,448,975	\$2,714,101



City of Magnolia

General Fund - 01

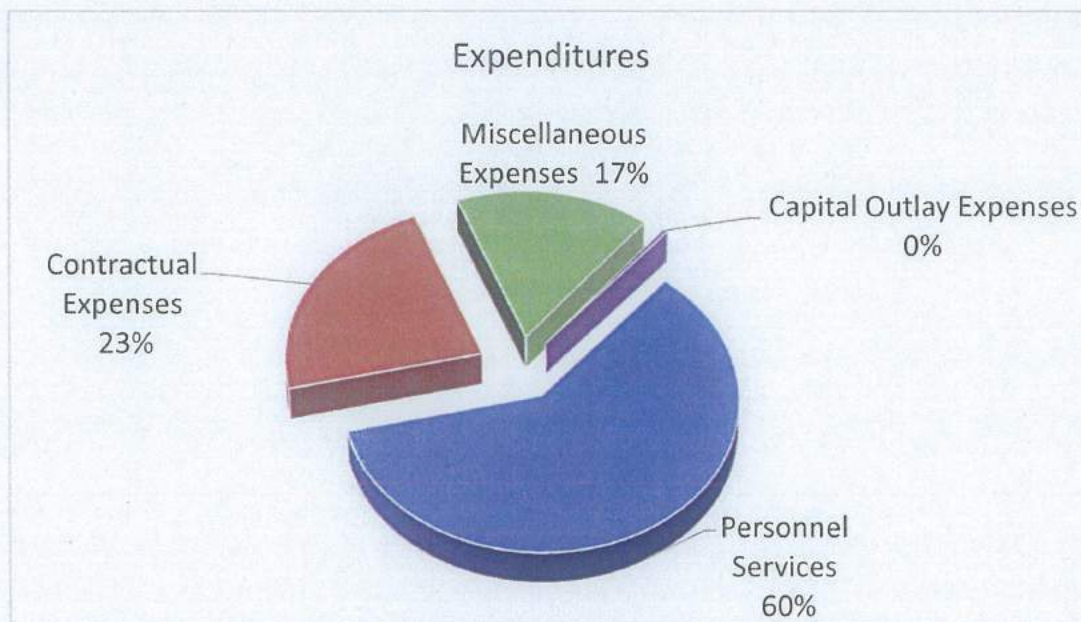
Approved Budget

	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Revenues					
General and Administrative					
40104 Liquor License Fee	0	3,360	4,000	1,710	2,500
40105 Ad Valorem Tax Revenue	379,000	312,113	420,000	400,000	394,849
40107 Mix Beverage Tax Revenue	9,000	8,473	9,000	10,713	9,000
40110 Wrecker Permit Fees	200	1,436	200	975	1,000
40115 Misc. Tax/J. R. Moore	0	70	0	83	0
40116 Sales Tax Revenue	992,000	1,010,198	1,000,000	1,120,086	1,150,000
40117 Misc. Income	7,000	2,550	7,000	10,526	7,000
40118 License and Permits	40,000	130,595	75,000	238,428	240,000
40119 Sign Permit Revenue	800	1,385	800	6,889	6,500
40120 Franchise Tax Revenue	150,000	182,405	150,000	209,631	200,000
40122 Interest Income/Gen Fund	0	0	0	3	0
40127 Rendition Penalty/Montgomery Co.	150	109	150	750	300
40128 Vehicle & Equip. Sales	0	0	0	12,256	6,000
40133 Plat Fee Revenue	500	63	500	251	0
40134 A/R-Engineering Fees Collected	1,000	1,210	1,000	0	0
Total General and Administrative	1,579,650	1,653,967	1,667,650	2,012,299	2,017,149
Police					
40203 Police Department Donations	0	325	0	(250)	0
NEW Officer Safety Equipment Program Revenue					8,250
40220 Police Revenue-Asset Forfeitures	0	2,769	0	0	0
40223 Police-Seizure Revenue	0	0	0	0	0
40224 Police-Asset Forfeiture	0	0	0	(3,640)	0
Total Police	0	3,094	0	(3,890)	8,250
Courts					
40401 Summoning Jury Fee	0	5	0	0	0
40402 Indigent Defense Fee	3,000	6,305	3,000	5,125	3,000
40403 Judicial Fee / City	1,200	1,921	1,200	1,554	1,200
40404 Judicial Fee / County	10,000	17,169	10,000	13,929	10,000
40405 State Jury Fee	8,000	12,811	8,000	10,359	8,000
40407 OMNI Revenue	5,000	5,665	5,000	11,787	5,000
40409 Warrant Fee Revenue	38,000	39,294	38,000	30,112	38,000
40410 Traffic Fine Revenue	300,000	436,845	400,000	380,579	400,000
40411 OverPay Refunds (Court Fines)	275	(147)	275	842	1,200
40413 Bond Escrow/Bond Refund	10,000	41,969	10,000	35,420	30,000
40414 C.O.L.A.G.Y.	32,000	30,049	32,000	28,921	32,000
40416 Child Safety Seat Fee	5	110	5	1,962	200
40417 Civil Justice Fee	180	355	180	141	150
40418 Arrest Fee	9,000	14,435	9,000	11,259	9,000
40419 Jury Fee	0	3	0	0	0
40421 Trial Conviction Fee	0	79	0	0	0
40423 Bond		0		126	2,000
40424 Truancy Prevention Fund	0	0	0	2,251	1,000
Total Courts	416,660	606,868	516,660	534,365	540,750
Intra-Fund Transfers IN					
49906 Intra-Fund Transfer (06)4B	102,708	47,752	41,700	40,000	41,700
49907 Intra-Fund Transfer (07)4A	48,500	19,818	41,700	19,858	20,000
49910 Intra-Fund Trfr (10)Red Lt Camera(1	97,226	67,359	181,265	73,701	86,251
Total Intra-Fund Transfers	248,434	134,930	264,665	133,559	147,951
Total Revenue	2,244,744	2,398,858	2,448,975	2,676,333	2,714,101

City of Magnolia

Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
General Fund				
Personnel Services	\$1,250,076	\$1,509,786	\$1,505,027	\$1,563,019
Contractual Expenses	\$405,550	\$365,800	\$473,000	\$595,019
Miscellaneous Expenses	\$298,672	\$326,350	\$444,100	\$427,550
Capital Outlay Expenses	\$28,800	\$23,700	\$22,194	\$11,000
Total	\$1,983,098	\$2,225,636	\$2,444,321	\$2,596,587



CITY COUNCIL

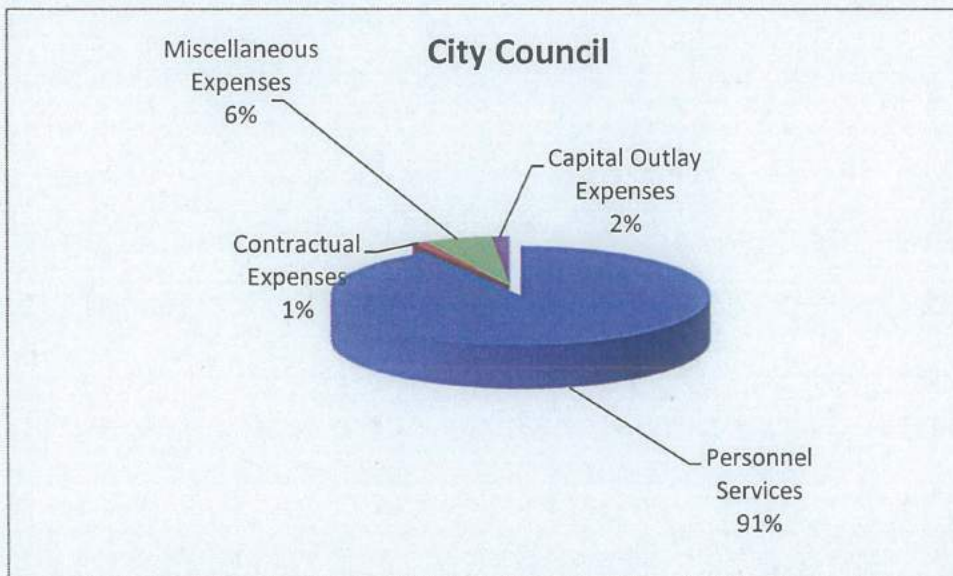


City of Magnolia

City Council Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$7,397	\$20,818	\$32,786	\$58,903
Contractual Expenses	\$0	\$1,000	\$1,000	\$800
Miscellaneous Expenses	\$2,400	\$3,800	\$3,200	\$3,700
Capital Outlay Expenses	\$0	\$3,000	\$1,000	\$1,000
Total	\$9,797	\$28,618	\$37,986	\$64,403

Staffing	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Mayor and Council	6	6	6	6
Total	6	6	6	6



City of Magnolia

City Council	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Personnel Services</u>					
510526 Insurance(Med,Dental,Vision)	20,318	22,008	32,286	34,150	58,403
510543 Education, Travel, & Certification	500	0	500	0	500
Total Personnel Services	20,818	22,008	32,786	34,150	58,903
<u>Contractual Expenses</u>					
510642 Dues & Memberships	1,000	415	1,000	331	800
Total Contractual Expenses	1,000	415	1,000	331	800
<u>Miscellaneous Expenses</u>					
510766 Office Supplies	700	175	700	569	700
510775 Ref. Books, Reports, Subscriptions	100	0	0	0	0
510879 Elected Officials-Errors/Omissions Ins.	3,000	1,994	2,500	2,543	3,000
Total Miscellaneous Expenses	3,800	2,170	3,200	3,112	3,700
<u>Capital Expenses</u>					
510920 Computers & Equipment	3,000	0	1,000	0	1,000
Total Capital Expenses	3,000	0	1,000	0	1,000
Total City Council Expenditures	28,618	24,593	37,986	37,593	64,403

City of Magnolia

City Council

Account	Account Name	Current Budget	Description	
510526	Employee Insurance	58,403	Medical, dental, vision	
510543	Education, Travel, Certifications	500	Training, travel & certifications	
510642	Dues & Memberships	800	HGAC	200
			Chamber of Commerce	0
			Misc.	600
510766	Office Supplies	700	Business cards, name plates, etc.	
510879	Elected Officials-Errors & Omissions Ins.	3,000		
510920	Computers & Equipment	1,000		
		64,403		

ADMINISTRATION



Administration Department

Department Mission

To 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. 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 2013-2014

- Completed annexation all the way to FM 149 Spur and increased the size of the City by 253 acres
- Entered into a strategic development agreement to provide utility service to Magnolia 1138 LLC
- Oversaw preparation of FY 2014-15 Annual Budget
- Continued the improvement of City's reserve funds
- Prepared the State of the City presentation for the Mayor

Objectives for FY 2014-2015

- Continue to maintain fiscal integrity of City finances
- Maintain customer-friendly attitudes by all employees
- Review department staffing and procedures to improve efficiency
- Continue to review and monitor overtime
- Explore professional education opportunities for the staff
- Work with HR to create and improve employee job descriptions with a pay range for each position
- Continue to improve the level of customer service provided to both internal and external customers

Goals for FY 2014-2015

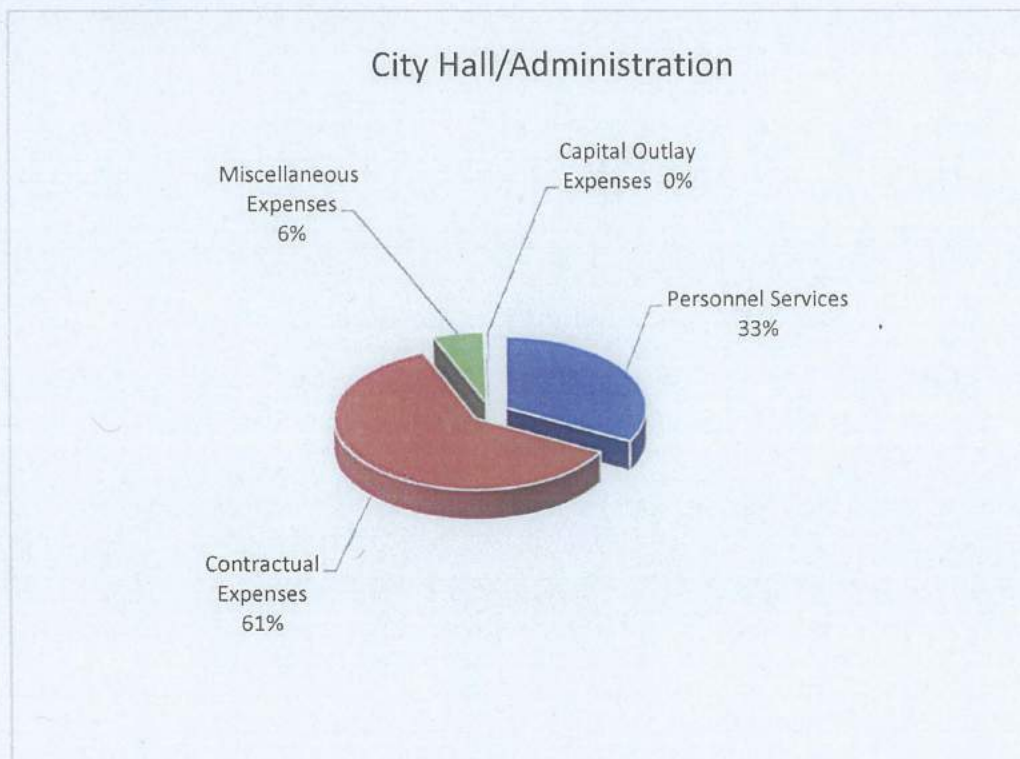
- Oversee development of additional financial written policies, i.e. capital improvement policy, debt policy
- Development of ordinances to support future zoning
- Strive to attract both commercial and residential development to Magnolia

City of Magnolia

City Hall/Administration Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$217,358	\$282,800	\$257,566	\$203,793
Contractual Expenses	\$191,500	\$125,500	\$256,000	\$378,610
Miscellaneous Expenses	\$25,372	\$22,700	\$24,100	\$35,600
Capital Outlay Expenses	\$20,100	\$12,000	\$0	\$2,000
Total	\$454,330	\$443,000	\$537,666	\$620,003

Staffing	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
City Manager/Administrator	1	1	1	1
Executive Assistant	0	0	1	1
Code Enforcement Officer	0	1	0	0
Total	1	2	2	2



City of Magnolia

Department Expenditures City Hall/Administration

	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Personnel Services</u>					
501501 Salaries	102,790	107,214	134,712	130,004	101,365
501502 Car Allowance	8,400	8,400	8,400	8,239	8,400
501505 Cell Phone Allowance	840	875	840	840	840
501503 Overtime	0	0	0	0	0
501506 Salary 4B	91,434	45,572	37,440	37,440	38,563
501507 Salary 4A	44,115	18,376	37,440	18,047	18,745
501515 Longevity	145	155	240	200	330
501516 T.E.C.(Unemployment)	6,256	103	1,657	368	414
501517 TMRS	1,079	275	920	300	1,947
501518 Worker's Compensation	580	3,423	495	457	394
501526 Insurance (Med./Dental/Vision/Life)	7,759	10,561	17,940	14,648	19,908
501536 Payroll Tax (F.I.C.A/Medicare)	16,503	11,611	14,082	10,711	8,486
501543 Education, Travel, & Certifications	1,500	2,751	2,000	3,000	3,000
501547 Drug Test	100	60	100	90	100
501550 Dues and Memberships	1,300	1,116	1,300	1,232	1,300
Total Personnel Services	282,800	210,493	257,565	225,575	203,793
<u>Contractual Expenses</u>					
501625 Maintenance & Repair Vehicle	0	0	0	0	0
501629 Inspection Services	25,000	87,181	70,000	175,563	160,000
501632 Consultant/Contract Services	1,500	158,210	70,000	80,000	115,000
501640 Legal	40,000	66,042	60,000	44,119	50,000
501641 Accounting	13,000	13,650	10,000	10,000	10,000
501643 Engineering	4,000	5,570	6,000	7,403	10,000
501670 Rental of Office Equipment/copier	10,000	4,441	5,000	5,337	5,500
501673 Computer Software (S/W)	12,000	19,815	20,000	25,000	25,000
501677 Computer Assistance (IT Services)	20,000	8,910	15,000	5,651	3,110
Total Contractual Expenses	125,500	363,820	256,000	353,073	378,610
<u>Miscellaneous Expenses</u>					
501744 Minor Equipment				0	2,000
501751 Prior Year Adj-2009	0	0	0	6	0
501760 Fuel	0	405	0	0	0
501766 Office Supplies	9,000	7,057	8,000	7,961	9,000
501768 Planning Commission Expenses	500	392	500	152	500
501774 Cell Phones	500	696	600	616	600
501775 Ref. Books, Reports, Subscriptions	200	7,289	7,000	5,000	5,000
501800 Bank Fees	0	0	0	131	0
501778 Flower Fund	500	345	500	1,200	750
501779 Morale/Welfare	1,000	1,253	1,000	989	1,000
501801 Mayor/Council Christmas Reception	5,000	1,395	0	1,724	0
501806 City Administrators Fund	3,000	2,552	3,000	2,446	3,000
NEW Community Activities				10,000	10,000
501833 Postage	3,000	2,204	3,500	2,687	3,750
501841 J. R. Moore Gen		744		148	0
Total Miscellaneous Expenses	22,700	24,332	24,100	33,059	35,600
<u>Capital Expenses</u>					
501919 City Hall Furn/Equip Lease Pay'ts	10,000	4,957	0	0	0
501920 Computer Equipment	2,000	4,757	0	703	2,000
Total Capital Expenses	12,000	9,714	0	703	2,000
Total City Hall/Administration Expenditures	443,000	608,359	537,665	612,409	620,003

City of Magnolia

City Hall/Administration

Account	Account Name	Current Budget	Description
501501	Salaries	101,365	City Administrator & 1 full-time employee
501502	Car Allowance	8,400	Monthly car allowance for City Administrator
501505	Cell Phone Allowance	840	Allowance for use of personal cell phones for business purposes
501503	Overtime	-	Authorized overtime for non-exempt employees
501506	Salary 4B	38,563	Transfer amount of payroll expenses for 4B portion of City Administrator's salary & park courtesy patrol
501507	Salary 4A	18,745	Transfer amount of payroll expenses for 4A portion of City Administrator's salary
501515	Longevity	330	\$5 per month per year of service with City
501516	T.E.C. (Unemployment)	414	Unemployment taxes- 2.3% rate
501517	TMRS	1,947	Retirement cost-.22% rate - 3 mos. 1.47% rate - 9 mos.
501518	Worker's Compensation	394	Premiums paid to TML for W/C ins.
501526	Employee Insurance	19,908	Medical, dental, vision
501536	Payroll Tax	8,486	Social Security & Medicare-7.65% rate
501543	Education, Travel, Certifications	3,000	Training, travel & certifications
501547	Drug Test	100	Pre-employment & post-accident testing
501550	Dues, Memberships & Promotions	1,300	<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>250</div> </div>
501629	Inspection Services	160,000	Inspections and reviews of construction
501632	Consultant/Contract Services	115,000	<div> <div>Code enforcement officer</div> <div>35,000</div> <div>Other contractual items,</div> <div>i.e. Municode, website hosting,</div> <div>fogging, bonding</div> <div>80,000</div> </div>

City of Magnolia

City Hall/Administration

Account	Account Name	Current Budget	Description
501640	Legal	50,000	Attorney fees
501641	Accounting	10,000	Fees for annual audit
501643	Engineering	10,000	General engineering fees
501670	Rental of Office Equipment/Copier	5,500	Rental expense of copier, extra costs for b/w and color copies
501673	Computer Software (S/W)	25,000	Tyler (Incode) annual maint. 17,500 McAfee support 990 Domain renewal 75 Gov.office annual svc pkg 500 Additional software purchase & maintenance & support 5,935
501677	Computer Assistance (IT Services)	3,110	Technical services for admin
501744	Minor Equipment	2,000	Heavy-duty shredder
501766	Office Supplies	9,000	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	600	Cost of cell phones and usage
501775	Ref. Books,Reports,Subscriptions	5,000	Periodicals, manuals, updates to Local Gov't Code
501778	Flower Fund	750	Cost of sending flowers for bereavement/sickness of employees, Council, board members and their families
501779	Morale/Welfare	1,000	Employee luncheons, birthday cakes, etc.
501801	Mayor/Council Christmas Reception	-	Christmas expenses, expenses that are not office supplies
501806	City Administrator's Fund	3,000	Misc. expenses incurred by City Administrator including business lunches
NEW	Community Activities	10,000	Fireworks for July 4th
501833	Postage	3,750	Admin mailing costs including Pitney Bowes mail machine lease, mail permits, Fedex charges
501920	Computer Equipment	2,000	Purchase of new computer equipment
		620,003	

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

- Record and maintain 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.
- Serve as chief election official for municipal elections.
- Coordinate the Council agenda process, attend meetings, record and prepare official minutes.
- Administer and coordinate organization-wide records management program
- Post and publish all legal notices in accordance with the Texas Local Government Code, Texas Open Meetings Act, City Codes and all other State laws.
- Ensure the codification of ordinances adopted by Council.

Accomplishments

- Completed recertification requirements for the 2nd time for Texas Registered Municipal Clerk certification.
- Updated and much improved the City's website.
- Applied for and received the gold Texas Comptroller Leadership Circle from Comptroller's office for financial transparency on the City's website.
- Updated and improved the various applications and forms used in the Permit/Utility Billing Department and initiated welcome packets for new residents and businesses.
- Ensured compliance of operating budget for the City Secretary Department.
- Completed extensive inventory and destruction of old municipal records.
- Coordinated three code supplements for the City's Code of Ordinances.
- In the process of coordinating an index for all City ordinances.
- Improved agenda process by distributing electronic .pdf file "e-packet" by placing entire agenda packet in Dropbox.
- Provides information in a timely and efficient manner and in accordance with State and federal laws.

Goals

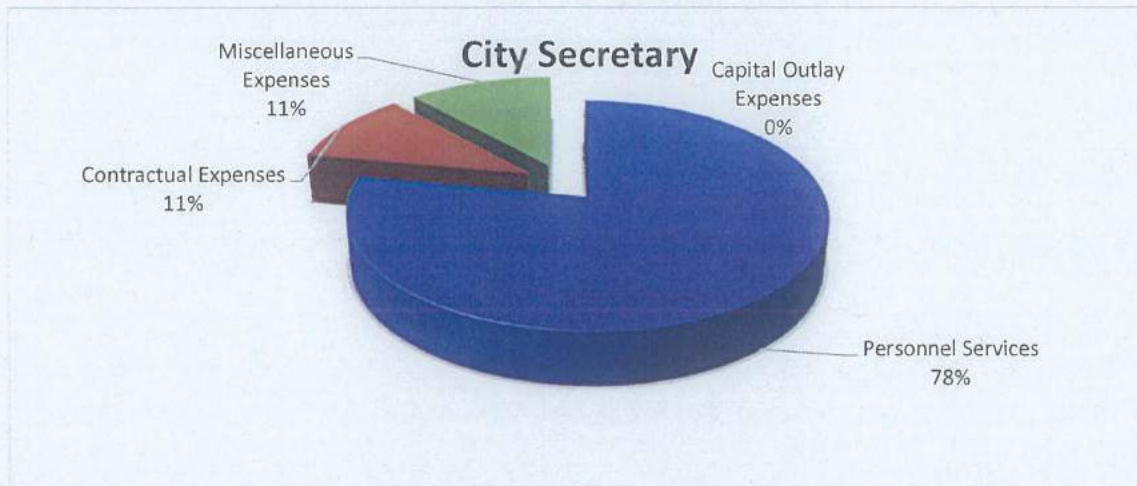
- Continue to organize and improve the maintenance of records.
- Continue to coordinate an index for all City ordinances.
- Continue to improve the records retention program

City of Magnolia

City Secretary Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$61,941	\$66,045	\$68,556	\$74,008
Contractual Expenses	\$3,000	\$3,000	\$7,000	\$10,000
Miscellaneous Expenses	\$5,550	\$10,700	\$10,800	\$10,900
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$70,491	\$79,745	\$86,356	\$94,908

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Staffing				
City Secretary	1	1	1	1
Deputy City Secretary	0	0	0	0
Total	1	1	1	1



City of Magnolia

City Secretary	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Personnel Services</u>					
506501 Salaries	50,153	50,086	52,660	51,503	56,640
506515 Longevity	140	140	200	195	255
506516 T.E.C.	1,458	9	476	311	207
506517 T.M.R.S.	251	104	264	111	659
506518 Worker's Comp	135	151	142	128	141
506526 Insurance (Med/Dental/Life/Vision)	7,759	7,491	8,970	8,346	9,954
506536 Payroll Tax (F.I.C.A./Medicare)	3,847	3,842	4,044	3,962	4,352
506543 Education, Travel, Certification	2,000	1,594	1,500	368	1,500
506550 Dues and Memberships	300	90	300	143	300
Total Personnel Services	66,044	63,506	68,556	65,066	74,008
<u>Contractual Expenses</u>					
506674 Posting and Advertising	3,000	9,357	7,000	7,000	10,000
Total Contractual Expenses	3,000	9,357	7,000	7,000	10,000
<u>Miscellaneous Expenses</u>					
506769 Office Equipment	0	0	200	0	200
506773 Cost of Election	10,000	0	10,000	10,000	10,000
506775 Magazines, Maps & Books	300	0	300	158	300
506833 Postage	0	0	0	0	0
506834 Recording Fees	400	327	300	338	400
506836 Printing	0	285	0	0	0
Total Miscellaneous Expenses	10,700	612	10,800	10,495	10,900
Total City Secretary Expenditures	79,744	73,476	86,356	82,561	94,908

City of Magnolia

City Secretary

Account	Account Name	Current Budget	Description	
506501	Salaries	56,640	1 full time	
506503	Overtime	-	Authorized overtime for non-exempt employees	
506515	Longevity	255	\$5 per month per year of service with City	
506516	T.E.C. (Unemployment)	207	Unemployment taxes- 2.3% rate	
506517	TMRS	659	Retirement cost-.22% rate - 3 mos. 1.47% rate - 9 mos.	
506518	Worker's Compensation	141	Cost of W/C insurance	
506526	Employee Insurance	9,954	Medical, dental, vision	
506536	Payroll Tax	4,352	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 Misc	95 205
506674	Posting & Advertising	10,000	Posting legal notices, ordinances, election information	
505766	Office Supplies	-	Pens, note pads, staples, clips, etc.	
506769	Office Equipment	200		
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	400	Costs for recording items with County or State	
		94,908		

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 2013-2014

- Received the Transparency Award from the Texas Comptroller
- Delivered monthly financials to Council and staff by the 5th working day of the following month 90% 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

Objectives for FY 2014-2015

- Continue to receive Transparency Award from the Texas Comptroller
- 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
- Complete the modification of all job descriptions to ensure the most accurate information related to job duties and ADA requirements

Goals for FY 2014-2015

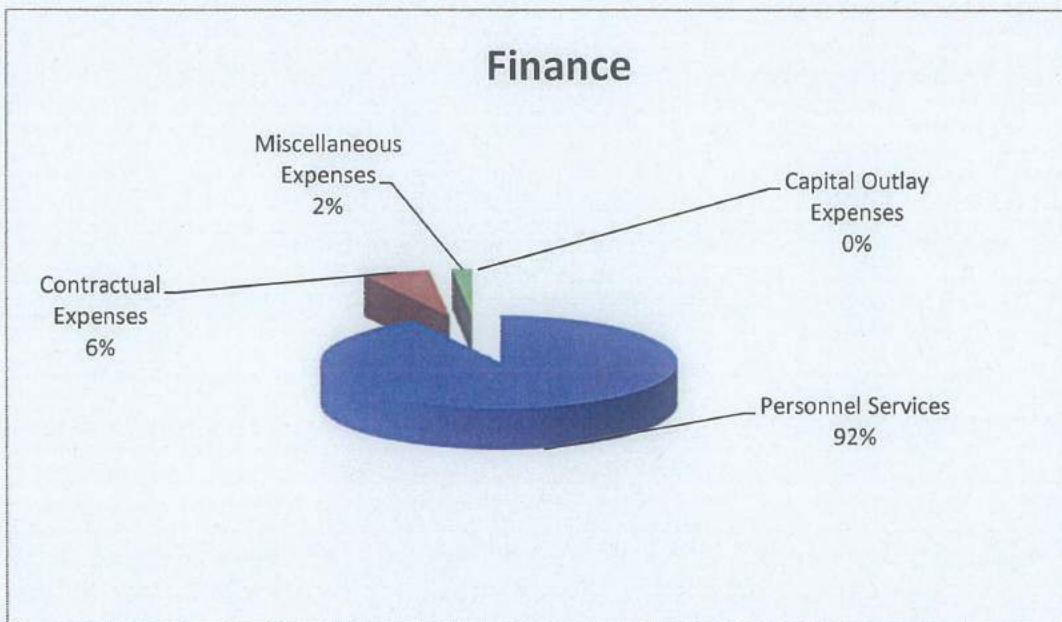
- Become a more efficient finance department by reducing/eliminating some of the paper-based processes
- Submit budget to GFOA within 90 days of the adoption date for consideration of the Distinguished Budget Award
- Re-bid group health insurance contract
- Develop additional financial policies, i.e. capital improvement policy, debt policy

City of Magnolia

Finance Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$55,875	\$58,684	\$61,446	\$82,610
Contractual Expenses	\$3,800	\$3,800	\$4,500	\$5,500
Miscellaneous Expenses	\$1,300	\$1,800	\$1,800	\$1,600
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$60,975	\$64,284	\$67,746	\$89,710

Staffing	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Finance Clerk	1	1	1	1.5
Total	1	1	1	1.5



City of Magnolia

Finance	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Personnel Services</u>					
505501 Salaries	42,284	43,818	44,398	55,881	62,869
505503 Overtime	2,114	7,670	2,178	3,500	2,000
505515 Longevity	360	360	420	415	475
505516 T.E.C.	1,298	9	423	355	414
505517 T.M.R.S.	224	106	235	109	558
505518 Worker's Comp	120	125	126	124	156
505526 Insurance (Med/Dental/Life/Vision)	7,759	7,505	8,970	8,360	9,954
505536 Payroll Tax (F.I.C.A./Medicare)	3,424	3,921	3,595	4,156	4,999
505543 Education, Travel, Certification	1,000	199	1,000	65	1,000
505547 Drug Test	0	0	0	0	0
505550 Dues and Memberships	100	9	100	13	185
Total Personnel Services	58,684	63,721	61,446	72,978	82,610
<u>Contractual Expenses</u>					
505632 Contract/Outside Services	0	0	0	0	0
505644 Appraisal District Fee	3,800	4,100	4,500	5,328	5,500
Total Contractual Expenses	3,800	4,100	4,500	5,328	5,500
<u>Miscellaneous Expenses</u>					
505766 Office Supplies	600	575	600	841	600
505775 Ref Books, Reports, Subscriptions	200	185	200	200	200
505820 Surety&Fidelity Bonds	500	150	500	300	500
505800 Bank Fees	0	0	0	461	300
505805 Mileage	500	0	500	0	0
Total Miscellaneous Expenses	1,800	910	1,800	1,802	1,600
Total Finance Expenditures	64,284	68,731	67,746	80,108	89,710

City of Magnolia

Finance

Account	Account Name	Current Budget	Description	
505501	Salaries	62,869	1 full time, 1 part time employee	
505503	Overtime	2,000	Authorized overtime for non-exempt employees	
505515	Longevity	475	\$5 per month per year of service with City	
505516	T.E.C. (Unemployment)	414	Unemployment taxes- 2.3% rate	
505517	TMRS	558	Retirement cost-.22% rate - 3 mos. 1.47% rate - 9 mos.	
505518	Worker's Compensation	156	Cost of W/C insurance	
505526	Employee Insurance	9,954	Medical, dental, vision	
505536	Payroll Tax	4,999	Social Security & Medicare-7.65% rate	
505543	Education, Travel, Certifications	1,000	Training, travel & certifications	
505547	Drug Test	-	Pre-employment & post-accident testing	
505550	Dues, Memberships & Promotions	185	GFOAT	185
505644	Appraisal District Fee	5,500	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	
505820	Surety & Fidelity Bonds	500	Bonding for Finance Dept.	
505800	Bank Fees	300	Stop pay fees, cost of checks & deposit slips	
505805	Mileage	-	Mileage for bank trips, etc.	
		89,710		

POLICE DEPT.



POLICE DEPARTMENT
Budget Narrative FY 2014-2015

VISION

To be a modern, progressive organization collaborating with our community to provide a safe and caring environment that enhances quality of life in Magnolia.

MISSION

The mission of the Magnolia Police Department is to effectively and efficiently provide for the protection of lives and property, preserve the public peace, and provide needed community services with the highest level of professionalism and ethical standards.

VALUES

A – Accountability - Responsible for all our decisions and actions.

S – Stewardship - Dedicated to a responsible use of resources.

P – Professionalism - maintain public confidence, trust and pride. We will be truthful and trustworthy at all times.

I – Integrity - Doing the right things, for the right reasons, all of the time. The Magnolia Police Department is built upon a foundation of ethical and professional conduct. We are committed to the highest level of moral principles and ethics. All members of the department will adhere to the Law Enforcement Code of Ethics.

R – Respect - Treat all with courtesy, compassion, fairness and dignity. We understand our role as community caretakers, and govern our application of the law with compassion and empathy.

E – Excellence - Committed to the highest ethical and legal standards in everything we do. Dedicated to meeting all challenges with the courage needed to accomplish our mission. We are committed to equal application of the law to offenders and members of the public.

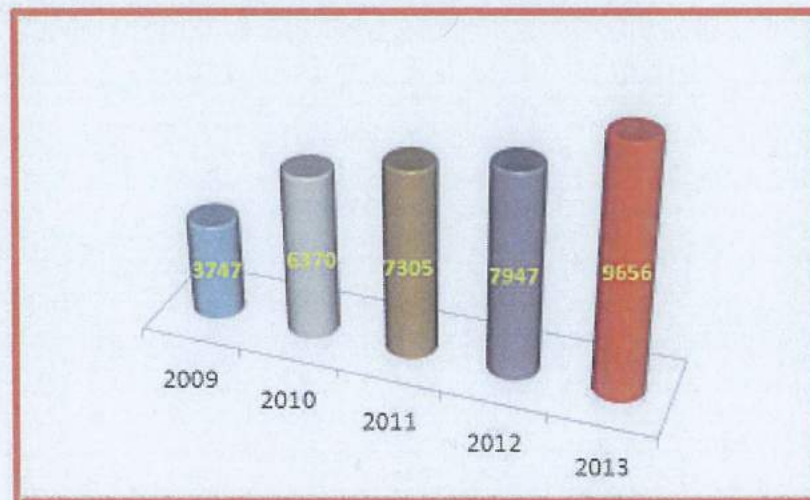
Program Narrative

The Magnolia Police Department maintains a philosophy of community-policing to promote and facilitate input and interaction with the public. Officers respond to almost 10,000 calls for police service annually, ranging from minor incidents to serious crimes in progress. The Department produces an annual report, which is published and available for view on-line at the City of Magnolia homepage, under police department.

Conducting research is simply not enough, as agencies must be proactive in their efforts to push cumulative research evidence into practice, utilizing national and community guidelines. These guidelines help adjust our focus and evaluations of what works best. Statistical adjustments for the risk factors shaping crime can provide fair comparisons across police units, including national rankings of police agencies by their crime prevention effectiveness. The Annual Calls for Police Service are on a steady rise, which necessitates an Evidenced-Based professional Performance Measurement System, which is disclosed in this narrative.

Annual Calls for Police Service

Calls for Police Service



Accomplishments for FY 2013-2014

- The Magnolia Police Department was named as one of the Top 10 Police Departments in the World, by receiving the Webber Seavey Award for Community Policing strategies from the International Association of Chiefs of Police/Motorola.
- The International Association of Chiefs of Police (IACP) and the MacArthur Foundation selected the Magnolia Police Department Chief of Police, Domingo Ibarra, as one of the Top 30 Chiefs of Police in the nation to attend the inaugural Law Enforcement Leadership Institute on Juvenile Justice.
- The Keep Texas Beautiful Award named Police Chief Domingo Ibarra as the winner the state-wide Ed David Law Enforcement Lifetime Award.
- Keep Montgomery County Beautiful named the Magnolia Police Department – Citizens Police Alumni Association as the recipients of their County Award.
- Texas Municipal Court Education Center, named the Magnolia Municipal Court and Police Departments as recipients of the Best Practices Award.
- The Police Reserve program and the Volunteers in Police Service – Citizen on Patrol program saved taxpayers approximately \$47,281.85 (year-to-date) in actual manpower hours.
- Automated warrant interface between two records management systems for the Municipal Court InCode and the Police Department InterAct for an efficient warrant clearance system.
- Initiated an automated telephone calling system for Magnolia warrants.
- Matching grant from the TxDOT DWI Regional Task Force Initiative.
- Acquisition of the Mobile Joint Operations Command Center (JOC2) to study traffic patterns during the Texas Renaissance Festival and serve a mobile Traffic Management Center (TMC). Information is collected and combined with other operational and control data to manage the transportation network and produce attending remedies & traffic alerts via Nixle system. A telescoping mast hoists a camera to view traffic point control areas operating outside of a synchronized pattern to establish efficient traffic management flow. Real-time intelligent data, enables decision makers to identify and react to an incident.
- Acquisition of a prisoner transport van.
- Alive at 25 Traffic Defensive Driving course form the National Safety Council.
- Police Explorer Program
- Auto-Eject vehicle trickle charger system with carport.
- Website resource portal for various federal, state and local service providers.
- SafeTown online application for interactive crime mapping technology.
- Online Wrecker Rotation Tow Log System
- Online DPS Crash Report system
- Humvee tactical vehicle acquisition
- ATV tactical vehicle acquisition
- DWI MADD Award

Narrative to explain Goals and Objectives for FY 2014-2015

To ensure and track the program goals, each has an attending objective. The Magnolia Police Department utilizes a Performance Measurement System, which establishes baseline performance utilizing a categorical metrics system. This measurement system was designed to increase community satisfaction and trust in the police. A system that produces information for citizens regarding the workings and results of their law enforcement agency makes the police department more accountable, and lets citizens assess whether the agency is making good use of public funds.

A comprehensive performance measurement system improves effectiveness and efficiency by setting specific goals and objectives that are consistent with what our community believes we should produce. This system links key accountability structures within the department and produces behaviors on the part of personnel at all levels, which are geared toward the achievement of the goals and objectives.

The System formalizes overarching goals, provides scientific measurements to assess progress toward meeting these goals, and structures initiatives to promote behavior in accordance with goals. The Performance Measurement System emphasizes the collection and analysis of data on a broader range of performance outcomes beyond the usual outcome of reducing crime.

There are three major components of our comprehensive agency-level performance measurement system: (1) performance expectations, (2) measures, and (3) accountability structures.

1. Performance expectations

Performance expectations are further divided into three major law enforcement outcomes: Community Safety and Security; Perceptions of Safety and Security; and Confidence, Trust and Satisfaction.

Also included are intermediate safety and security outcomes: Respond to Crime, Prevent Crime, and enhance Safety and Security. The ultimate outcome is community health. The major outcomes are the things law enforcement should be “producing” for their community; therefore, they are the key dimensions on which we should be measured.

The intermediate safety and security outcomes are directly related to the first major law enforcement outcome, Community Safety and Security. Responding to crime, preventing crime, and otherwise enhancing safety and security (e.g., promoting traffic safety) are necessary objectives to be met in order to achieve a safer and more secure community.

2. Measures

In addition to performance expectations, we gauged our progress toward meeting the performance expectations (outcomes). This data was used towards strategic planning for future years in terms of allocating resources towards their most pressing concerns: helping reduce citizens’ fear of crime.

Measuring community safety and security

The measurement for performance expectation includes information on victimization of community members and businesses. Also included in this list are measures that relate to traffic safety. Traffic-related issues (e.g., speeding in residential neighborhoods) are of significant concern to many people and clearly impact the safety of a community. In fact, traffic infractions are sometimes more of a concern for residents than criminal activity. The measurement information includes items such as incidents of crime, police activity, and insurance claims.

Measuring perceptions of safety and security

Our measures of community perception of safety and security are organized according to “fear of crime” and “disorder.” The disorder measures are also further divided into social and physical disorder. The former are behavior-related and may include trespassing, public drunkenness, or loud parties. The latter is based on the appearance of the environment and can include abandoned buildings, graffiti, and trash.

Measuring confidence, trust, and satisfaction

Measures for this expectation are divided into three groupings – confidence in the police, trust in the police, and satisfaction with the police. Survey and non-survey items were developed for all three of these areas.

Measuring community health

Law enforcement has a potential impact on median price of homes (which is correlated to the amount of crime in an area) and the number of nuisance properties. The scope of our data search was gathered from a variety of non-traditional sources. In discerning community health measures, law enforcement conceivably impacts work, and our assessment of studies ranks the “most livable cities.” A civic index is also utilized toward this goal.

3. Accountability structures

Each of the structures is linked to measures and behaviors and promotes behavior in accordance with performance expectations.

Organization-level accountability structures – Accountability structures at the organization level include data driven command accountability, strategic planning, quality assurance functions, and budget management.

Individual-level accountability structures – Accountability structures at the individual level were designed to promote behaviors consistent with the performance expectations. Accountability structures at the individual level include structures such as internal affairs, personnel performance evaluations, and career development.

1. Identifying performance expectations or outcomes

- ✓ Community involvement.
- ✓ City Council’s stated goals.
- ✓ Personnel take ownership of this process.

2. Implementing and sustaining performance measures

The key was to develop a series of measures for each outcome and triangulate findings: to assess the overall picture as opposed to focusing on any individual measure. This creates a more complete and accurate picture of the progress toward meeting the goals. Placing the measures within the appropriate context facilitates in the interpretation of the actual results.

- ✓ Started at the micro level and matriculated into the macro level.
- ✓ Prioritize measures and collect data.
- ✓ Reviewed measures used at the national level and customize them to fit local needs.
- ✓ Collected output and outcome measures.
- ✓ Collect trend data to provide a picture of progress toward goals.
- ✓ Compare data to "benchmark" performance against similar agencies.
- ✓ Share information with area police chiefs to improve performance measurement systems and to improve communication and collaboration among agencies.
- ✓ Performance measurement is difficult and complex work so we sought help when necessary to effectively manage all aspects.

3. Implementing accountability structures

Accountability structures were strategic planning, budget management, and performance reporting.

- ✓ Culture of integrity to ensure accurate data reporting.
- ✓ Measures used regularly to help better manage resources, programs, initiatives, new hires.
- ✓ Regular accountability structure: Daily Activity Reports, monthly reports Trend Analysis.
- ✓ Outcomes tied to personnel evaluations.

4. Overall Implementation

- ✓ Goals brought momentum and enthusiasm.
- ✓ Staff was educated and trained at all levels
- ✓ Full participation of supervisors.
- ✓ Utilized multiple Phases so that staff is not overwhelmed with too much information.
- ✓ Set a time-line for the evolving process
- ✓ Formalize the system internally or externally

Goal & Objectives Achieved

1. GOAL # 1: PROVIDE THE HIGHEST LEVEL OF PROTECTION TO OUR CITIZENS AND COMMUNITY.

- a. **Objective 1.1:** Implemented Phase I (Uniform Patrol Division only) of the Area of Responsibility District Law Enforcement program was completed. Phase I includes:
 - i. The configuration of zone boundaries based on current call loads and population.
 - ii. Designate and implement a Problem Solving Planner Approach using Computer Statistics. Officers act as a liaison for identifying crucial crime trends and community problems within the districts and coordinating and deploying crime fighting strategies to reduce or eliminate those identified problems; and
 - iii. Facilitate individual supervisor and officer accountability to their areas of responsibilities.
- b. **Objective 1.2:** The supervisor on Duty Cellular Telephone improved communication between concerned citizens and the officers on duty.
- c. **Objective 1.3:** Formalize collaboration with citizens for problem solving at the grassroots level.
- d. **Objective 1.4:** The Traffic Enforcement Safety Team (TEST) focus efforts on traffic violations along major thoroughfares.
- e. **Objective 1.5:** The Criminal Investigations Division works to:
 - i. Increase the use of Crime Analysis information to develop incident driven coordination with the District Law Enforcement concept to include "hot spot" notification and coordination with other agencies.
 - ii. Develop monthly incident reports for the area jurisdictions and the media.
 - iii. Monitor and track area narcotics activities. This included street level narcotics and High Intensity Drug Trafficking.
 - iv. Identify and prosecute juvenile's offenders.
 - v. Work with the local Juvenile Justice Center to establish designated detention areas.
 - vi. Recommend, collaborate and participate in area based solutions.
- f. **Objective 1.6:** The Public Information Office coordinates Public Service Announcements to educate, inform and increase public awareness, with the goal of focusing on specific issues using Nixle Alerts and the on-line SafeTown application.

- g. **Objective 1.7:** Through Community Policing, increased safety, raises awareness and provides crime prevention information through efforts including: National Night Out and nightly Business Watches.
- h. **Objective 1.8:** In an effort to provide improved protection to law enforcement and citizens, the Records Bureau provides information on crime trends to assist in Crime Trend Analysis.
- i. **Objective 1.9:** The Training Coordinator worked to develop and present in-service and/or roll call training blocks. Training is coordinated at the regional level to include surrounding agencies.

2. GOAL #2: PROVIDE THE HIGHEST LEVEL OF PROFESSIONAL SERVICE TO OUR CITIZENS AND COMMUNITY.

- a. **Objective 2.1:** Work cooperatively with other agencies to target significant and specific community problems and citizen concerns.
- b. **Objective 2.2:** The Training Coordinator established training for personnel to work toward cultural competency to enhance interpersonal skills and awareness when relating to co-workers and the community at large. The Training coordinator developed a Citizen's Police Academy to establish community partnerships. Support consists of supplying the Public Information Officer adequate resources to fulfill Public Service Announcements and educational programs.
- c. **Objective 2.3:** The Accreditation Manager works toward submitting MPD for the final stages of recognition status. Work is maintained toward excellence in service by ensuring certification and training; developing unit training/procedure manuals; and improving service through continual re-evaluation of existing programs and processes; promote collaborations and develop strong working relationships to enhance excellence in service through shadowing, and the ride-a-long program.
- d. **Objective 2.4:** The Police Reserves took over responsibilities of the Bailiffs duties and assist with warrant telephone calls and regular patrol duties.
- e. **Objective 2.5:** The Administrative Assistant increased the number of Quality Assurance (QA) reviews for internal and external audits to ensure the highest level of professional service possible.
- f. **Objective 2.6:** The Uniform Patrol Division administers and maintains an active community information exchange program in order to build community trust and develop positive working relationships. Actions included:
 - i. A proactive business contact initiative;

- ii. A communication strategy for our officers in order to expand conflict resolution and overall professionalism when interacting with the public. This also coincides with providing better service to our citizens and community.
 - g. **Objective 2.8:** Criminal Investigations works to maintain the protocol for making the initial and subsequent contacts with victims of crime. Maintain Part One clearance rates that are at or below the National 5-year average.
 - h. **Objective 2.9:** Monitor crime trends so that prompt arrests/prosecution can be made to help insure clearance.
 - i. **Objective 2.10:** Met quarterly with the District Attorney and area police chiefs to discuss impending issues and changing protocol.
 - j. **Objective 2.11:** The Public Information Officer (PIO) released articles and pertinent information. Proactively sought out news and community interest stories and coordinate the release of information with pertinent personnel. Coordinated Toys for Society of Samaritans.
 - k. **Objective 2.12:** Reserve Officers took responsibility for warrants and conduct a three phase program to aggressively reduce the number of outstanding warrants. These operations included follow-up telephone calls, delivering door hangers and assisted in conducting warrant sweeps. The sweeps are coordinated with the Criminal Investigations Division, Uniform Patrol Division, along with other departments. A statistical report is submitted detailing the outcome after each sweep.
 - l. **Objective 2.13:** Implemented a Community Based Recruiting Program to establish a pool of candidates that will equitably represent the diversity of the City of Magnolia.
 - m. **Objective 2.14:** Implementation of a Traffic Enforcement Safety Team: Focused on speed enforcement assignments; DWI detection and enforcement assignments; track reports and special enforcement productivity.
3. **GOAL #3: PROVIDE OUR EMPLOYEES WITH THE SUPPORT, DEVELOPMENT AND RESOURCES THAT PROMOTES EXCELLENCE IN PROTECTION AND SERVICE.**
- a. **Objective 3.1:** Training was provided by in-house supervisors to develop and present in-service and/or roll call training blocks to all personnel that increases employee awareness of chronic stress and critical incident trauma exposure after-effects; implemented a training by supervisors.

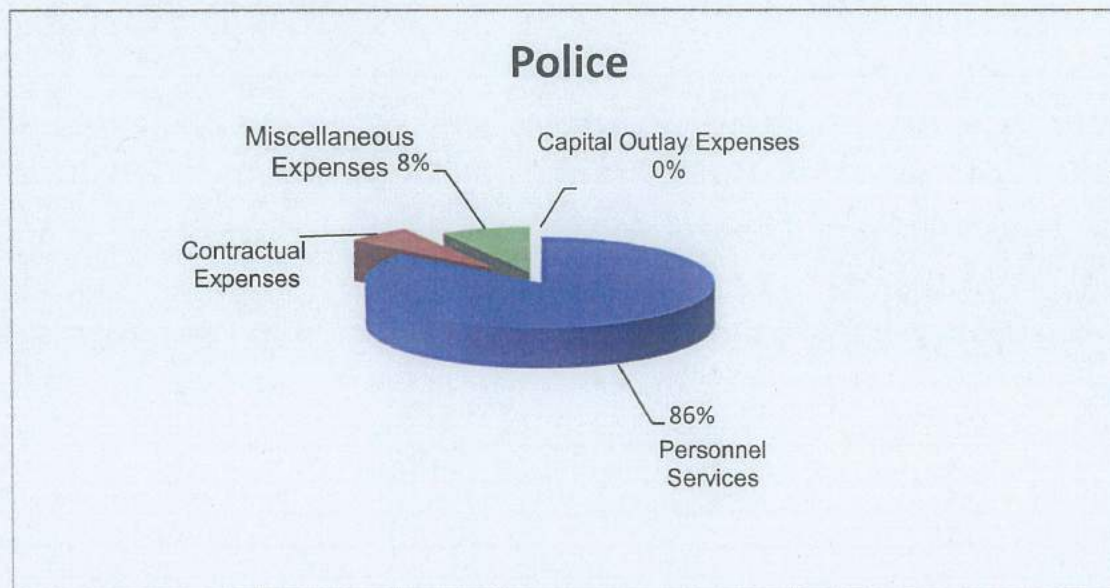
- b. **Objective 3.2:** Analyze the FTO program to provide enhanced instruction to motivate and support new employees and co-workers. Scenario training included areas that were real.
- c. **Objective 3.3:** Preparation for the Texas Best Practices Program is maintained. MPD policies are organized, reviewed and updated annually as part of the application for recognition status.
- d. **Objective 3.4:** Criminal Investigations Division developed collaboration among other agencies.
- e. **Objective 3.5:** In conjunction with Human Resources, job classifications are re-evaluated and updated.
- f. **Objective 3.6:** Implement Performance Measures.
- g. **Objective 3.7:** Re-evaluate and maintain a Records Retention and Destruction Schedule and Policy consistent with state law.

City of Magnolia

Police Department Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$661,508	\$824,912	\$853,040	\$938,922
Contractual Expenses	\$54,750	\$57,000	\$58,000	\$67,939
Miscellaneous Expenses	\$33,250	\$35,450	\$37,500	\$89,950
Capital Outlay Expenses	\$6,700	\$6,700	\$13,194	\$0
Total	\$756,208	\$924,062	\$961,734	\$1,096,810

Staffing	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Chief of Police	1	1	1	1
Sergeant	2	2	3	3
Detective	1	1	1	1
Patrol Officers	5	5	6	6
Reserve Officers	9	9	9	9
Administrative Asst/Dispatch	1	1	1	2
Code Compliance Officer	1	0	0	0
Executive Officer	0	0	1	1
Evidence Clerk	1	1	0	0
Total	21	20	22	23



City of Magnolia

	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Police Department					
<u>Personnel Services</u>					
502501 Salaries	516,024	498,289	536,061	535,332	590,874
502503 Overtime	30,000	18,643	20,000	20,546	20,000
502505 Cell Phone Allowance	0	0	0	0	0
502504 S.T.E.P. Overtime	2,000	2,132	2,000	1,034	2,000
502510 Salary and Benefit Reimbursement(TC)	71,708	60,361	78,400	72,761	79,959
502515 Longevity	2,505	2,290	3,345	2,905	3,615
502516 T.E.C.(Unemployment)	18,045	600	5,758	4,612	3,105
502517 TMRS	3,111	1,187	3,199	1,310	8,061
502518 Worker's Compensation	16,776	9,404	17,251	11,667	14,220
502526 Insurance (Med./Dental/Vision/Life)	108,692	104,037	125,580	113,394	149,310
502536 Payroll Tax (F.I.C.A/Medicare)	47,601	43,483	48,945	47,447	53,278
502543 Education,Travel, & Certifications	6,300	4,914	9,900	9,900	10,900
502544 State P. D. Education	0	0	0	(1,422)	0
502547 Drug Test	500	323	800	360	800
502550 Dues, Memberships, & Promotions	1,300	353	1,300	504	1,300
502587 Tx Best Practices	350	0	500	0	1,500
Total Personnel Services	824,912	746,016	853,040	820,349	938,922
<u>Contractual Expenses</u>					
502604 Police Dept Cell Phones	0	3,012	0	5,623	6,000
502625 Maintenance & Repair Vehicle	20,000	13,434	20,000	21,275	23,000
502630 Outside Services	10,000	2,835	10,000	1,825	5,000
502634 Maintenance & Repair Office Equip.	1,000	99	800	10	800
502637 Mont. Co Sheriffs Office / Radio	15,000	4,387	15,000	6,327	15,526
NEW Harris County Contract-Radio					2,763
502670 Copy Machine/Lease of Office Equip.	6,000	4,530	6,000	5,439	6,500
502673 Computer Software	5,000	1,760	6,200	5,609	6,500
502677 Computer Assistance (IT Services)					1,850
Total Contractual Expenses	57,000	30,057	58,000	46,109	67,939
<u>Miscellaneous Expenses</u>					
502744 Minor Equipment	500	1,200	500	0	1,200
502760 Fuel	0	77	0	0	40,000
502762 Uniforms & Badges	7,000	6,185	8,400	8,579	8,400
502763 Motor Vehicle Supplies	3,000	1,198	3,000	0	0
502766 Office Supplies	8,000	5,718	8,000	4,802	6,000
502767 Safety Equipment	0	30	0	0	0
502769 Evidence Supplies	500	501	600	0	600
502770 K-9 Expense	3,000	2,725	3,000	2,007	3,000
502771 Citizens Police Academy	1,200	600	1,000	1,000	1,000
NEW Officer Safety Equipment Assistance Program					8,250
502827 Fleet Insurance - TML	5,000	4,211	4,000	10,004	10,500
502828 Law Enforcement Liability	7,000	9,167	9,000	10,668	11,000
502833 Postage	250	54	0	21	0
Total Miscellaneous Expenses	35,450	31,665	37,500	37,082	89,950
<u>Capital Expenses</u>					
502920 Computer Equipment	6,700	3,642	6,000	6,000	0
502921 Radios				65	0
502922 Tasers	0	0	4,194	4,293	0
502924 Vests	0	0	3,000	3,000	0
502951 Motor Vehicles	0	40,000	0	0	0
Total Capital Expenses	6,700	43,642	13,194	13,358	0
Total Police Department Expenditures	924,062	851,380	961,734	916,899	1,096,810

City of Magnolia

Police Department

Account	Account Name	Current Budget	Description	
502501	Salaries	590,874	13 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)	79,959	Salary costs for 2 officers - red light camera	
502515	Longevity	3,615	\$5 per month per year of service with City	
502516	T.E.C. (Unemployment)	3,105	Unemployment taxes- 2.3% rate	
502517	TMRS	8,061	Retirement cost-.22% rate - 3 mos. 1.47% rate - 9 mos.	
502518	Worker's Compensation	14,220	Premiums paid to TML for W/C ins.	
502526	Employee Insurance	149,310	Medical, dental, vision for 15 empl.	
502536	Payroll Tax	53,278	Social Security & Medicare-7.65% rate	
502543	Education, Travel, Certifications	10,900	Misc education, travel expense	
502547	Drug Test	800	Pre-employment & post-accident testing	
502550	Dues, Memberships & Promotions	1,300	IACP TPCA Misc	120 230 950
502587	Tx Best Practices	1,500	Application fee and fee for assessors to conduct site visits	
502604	Cell Phones	6,000	Cost of cell phones & usage (Includes notebook computer usage)	
502625	Maintenance & Repair Vehicles	23,000	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	
NEW	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.	6,500	Lease payments for copier and charge for extra copies	
502673	Computer Software	6,500	Annual renewal of TCLEDDS Pay'ts for Ejustice service	

City of Magnolia

Police Department

Account #	Account Name	Current Budget	Description	
502677	Computer Assistance (IT Services)	1,850	Technical services for P/D	
502744	Minor Equipment (Ammo)	1,200	Ammunition for training, etc.	
502760	Fuel	40,000	Fuel for police vehicles	
502762	Uniforms & Badges	8,400	Uniforms & badges, new or replacement	
502766	Office Supplies	6,000	Copy paper, pens, file folders, toner, coffee supplies, etc.	
502769	Evidence Supplies	600	Expense associated with the collection of evidence in crime scenes	
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.)	
NEW	Officer Safety Equipment Assistance Program	8,250	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	-	Office computers, air cards	
502951	Motor Vehicles	-	Patrol vehicles	-
			Additional equipment	-
		1,096,810		

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 2013-2014:

- Participated in National Night Out and won the 2014 TMCEC Traffic Safety Initiative Award for low volume Courts;
- Participated in Magnolia's July 4th celebration by implementing traffic safety initiatives to educate the public;
- Successfully trained a new Deputy Court Clerk;

- The Court Administrator and a Deputy Court Clerk received their Level One Certifications;
- Implemented a Court Interpreter Service;
- Restructured Court nights to become more streamlined and efficient;
- Implemented an automated call system that calls defendants regarding outstanding warrants and debts to the Court;
- Implemented new Court forms to help the Court stay organized and proficient in helping defendants.

Goals for FY 2014-2015:

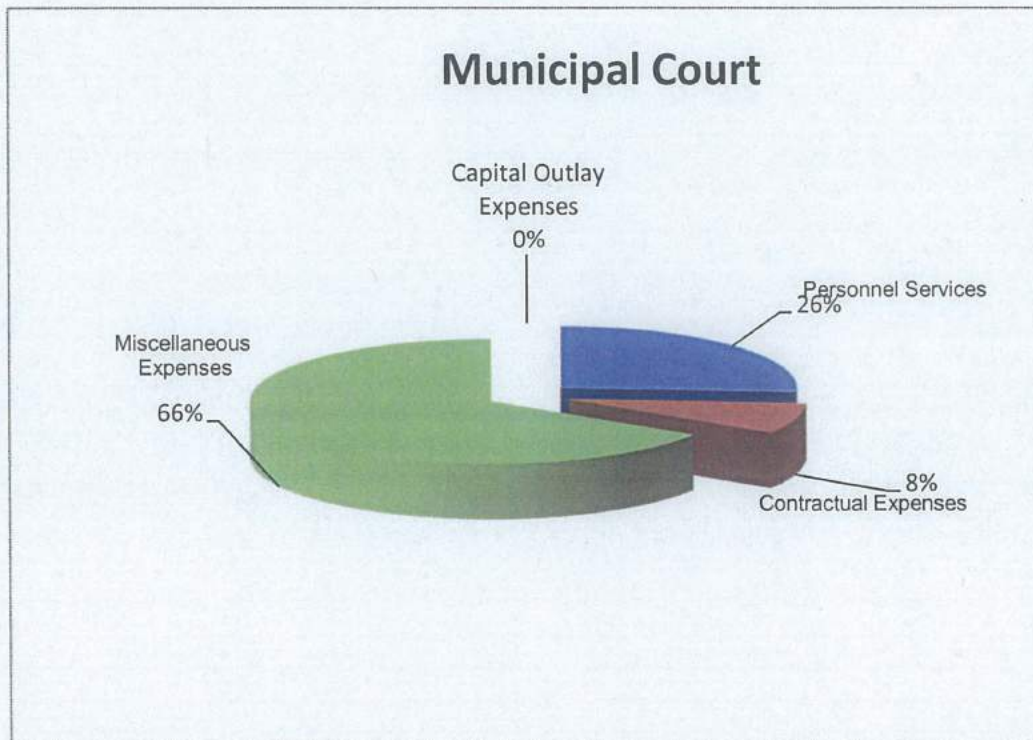
- Implement an Online Payment System;
- Apply for the 2015 TMCEC Traffic Safety Initiative Award;
- Participate in the Great State Wide Warrant Round-up and continue efforts to improve collections on outstanding warrants;
- Implement a Court Policies and Procedures Manual;
- Continue education to stay abreast of the latest and updated laws and Court procedures, receive Level Two Certifications.

City of Magnolia

Municipal Court Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$111,041	\$115,594	\$99,147	\$95,519
Contractual Expenses	\$8,000	\$12,000	\$12,000	\$29,000
Miscellaneous Expenses	\$189,300	\$206,300	\$314,300	\$241,800
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$308,341	\$333,894	\$425,447	\$366,319

Staffing	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Judge	1	1	1	1
Associate Judge	1	1	1	1
Municipal Court Administrator	1	1	0	1
Municipal Court Clerk	1	1	2	1
Total	4	4	4	4



City of Magnolia

	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Municipal Court					
<u>Personnel Services</u>					
504501 Salaries	85,313	90,440	70,718	68,143	64,949
504503 Overtime	2,000	122	0	0	0
504515 Longevity	740	740	200	165	290
504516 T.E.C.	2,171	25	651	585	414
504517 T.M.R.S.	374	149	362	130	755
504518 Worker's Comp	201	185	194	193	161
504526 Insurance (Med/Dental/Life/Vision)	15,518	14,895	17,940	16,519	19,908
504536 Payroll Tax (F.I.C.A./Medicare)	5,726	5,945	5,532	4,598	4,991
504543 Education, Travel, Certification	3,000	1,763	3,000	2,533	3,500
504547 Drug Test	50	0	50	45	50
504550 Dues and Memberships	500	320	500	270	500
Total Personnel Services	115,594	114,585	99,147	93,181	95,519
<u>Contractual Expenses</u>					
504605 Utilities/Telephone/Internet	0	0	0	0	0
504632 Contract/Outside Services				7,969	17,000
504633 Maint. & Repair/Building/Equip	0	0	0	0	0
504640 Legal	12,000	12,000	12,000	9,075	12,000
504673 Incode Software & Support	0	0	0	0	0
504677 Computer Assistance/IT Services	0	0	0	0	0
Total Contractual Expenses	12,000	12,000	12,000	17,044	29,000
<u>Miscellaneous Expenses</u>					
504766 Office Supplies	2,500	3,822	3,500	6,449	5,000
504775 Ref. Books, Rpts, Subscriptions	300	276	300	128	300
504810 Court Jurors	2,000	800	1,000	558	1,000
504812 O.M.N.I.	1,500	1,152	1,500	1,026	1,500
504814 C.O.L.A.G.Y.	32,000	29,402	30,000	25,021	30,000
504815 State Comptroller Fees	165,000	206,366	275,000	196,157	200,000
504833 Postage	3,000	2,030	3,000	3,281	4,000
Total Miscellaneous Expenses	206,300	243,848	314,300	232,619	241,800
Total Municipal Court Expenditures	333,894	370,434	425,447	342,844	366,319

City of Magnolia

Municipal Court

Account	Account Name	Current Budget	Description
504501	Salaries	64,949	1 administrator, 1 clerk
504503	Overtime	-	Authorized overtime for non-exempt employees
504515	Longevity	290	\$5 per month per year of service with City
504516	T.E.C. (Unemployment)	414	Unemployment taxes- 2.3% rate
504517	TMRS	755	Retirement cost-.22% rate - 3 mos. 1.47% rate - 9 mos.
504518	Worker's Compensation	161	Cost of W/C insurance
504526	Employee Insurance	19,908	Medical, dental, vision
504536	Payroll Tax	4,991	Social Security & Medicare-7.65% rate
504543	Education, Travel, Certifications	3,500	Training, travel & certifications
504547	Drug Test	50	Pre-employment & post-accident testing
504550	Dues, Memberships & Promotions	500	TMCCA 150 TCCA 80 Misc. 270
504632	Contract/Outside Services	17,000	Fees paid to judge 12,000 Other court contractual services 5,000
504640	Legal	12,000	Fees paid to prosecutor
504766	Office Supplies	5,000	Copy paper, pens, file folders, toner, etc.
504775	Ref. Books, Reports, Subscriptions	300	Updated law manuals
504810	Court Jurors	1,000	Money paid to jurors for their service
504812	O.M.N.I.	1,500	Quarterly cost to send information to DPS
504814	C.O.L.A.G.Y.	30,000	Collection agency fees
504815	State Comptroller Fees	200,000	State's portion of all tickets and fines
504833	Postage	4,000	Costs for court mailings
		366,319	

PUBLIC WORKS/ FACILITIES



Public Works Department/Facilities

Department Mission

To provide exceptional customer service by 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 and improved streets for travel, and affording City-wide right-of-way maintenance.

Accomplishments for FY 2013-2014

- 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 2014-2015

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

Goals for FY 2014-2015

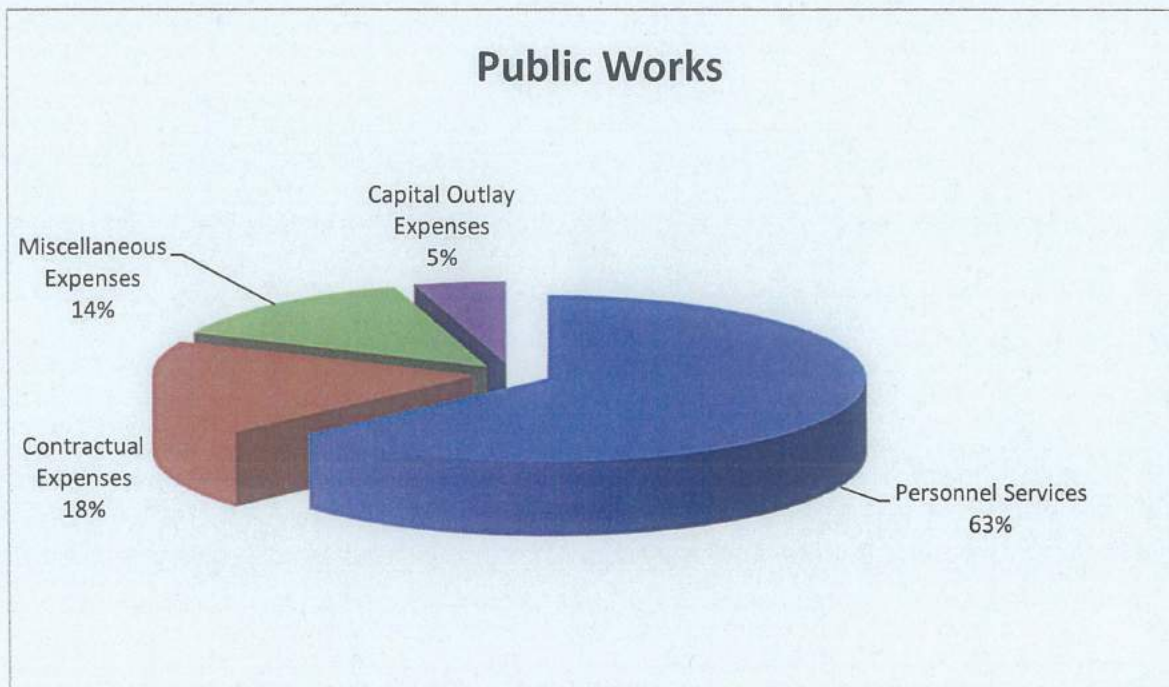
- Continue to conduct quarterly operational and safety training seminars to increase employee safety and proper working knowledge of select tools and practices.
- Overlay and pave major roads

City of Magnolia

Public Works Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$123,014	\$129,735	\$132,487	\$109,266
Contractual Expenses	\$45,000	\$48,000	\$45,000	\$32,000
Miscellaneous Expenses	\$6,500	\$10,500	\$22,900	\$23,500
Capital Outlay Expenses	\$2,000	\$2,000	\$8,000	\$8,000
Total	\$176,514	\$190,235	\$208,387	\$172,766

Staffing	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Maintenance Worker	2	2	2	2
Mechanic	1	1	1	0.5
Total	3	3	3	2.5



City of Magnolia

	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Public Works					
<u>Personnel Services</u>					
503501 Salaries	84,342	85,766	90,563	108,578	72,893
503503 Overtime	4,217	5,242	4,344	4,387	2,813
503505 Cell Phone Allowance	900	900	900	797	500
503515 Longevity	370	370	550	535	410
503516 T.E.C.	2,605	37	867	1,601	518
503517 T.M.R.S.	449	190	482	239	887
503518 Worker's Comp	6,203	0	0	0	0
503526 Insurance (Med/Dental/Life/Vision)	23,278	22,219	26,910	32,014	24,885
503536 Payroll Tax (F.I.C.A./Medicare)	6,872	7,061	7,371	8,743	5,861
503543 Education, Travel, Certification	400	32	400	85	400
503547 Drug Test	100	30	100	90	100
Total Personnel Services	129,735	121,848	132,487	157,069	109,266
<u>Contractual Expenses</u>					
503602 Utilities/Water- Montgomery County	11,000	19,916	16,000	14,101	0
503604 Electric (Street Lights)	20,000	11,395	15,000	13,887	15,000
503625 Maint/Repair-Vehicle(parts,inspector	5,000	3,300	5,000	2,999	5,000
503633 Maint. & Repair Equip-Heavy	3,000	5,780	4,000	3,658	4,000
503643 Engineering	0	0	0	1,268	0
503653 Ditch Renovations	2,000	0	2,000	0	2,000
503655 Street Signs & Flags	3,000	3,360	0	2,588	3,000
503663 Rental of Equipment	4,000	141	3,000	0	3,000
Total Contractual Expenses	48,000	43,893	45,000	38,501	32,000
<u>Miscellaneous Expenses</u>					
503700 General Supplies	5,000	6,240	6,000	3,618	6,000
503744 Minor Tools and Equipment	3,500	5,283	6,000	7,496	6,000
503749 Street Supplies	500	831	1,000	1,253	1,000
503760 Fuel	0	9,960	8,000	10,948	9,000
503761 Tires and Tubes	1,000	2,660	1,500	726	1,500
503762 Uniforms and Badges	500	0	0	0	0
503827 Fleet Insurance - TML	0	135	400	0	0
Total Miscellaneous Expenses	10,500	25,110	22,900	24,042	23,500
<u>Capital Expenses</u>					
503940 Mowers & Edgers	2,000	0	2,000	2,000	2,000
503945 Other Equipment	0	9,150	6,000	6,000	6,000
Total Capital Expenses	2,000	9,150	8,000	8,000	8,000
Total Public Works Expenditures	190,235	200,001	208,387	227,612	172,766

City of Magnolia

Public Works

Account	Account Name	Current Budget	Description
503501	Salaries	72,893	2.5 employees
503503	Overtime	2,813	Authorized overtime for non-exempt employees
503505	Cell Phone Allowance	500	Allowance for use of personal cell phones for business purposes
503515	Longevity	410	\$5 per month per year of service with City
503516	T.E.C. (Unemployment)	518	Unemployment taxes- 2.3% rate
503517	TMRS	887	Retirement cost-.22% rate - 3 mos. 1.47% rate - 9 mos.
503518	Worker's Compensation	-	Cost of W/C insurance
503526	Employee Insurance	24,885	Medical, dental, vision
503536	Payroll Tax	5,861	Social Security & Medicare-7.65% rate
503543	Education, Travel, Certifications	400	Training, travel & certifications
503547	Drug Test	100	Pre-employment & post-accident testing
503602	Utilities/Water-Montgomery County	-	Water svcs paid on behalf of Montgomery Co. per Interlocal Agreement
503504	Electric (Street Lights)	15,000	Expense for all street lights in the City
503625	Maintenance & Repair Vehicles	5,000	Oil changes, inspection, repairs, maintenance of P W vehicles
503633	Maint & Repair Equipment-Heavy	4,000	Costs to repair backhoe, tractor, & other equipment
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
503700	General Supplies	6,000	Misc supplies-marking paint, gloves, business cards, etc.

City of Magnolia

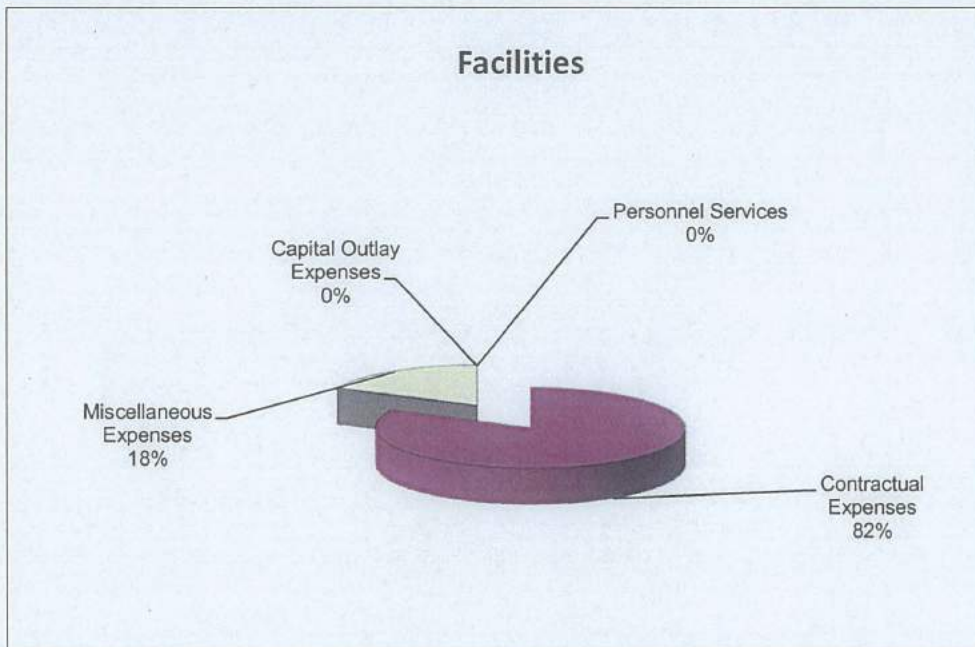
Public Works

Account	Account Name	Current Budget	Description
503744	Minor Tools & Equipment	6,000	Flashlights, generators, rakes, shovels, saws, drills/drill bits, misc small tools
503749	Street Supplies	1,000	Street supply costs that aren't HB445 fund repairs
503760	Fuel	9,000	Cost of fuel for P/W vehicles
503761	Tires and Tubes	1,500	Cost of tires for P/W vehicles, tractors & mowers
503762	Uniforms & Badges	-	Supply uniforms & cleaning
503827	Fleet Insurance-TML	-	Not used
503940	Mowers & Edgers	2,000	Lawn mowers, weed eaters, etc.
503945	Other Equipment	6,000	Major equipment such as trailers, forklifts, etc.
		172,766	

City of Magnolia

Facilities Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$0	\$0	\$0	\$0
Contractual Expenses	\$52,000	\$68,500	\$78,500	\$64,670
Miscellaneous Expenses	\$7,550	\$8,600	\$14,000	\$14,000
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$59,550	\$77,100	\$92,500	\$78,670



City of Magnolia

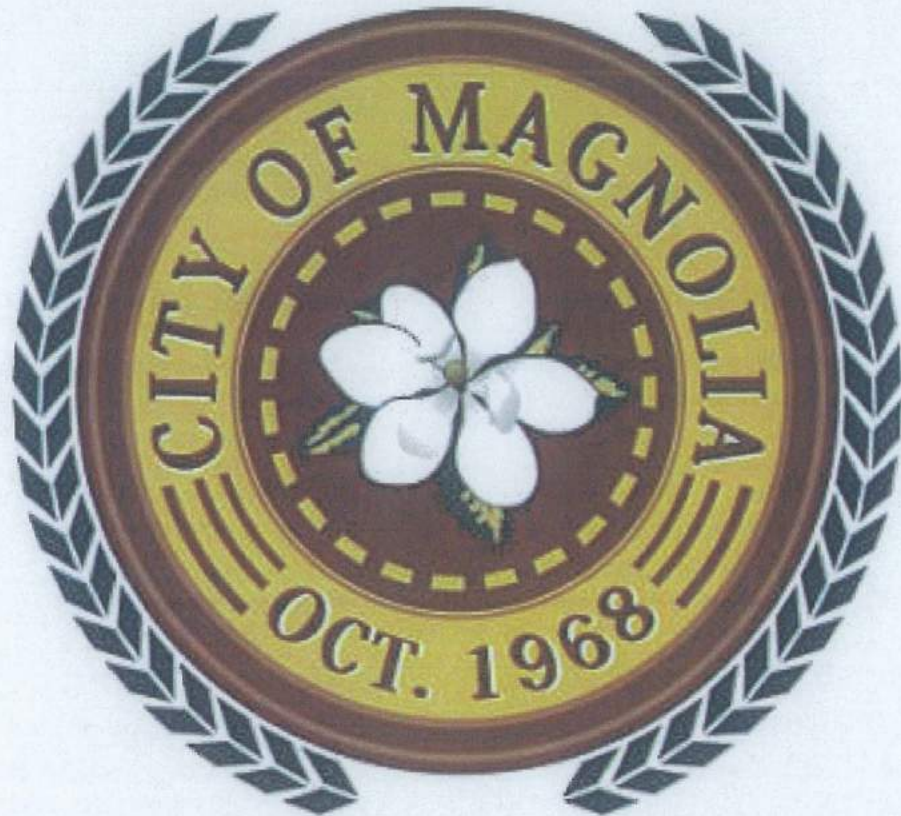
Facilities	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Contractual Expenses</u>					
509603 Utilities / Electric	28,000	24,214	20,000	16,817	20,000
509605 Telephone & Internet	13,000	18,602	18,000	15,740	18,000
509632 Contractual Services / Parks	0	4,109	0	734	1,000
509633 Bldg Lease & Grounds Maint	1,500	7,706	1,500	13,000	5,000
509634 Heat/A/C	15,000	18,811	20,000	0	0
509671 Janitorial Services / Cleaning	10,000	10,191	12,000	12,306	13,000
509673 Computer Software Lic/Upgra	1,000	0	7,000	0	7,000
509677 Computer Assistance (IT Services)				0	670
Total Contractual Expenses	68,500	83,632	78,500	58,596	64,670
<u>Miscellaneous Expenses</u>					
509700 Supplies (Misc.)	6,000	8,560	10,000	9,859	10,000
509826 Building Insurance - TML	2,600	2,790	4,000	3,139	4,000
Total Miscellaneous Expenses	8,600	11,350	14,000	12,998	14,000
Total Facilities Expenditures	77,100	94,982	92,500	71,594	78,670

City of Magnolia

Facilities

Account	Account Name	Current Budget	Description
509603	Utilities/Electric	20,000	Electricity for City Hall, some stations
509605	Telephone & Internet	18,000	Stationary phone usage for facilities
509632	Contractual Services/Facilities	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	13,000	Costs for cleaning the building
509673	Computer Software License/Upgrade	7,000	Renewal of licenses & software
509677	Computer Assistance (IT Services)	670	Technical services for Facilities
509700	Supplies (Misc.)	10,000	Rug service, kitchen/bathroom supplies, trash bags, coffee, etc.
509826	Building Insurance-TML	4,000	Property insurance
		78,670	

PARKS

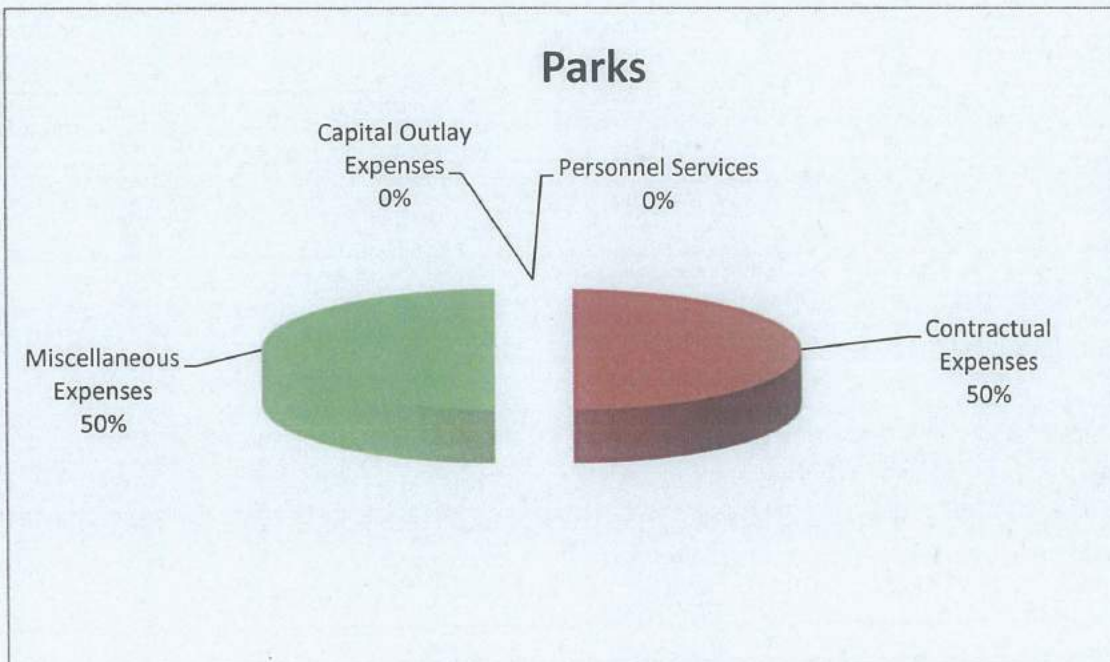


City of Magnolia

Parks Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$0	\$11,198	\$0	\$0
Contractual Expenses	\$47,000	\$47,000	\$11,000	\$6,500
Miscellaneous Expenses	\$25,550	\$26,500	\$15,500	\$6,500
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$72,550	\$84,698	\$26,500	\$13,000

Staffing	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Laborers	0	1	0	0
Total	0	1	0	0



City of Magnolia

Parks	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Personnel Services</u>					
511501 Salaries	0	957	0	0	0
511503 Overtime	0	0	0	0	0
511515 Longevity	104	0	0	0	0
511516 TEC	722	293	0	0	0
511517 TMRS	125	27	0	0	0
511518 Worker's Comp	582	1,249	0	0	0
511526 Insurance	7,759	3,453	0	0	0
511536 Payroll Tax (FICA)	1,906	0	0	0	0
Total Personnel Services	11,198	5,979	0	0	0
<u>Contractual Expenses</u>					
511603 Utilities / Electric	30,000	5,148	3,000	5,554	5,500
511632 Contractual Services / Parks	0	253	0	0	0
511633 Grounds Maintenance/Mulch	10,000	0	5,000	0	0
511634 Building Maintenance	1,000	0	1,000	1,000	1,000
511671 Janitorial Services / Cleaning	6,000	825	2,000	0	0
Total Contractual Expenses	47,000	6,226	11,000	6,554	6,500
<u>Miscellaneous Expenses</u>					
511700 Supplies	10,000	658	5,000	3,000	0
511744 Minor Equipment	5,000	383	5,000	5,000	0
511760 Gas/Oil	3,000	10,625	0	1,045	1,000
511826 Property Insurance - TML	2,500	0	2,500	0	2,500
511940 Equipment	6,000	320	3,000	0	3,000
Total Miscellaneous Expenses	26,500	11,986	15,500	9,045	6,500
Total Parks Expenditures	84,698	24,192	26,500	15,599	13,000

City of Magnolia

Parks

Account	Account Name	Current Budget	Description
511603	Utilities/Electric	5,500	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	1,000	Gas & oil for mowers, park equipment
511826	Property Insurance - TML	2,500	Insurance for park buildings
511940	Equipment	3,000	Batteries, misc equipment
		13,000	

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.

Financial Performance for FY 2014

Revenues in the Water Department (including intra-fund transfers) for the current fiscal year, budgeted at \$1,059,650, are expected to come in approximately 7.9% or \$84,308 more than budgeted due to larger-than-expected water usage fees and disconnect fees. Revenues in the Sewer Department are expected to come in approximately \$210,480 or 42.0% more than budgeted. This is due to larger-than-expected revenues for both sewer usage and garbage collection, as well as grant revenue of \$84,245 which had not been budgeted. Impact Fund revenues for the current fiscal year are expected to exceed budget by \$188,098 or 767.8% due to the large increase in building in the City.

Operating expenditures for FY 2014 in the Water Department are projected to come in approximately \$85,466 or 10.0% over budget largely due to increased fees paid to San Jacinto River Authority. Expenses in the Sewer Department are projected to be under budget by \$8,132 or 1.6%.

City of Magnolia

2014/2015 Budget

Revenues

Revenues for the Water Department are budgeted at \$1,470,201 which is \$410,551 or 38.7% more than last year's budget. This increase is primarily due to an increase in fees collected for the San Jacinto River Authority and an interdepartmental fund transfer. Revenues for the Sewer Department are budgeted conservatively at only 1.7% or \$8,500 higher than FY 2014 budget. Impact fees are budgeted \$85,800 or 350.2% higher than FY 2014 approved budget but still less than projected for the current year.

Expenditures

Expenditures for the Water Department are budgeted at \$1,029,464 or \$175,220 more than the previous year's budget. This is primarily due to an increase in fees to be paid to the San Jacinto River Authority and a \$50,000 projected first installment payment for an automatic water meter reading system.

Expenditures for the Sewer Department are budgeted \$28,385 or 5.7% less than the FY 2014 budget, primarily due to a decrease in the amount projected to be spent for sludge hauling.

There are no plans to spend any of the Impact Fund monies in the upcoming fiscal year.

City of Magnolia

Enterprise Funds Statement of Revenues, Expenditures, and Changes in Net Position						
				Water		
			Water	Debt Svc	Sewer	IMPACT Fund
			Fund	Funds	Fund	Water/Sewer
						Total of
						Enterprise Funds
REVENUES:						
Property Taxes						-
Sales Taxes						-
Other Taxes						-
Franchise Fees						-
Licenses & Permits						-
Fines & Forfeitures						-
Interest Income						300
Water User Fees		1,304,650				1,304,650
Sewer User Fees					509,700	509,700
Impact Fees						110,000
Other Revenue						-
Miscellaneous						-
Total Revenues		1,304,650	-	509,700	110,300	1,924,650
TRANSFERS:						
Intra-Fund Transfer (06)4B				165,652		165,652
Intra-Fund Transfer (07)4A						-
Intra-Fund Trfr (10)Red Lt Camera(TC)						-
Intra-Fund Trfr (28)2014 GO Bonds		165,551				
Total Intra-Fund Transfers		165,551	165,652	-	-	331,203
Total Revenues/Transfers		1,470,201	165,652	509,700	110,300	2,255,853
EXPENDITURES:						
Personnel Services		137,353			55,556	192,909
Contractual Expenses		156,400			317,000	473,400
Miscellaneous Expenses		468,884			84,218	553,102
Capital Expenses		56,000			10,000	66,000
Bond/Loan Principal Payments				117,622		117,622
Bond/Loan Interest Payments				48,030		48,030
Intra-Fund Trfrs Out		210,500				210,500
Total Expenditures/Transfers		1,029,137	165,652	466,774	-	1,661,563
Total Revenue Over/(Under)		441,064	-	42,926	110,300	594,290
Expenditures						
Beginning Net Position		2,557,097	448,894	515,183	704,213	4,225,387
Ending Net Position		2,998,161	448,894	558,109	814,513	4,819,676

WATER



Water Department

Department Mission

To continue to provide superior quality water at good volume and pressure to support the growth of the community

Program Narrative

The Water Department is responsible for the day-to-day operation and maintenance of the water supply system and water plants

Accomplishments for FY 2013-2014

- Maintained Superior Water Rating from TCEQ
- Worked hand in hand with the TxDot contractor to relocate any lines which stood in the way of progress on the widening of FM 1774
- Removed and replaced all water meters with readings in excess of 1 million gallons
- Replaced many faulty water meters with high-quality Neptune meters

Objectives for FY 2014-2015

- 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

Goals for FY 2014-2015

- Replace all water meters with self-reading meters to increase accuracy 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
- Complete 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 customer's accounts; handling the collection efforts of delinquent accounts, and responding to various customer requests.

Accomplishments for FY 2013-2014

- Bills were mailed by the 5th day of the month 100% of the time
- Filing system was completely restructured
- Late notices were stopped and new billing due dates were adopted
- Cut offs are highly enforced for non-payment accounts

Objectives for FY 2014-2015

- 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
- Search out new processes, technologies, and cost efficiencies which provide improved delivery of services to our citizens

Goals for FY 2014-2015

- Research the availability of online bill pay
- Develop tools to measure customer service success; questionnaires, surveys
- Research/adopt new meter services to cut back on human error readings and provide customers with faster knowledge of leaks

City of Magnolia

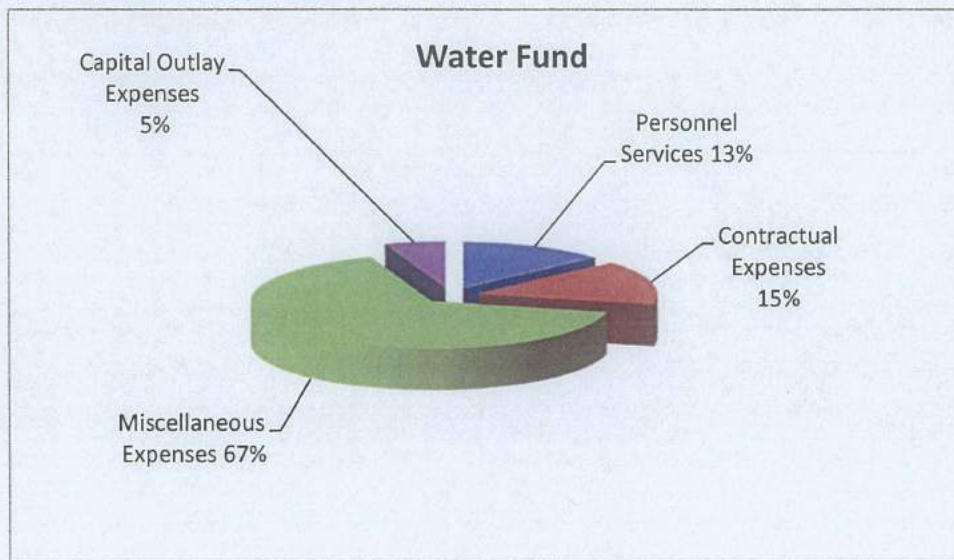
Water Fund Revenue Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Revenue and Fees	\$1,038,050	\$1,104,700	\$1,059,650	\$1,470,201

Water Fund Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$113,485	\$119,834	\$120,844	\$137,353
Contractual Expenses	\$127,900	\$137,900	\$130,900	\$156,400
Miscellaneous Expenses	\$490,300	\$570,700	\$596,500	\$679,384
Capital Outlay Expenses	\$1,265	\$14,000	\$6,000	\$56,000
Total	\$732,950	\$842,434	\$854,244	\$1,029,137

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Staffing				
Utility Maintenance Worker	0.5	0.5	0.5	1
Water Plant Operator	1	1	1	1
Permit Technician	0.67	0.67	0.67	0.67
Total	2.17	2.17	2.17	2.67



City of Magnolia

WATER - 02

Approved Budget

	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Revenues					
<u>Revenue</u>					
40001 Water Fund Revenue	850,000	906,031	800,000	830,000	850,000
40004 Tap Fees	5,000	5,305	3,000	6,900	5,000
40005 Reconnect Fees	4,000	7,245	6,000	8,614	6,000
40006 Other Fees	1,500	2,720	1,500	5,539	2,500
40007 Impact Fees	0	0	0	0	0
40009 Application Fee	0	0	0	0	0
40016 Late Fees	10,000	10,689	9,000	12,904	10,000
40018 Disconnect Fees	9,000	11,795	10,000	32,098	15,000
40020 Interest Income	200	121	150	38	100
40024 Lone Star Groundwater	30,000	12,462	10,000	11,724	23,550
40025 San Jacinto River Authority	195,000	194,890	220,000	236,141	392,500
NEW Transfer in from Fund 28					165,551
Total Revenue	1,104,700	1,151,257	1,059,650	1,143,958	1,470,201
Total Revenue	1,104,700	1,151,257	1,059,650	1,143,958	1,470,201
Department Expenditures					
<u>Personnel Services</u>					
500501 Salaries	81,007	73,211	76,358	66,727	89,652
500503 Overtime	4,050	9,532	3,818	6,936	7,000
500505 Cell Phone Allowance	0	163	300	171	600
500515 Longevity	557	557	687	307	661
500516 T.E.C.	2,483	9	728	215	553
500517 T.M.R.S.	428	173	404	163	1,133
500518 Worker's Comp	5,911	3,323	9,583	793	1,637
500526 Insurance (Med/Dental/Life/Vision)	16,799	10,531	20,729	18,332	26,577
500536 Payroll Tax (F.I.C.A./Medicare)	6,549	6,074	6,186	5,672	7,490
500543 Education, Travel, Certification	2,000	106	2,000	2,000	2,000
500547 Drug Test	50	0	50	50	50
Total Personnel Services	119,834	103,678	120,844	101,367	137,353
<u>Contractual Expenses</u>					
500603 Utilities / Electric	70,000	56,284	58,000	58,000	58,000
500605 Utilities / Telephone	2,400	2,311	2,300	3,053	2,400
500625 Maintenance & Repair / Vehicles	3,000	0	3,000	0	3,000
500627 Maintenance/ Building & Plant	12,000	27,348	12,000	15,602	15,000
500632 Contract/Consultant Services	7,000	4,470	7,000	793	5,000
500633 Maintenance & Repair Building/Equip	5,000	493	5,000	3,981	2,000
500641 Auditing & Accounting/Service	0	0	0	0	0
500643 Engineering	6,000	14,893	10,000	50,000	30,000
500652 Permits, Fees, Sample Test	20,000	22,356	22,000	31,358	30,000
500663 Rental of Equipment	5,000	0	5,000	691	5,000
500673 Computer Update	5,000	0	4,000	0	4,000
500674 Posting & Advertising	500	0	600	0	0
500677 Equipment	2,000	0	2,000	0	2,000
Total Contractual Expenses	137,900	128,155	130,900	163,478	156,400

City of Magnolia

WATER - 02

Approved Budget

	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Miscellaneous Expenses</u>					
500700 Supplies (Misc.)	30,000	31,344	30,000	56,507	60,000
500760 Fuel	8,000	8,916	8,000	5,861	5,214
500762 Uniforms & Badges	2,000	3,042	3,500	4,014	3,500
500766 Office Supplies	500	1,058	1,000	86	1,000
500780 Chemicals/ Water Treatment	14,000	10,233	14,000	12,059	14,000
500800 Bank Fees	2,000	956	1,000	2,366	2,000
500804 San Jacinto River Authority	172,500	202,386	197,500	272,260	353,250
500805 Lone Star Water Conservation	15,000	12,796	15,000	12,796	15,420
500826 Water Plant Insurance - TML	7,000	6,370	7,000	8,189	7,000
500827 Fleet Insurance	3,000	3,133	3,500	4,186	3,500
500833 Postage	4,000	3,968	4,000	1,986	4,000
500855 Bad Debts	0	25,740	0	0	0
500858 Depreciation	0	209,957	0	0	0
500861 Transfer to Debt Service	312,700	-198	312,000	286,000	210,500
500863 Transfer Expense		22,138		0	0
500550 Interest Expense	0	224,515	0	0	0
Total Miscellaneous Expenses	570,700	766,351	596,500	666,309	679,384
<u>Capital Expenses</u>					
500920 Computer Equipment	1,000	0	1,000	1,000	1,000
500940 Water System Pumps & Motors	0	0	0	0	0
500950 Vehicle Payments	0	0	0	0	0
500960 Equipment	13,000	0	5,000	7,557	55,000
Total Capital Expenses	14,000	0	6,000	8,557	56,000
Total Expenditures	842,434	998,185	854,244	939,710	1,029,137
Total Revenue Over(Under) Expenditures	262,266	153,072	205,406	204,248.12	441,064

City of Magnolia

WATER - 02

Account	Account Name	Current Budget	Description
Revenues:			
40001	Water Fund Revenue	850,000	
40004	Tap Fees	5,000	
40005	Reconnect Fees	6,000	
40006	Other Fees	2,500	
40016	Late Fees	10,000	
40018	Disconnect Fees	15,000	
40020	Interest Income	100	
40024	Lone Star Groundwater Conservation	23,550	\$.15/1000 gal pumped
40025	San Jacinto River Authority	392,500	\$2.50/1000 gal pumped
	Transfer in from Fund 28	165,551	
		1,470,201	

City of Magnolia

WATER - 02

Account	Account Name	Current Budget	Description
Expenditures			
500501	Salaries	89,652	1 Operator, 1 Tech, 2/3 Clerk
500503	Overtime	7,000	Authorized overtime for non-exempt employees
500505	Cell Phone Allowance	600	Allowance for use of personal cell phones for business purposes
500515	Longevity	661	\$5 per month per year of service with City
500516	T.E.C. (Unemployment)	553	Unemployment taxes- 2.3% rate
500517	TMRS	1,133	Retirement cost-.22% rate - 3 mos. 1.47% rate - 9 mos.
500518	Worker's Compensation	1,637	Cost of W/C insurance
500526	Employee Insurance	26,577	Medical, dental, vision
500536	Payroll Tax	7,490	Social Security & Medicare-7.65% rate
500543	Education, Travel, Certifications	2,000	Training, travel & certifications
500547	Drug Test	50	Pre-employment & post-accident testing
500602	Utilities/Water-Montgomery County	-	
500603	Utilities/Electric	58,000	Electricity for water plants
500605	Utilities/Telephone	2,400	Telephone service at water plants
500625	Maintenance & Repair/Vehicles	3,000	Oil changes, inspection, repairs, maintenance of vehicles
500627	Maintenance/Bldg & Plant	15,000	Repairs to buildings and plant
500632	Contract/Consultant Services	5,000	Answering service, etc.
500633	Maint & Repair Equipment-Heavy	2,000	Costs to repair water equipment
500643	Engineering	30,000	Costs for engineering services related to water construction
500652	Permits, Fees, Sample Test	30,000	Permits and water sample testing

City of Magnolia

WATER - 02

Account	Account Name	Current Budget	Description	
Expenditures				
500663	Rental of Equipment	5,000	Cost to rent work equipment	
500673	Computer Update	4,000	Costs to update and maintain current software	
500674	Posting & Advertising	-	Consumer Quality Report Notice	
500677	Equipment	2,000	New equipment	
500700	General Supplies	60,000	Misc supplies	
500760	Fuel	5,214	Fuel for equipment	
500762	Uniforms & Badges	3,500	Cost of uniforms and cleaning	
500766	Office Supplies	1,000	Office supplies designated for water department	
500780	Chemicals/Water Treatment	14,000	Cost of chemicals for water treatment	
500800	Bank Fees	2,000	Credit card processing fees	
500804	San Jacinto River Authority	353,250	Cost to participate in WRAP \$2.25/1000 gal. pumped	
500805	Lone Star Water Conservation	15,420	Cost for historical & operating permit renewals @ \$.06/1000 gal.	
500826	Water Plant Insurance-TML	7,000	Property insurance for water plants	
500827	Fleet Insurance	3,500	Vehicle insurance	
500833	Postage	4,000	Mailing cost for water bills, etc.	
500859	Transfer to General Fund	-	Transfers only as needed	
500861	Transfer to 2014 R/Bond	210,500	Bond debt service payments	
500920	Computer Equipment	1,000	New computer/software	
500940	Water System Pumps & Motors	-		
500950	Vehicle Payments	-		
500960	Equipment	55,000	Automatic water meters (1st year of 5 payments)	50,000
			Misc.	5,000
		1,029,137		

SEWER



Sewer Department

Department Mission

To continue to provide safe operation and sanitary sewer service to the City of Magnolia

Program Narrative

The Sewer Department is responsible for the day-to-day operation and maintenance of the sanitary sewer collection system and operations of the sewage processing plant

Accomplishments for FY 2013-2014

- Detected and repaired major infiltration points throughout the system
- Achieved an excellent rating from TCEQ on triennial inspection
- Maintained excellent reporting criteria on all lab samples/tests
- Met and exceeded all state and federal regulations and requirements for sewer plants
- Maintained excellent record keeping and reporting for all state requirements to TCEQ
- Were able to connect Magnolia Ridge trunk line into the gravity feed sanitary sewer system

Objectives for FY 2014-2015

- Work towards building a new sewer plant to support the impending growth of the City of Magnolia
- Maintain high standards of customer service
- Remain current on all testing, reporting and monitoring of the sewer systems and maintain strict compliance with state and federal regulations
- Continue monitoring program for infiltration and leakage in collection system

Goals for FY 2014-2015

- Complete all standard work orders within 24 working hours
- Complete all emergency work orders within 2 working hours

City of Magnolia

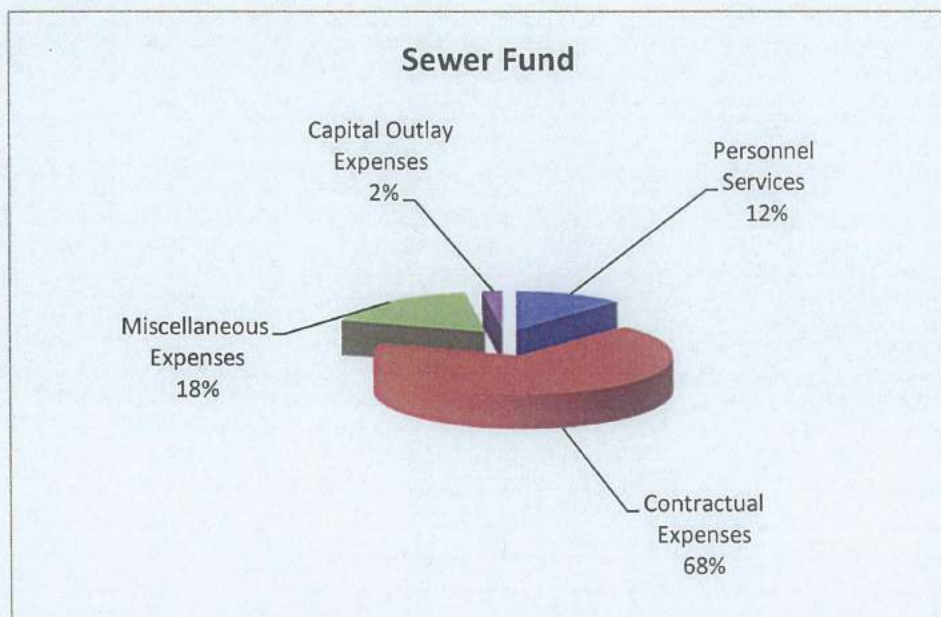
Sewer Fund Revenue Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Revenue and Fees	\$611,600	\$496,200	\$501,200	\$509,700

Sewer Fund Expenditure Summary

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Personnel Services	\$47,271	\$50,007	\$55,886	\$55,556
Contractual Expenses	\$291,500	\$295,500	\$319,000	\$317,000
Miscellaneous Expenses	\$64,635	\$75,035	\$115,600	\$84,218
Capital Outlay Expenses	\$1,265	\$16,000	\$5,000	\$10,000
Total	\$404,671	\$436,542	\$495,486	\$466,774

	Approved 2011-2012	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015
Staffing				
Sewer Operator	0.5	0.5	0.5	0.5
Permit Technician	0.33	0.33	0.33	0.33
Total	0.83	0.83	0.83	0.83



City of Magnolia

Sewer - 03

Approved Budget

Revenues	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>					
40001 Sewer Fund Revenue	400,000	356,384	400,000	488,583	400,000
40003 Road Bore Fee		0		2,000	2,000
40004 Tap Fees	1,500	7,350	1,500	6,100	3,000
40010 Garbage Collection Fees	700	967	700	1,092	700
40011 Garbage Revenue	90,000	94,759	95,000	123,447	100,000
40012 Misc. Revenues	0	312	0	0	0
40016 Late Fees	4,000	4,902	4,000	6,213	4,000
40020 Interest Income	0	0	0	0	0
40022 Grant Income				84,245	0
Total Revenue	496,200	464,674	501,200	711,680	509,700
Total Revenue	496,200	464,674	501,200	711,680	509,700

Department Expenditures

<u>Personnel Services</u>					
500501 Salaries	34,080	35,645	36,566	37,698	32,077
500503 Overtime	1,704	5,364	1,828	5,791	2,500
500515 Longevity	313	313	363	233	279
500516 T.E.C.	1,047	0	349	19	172
500517 T.M.R.S.	180	85	194	360	400
500518 Worker's Comp	2,492	5,201	4,676	7,855	8,250
500526 Insurance (Med/Dental/Life/Vision)	6,479	5,879	7,995	8,683	8,262
500536 Payroll Tax (F.I.C.A./Medicare)	2,761	2,984	2,965	3,305	2,666
500543 Education, Travel, Certification	900	603	900	900	900
500547 Drug Test	50	0	50	50	50
Total Personnel Services	50,007	56,074	55,886	64,893	55,556

Contractual Expenses

500603 Utilities / Electric	80,000	87,768	90,000	100,624	90,000
500605 Utilities / Telephone	3,000	2,265	3,000	2,830	3,000
500625 Maintenance & Repair / Vehicles	3,000	0	3,000	3,000	3,000
500627 Maint/Repair Lift Station	76,000	100,128	85,000	85,000	85,000
500632 Contr. Ser./Mowing/Repair	3,000	8,072	0	8,562	0
500633 Maint. & Repair Building/Equip.	25,000	30,160	28,000	43,453	25,000
500641 Auditing & Accounting Service	3,000	0	0	0	0
500643 Engineering	0	3,445	2,000	17,186	10,000
500652 Permits and Testing	8,000	3,130	8,000	2,717	4,000
500663 Rentals	1,500	2,230	2,000	0	2,000
500671 Sales Tax Expense	0	(139)	5,000	0	0
500672 Garbage Service	93,000	88,088	93,000	81,296	95,000
Total Contractual Expenses	295,500	325,145	319,000	344,668	317,000

City of Magnolia

Sewer - 03

Approved Budget	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Miscellaneous Expenses</u>					
500700 Supplies (Misc.)	8,000	22,720	18,000	8,157	15,000
500760 Fuel	6,000	3,708	6,000	2,437	2,168
500761 Tires and Tubes	2,000	201	2,000	0	2,000
500766 Office Supplies	500	998	1,000	0	500
500780 Chemicals/ Water Treatment	12,000	7,627	12,000	11,810	12,000
500800 Bank Fees-credit card	0	306	300	0	300
500801 Road Boring	1,000	0	0	0	0
500825 Liability Insurance - TML	900	996	1,300	1,390	1,500
500826 Sewer Plant Insurance - TML	2,400	2,344	2,500	3,014	3,000
500830 Personal Property Ins. - TML	235	382	500	675	550
500833 Postage	1,000	968	1,000	1,128	1,200
500855 Bad Debts	0	0	0	0	0
500857 Sludge Hauling	40,000	38,490	70,000	40,000	45,000
500861 Damage Claims	1,000	0	1,000	0	1,000
Total Miscellaneous Expenses	75,035	78,739	115,600	68,612	84,218
<u>Capital Expenses</u>					
500950 Vehicle Payments	0	0	0	0	0
500960 Other Equipment & Tools	16,000	12,998	5,000	9,182	10,000
Total Capital Expenses	16,000	12,998	5,000	9,182	10,000
Total Expenditures	436,542	472,956	495,486	487,354	466,774
Total Revenue Over(Under) Expenditures	59,658	-8,281	5,714	224,326	42,926

City of Magnolia

Sewer - 03

Account	Account Name	Current Budget	Description
Revenues:			
40001	Sewer Fund Revenue	400,000	
40003	Road Bore Fee	2,000	
40004	Tap Fees	3,000	
40010	Garbage Collection Fees	700	
40011	Garbage Revenue	100,000	
40016	Late Fees	4,000	
		509,700	
Expenses:			
500501	Salaries	32,077	(1/2 Oper 1, 1/3 Clerk) & 3% increase
500503	Overtime	2,500	Authorized overtime for non-exempt employees
500515	Longevity	279	\$5 per month per year of service with City
500516	T.E.C. (Unemployment)	172	Unemployment taxes- 2.3% rate
500517	TMRS	400	Retirement cost-.22% rate - 3 mos. 1.47% rate - 9 mos.
500518	Worker's Compensation	8,250	Cost of W/C insurance
500526	Employee Insurance	8,262	Medical, dental, vision
500536	Payroll Tax	2,666	Social Security & Medicare-7.65% rate
500543	Education, Travel, Certifications	900	Training, travel & certifications
500547	Drug Test	50	Pre-employment & post-accident testing
500603	Utilities/Electric	90,000	Electricity for sewer plants, lift stations
500605	Utilities/Telephone	3,000	Telephone service at plant(s)
500625	Maintenance & Repair/Vehicles	3,000	Oil changes, inspection, repairs, maintenance of vehicles
500627	Maintenance & Repair/Lift Station	85,000	Repairs to buildings and plant
500632	Contract/Consultant Services	-	Contracted work

City of Magnolia

Sewer - 03

Account	Account Name	Current Budget	Description
Expenses:			
500633	Maint & Repair/Bldg & Equipment	25,000	Costs to repair sewer equipment
500643	Engineering	10,000	Costs for engineering services related to sewer construction
500652	Permits and Testing	4,000	Permit renewal
500663	Rental of Equipment	2,000	Cost to rent work equipment
500671	Sales Tax to State for Garbage-WCA	-	
500672	Garbage Service	95,000	Dumpster at plant/garbage residential
500700	General Supplies	15,000	Misc operating supplies
500760	Fuel	2,168	Fuel for sewer equipment
500761	Tires and Tubes	2,000	Replacement of tires for equipment
500766	Office Supplies	500	Office supplies designated for sewer department
500780	Chemicals/Water Treatment	12,000	Cost of chemicals to treat wastewater
500800	Bank Fees	300	Credit card fees
500825	Liability Insurance-TML	1,500	Liability insurance-sewer
500826	Sewer Plant Insurance-TML	3,000	Property insurance for sewer plant
500830	Personal Property Insurance-TML	550	Personal property insurance
500833	Postage	1,200	Mailing costs for sewer department
500857	Sludge Hauling	45,000	Cost to haul sludge
500861	Damage Claims	1,000	
500960	Other Equipment & Tools	10,000	Boring equipment, sewer hose, misc small tools
		466,774	

City of Magnolia

IMPACT Fund Water/Sewer - 09

Bank Balance as of 06/30/14 \$ 528,742

Approved Budget					
Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>					
40002 Water Impact Revenue	12,000	43,500	12,000	81,750	50,000
40003 Sewer Impact Revenue	12,000	44,500	12,000	130,500	60,000
40020 Impact Fund Interest	500	451	500	348	300
Total Revenue	24,500	88,451	24,500	212,598	110,300
Total Revenues	24,500	88,451	24,500	212,598	110,300
 Expenditures					
<u>Expenses</u>					
500802 Water Impact Expense	0	0	0	0	0
500803 Sewer Impact Expense	0	0	0	0	0
500805 Bank Fees	0	0	0	0	0
Total Expenses	0	0	0	0	0
Total Impact Fund Expenses	0	0	0	0	0
Total Revenue Over(Under) Expenditures	24,500	88,451	24,500	212,598	110,300

The Impact Fund Water/Sewer is used to account for receipts and expenditures of water/sewer impact fees. Impact fees are authorized under Chapter 395 of the Texas Local Government Code and are defined as charges against new development to pay for the off-site construction or expansion of infrastructure facilities that are necessitated by and benefit the new development.

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 "A+" 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 2014-2015 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					2014-2015 DEBT SERVICE		
FUND	BOND ISSUED	ISSUE AMOUNT	MATURITY	OUTSTANDING PRINCIPAL BALANCE 9/2014	FISCAL PAY Principal	FISCAL PAY Interest	FISCAL PAY TOTAL P&I
GENERAL	General Obligation Refunding Bond, Series 2014	\$5,860,000.00	09/30/2037	\$5,775,000.00	\$220,000.00	\$182,900.00	\$402,900.00
	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.						
4A EDC	Sales Tax Refunding Bond, Series 2012	\$2,945,000.00	09/30/2024	\$2,410,000.00	\$200,000.00	\$102,425.00	\$302,425.00
	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.						
ENTERPRISE	2011 State Infrastructure Bank- Loan	\$2,000,000.00	02/01/2026	\$1,659,808.05	\$117,621.68	\$48,029.88	\$165,651.56
	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.						
4A EDC	2014 Promissory Loan	\$ 700,000.00	08/26/2019	\$ 700,000.00	\$ 61,132.24	\$ 19,765.72	\$ 80,897.96
	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.						
TOTAL		\$11,505,000.00		\$10,544,808.05	\$598,753.92	\$353,120.60	\$951,874.52

City of Magnolia

2014 General Obligation Refunding Bonds I & S - 28

Approved Budget		Bank Balance as of 06/30/14		\$ 239,350		
Revenue		Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenues</u>						
40001	Bond Refunding Income	0	0	0	267,490	0
40030	Ad Valorem Tax Revenue	0	0	0	0	358,551
40032	Trfr from 02/Water Fund				182,000	210,500
40034	2014 G/O I&S Interest Earned				100	100
	Total Revenue	0	0	0	449,590	569,151
Total Revenue		0	0	0	449,590	569,151
<u>Expenditures</u>						
<u>Expenses</u>						
500033	2014 G/O I&S Principal Pay't	0	0	0	85,000	220,000
500034	2014 G/O I&S Interest Pay't	0	0	0	46,700	182,900
500800	Bank Fees	0	0	0	0	500
NEW	Transfer to Water Dept					165,651
	Total Expenses	0	0	0	131,700	569,051
Total Expenses		0	0	0	131,700	569,051
Total Revenue Over(Under) Expenditures		0	0	0	317,890	100

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
11/01/2021	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

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

Approved Budget

Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Revenue					
<u>Revenue</u>					
40007 Trans from 4A-EDC	261,663	(3,498)	300,500	300,500	302,425
40120 2012 R/Bond Int & Sinking Interest Earned	50	156	10	89	85
Total Revenue	261,713	(3,341)	300,510	300,589	302,510
Total Revenue	261,713	(3,341)	300,510	300,589	302,510
Expenditures					
<u>Expenses</u>					
500033 2012 R/Bond Int & Sinking Principal Pay't	145,000	0	190,000	190,000	200,000
500034 2012 R/Bond Int & Sinking Interest Pay't	116,663	1	110,500	110,500	102,425
500800 2012 R/Bond Int & Sinking Bank Fees	0		0	132	0
Total Expenses	261,663	1	300,500	300,632	302,425
Total Expenditures	261,663	1	300,500	300,632	302,425
Total Revenue Over(Under) Expenditures	50	(3,342)	10	(43)	85

City of Magnolia

2012 Sales Tax Revenue Bond Reserve Fund - 22 Approved Budget

Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>					
40101 Dep-Woodforest National Bank	0	0	0	0	0
40023 Income on Investments	0	0	0	0	0
40120 2012 R/Bond Int & Sinking Interest Earned	500	427	50	254	0
Total Revenue	500	427	50	254	0
Total Revenue	500	427	50	254	0
 Expenditures					
<u>Expenses</u>					
500033 2012 R/Bond Int & Sinking Principal Pmt	0	0	0	0	0
500034 2012 R/Bond Int & Sinking Interest Pmt	0	0	0	0	0
500551 Interest Expense		4,043	0	0	0
Total Expenses	0	4,043	0	0	0
Total Expenditures	0	4,043	0	0	0
Total Revenue Over(Under) Expenditures	500	(3,616)	50	254	0

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

City of Magnolia

State Infrastructure Bank Loan Debt Service - 24

Approved Budget	Bank Balance as of 06/30/14		\$ 165,707		
	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Revenue					
<u>Revenue</u>					
40007 Transfer In from 4B	165,756	0	165,705	165,705	165,652
40120 SIB Loan I & S Int Earned	0	2	0	0	0
Total Revenue	165,756	2	165,705	165,705	165,652
Total Revenue	165,756	2	165,705	165,705	165,652
Expenditures					
<u>Expenses</u>					
500033 SIB Loan I & S Principal Pay't	110,873	0	114,197	114,197	117,622
500034 SIB Loan I & S Interest Pay't	54,883	0	51,507	51,507	48,030
Total Expenses	165,756	0	165,705	165,705	165,652
Total Expenditures	165,756	0	165,705	165,705	165,652
Total Revenue Over(Under) Expenditures	0	2	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

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	

City of Magnolia

2004 Certificate of Obligation Interest & Sinking - 05 Approved Budget

	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Revenue					
<u>Revenue</u>					
40001 Ad Valorem Tax Revenue	84,657	62,175	86,699	62,731	0
40020 2004 Cert. of Obligation Int. & Sinking Int.	150	33	10	8	0
Total Revenue	84,807	62,209	86,709	62,739	0
Total Revenues	84,807	62,209	86,709	62,739	0
Expenditures					
<u>Miscellaneous Expense</u>					
500766 Bank Fees	500	500	500	500	0
500888 2004 Cert of Obligation I & S Prin. Pay't	60,000	60,000	65,000	0	0
500889 2004 Cert of Obligation I & S Int. Pay't	24,157	23,664	21,199	10,600	0
Total Miscellaneous Expense	84,657	84,164	86,699	11,100	0
Total 2004 Certificate of Obligation Interest & Sinking	84,657	84,164	86,699	11,100	0
Total Revenue Over(Under) Expenditures	150	(21,955)	10	51,640	0

City of Magnolia

2006 Revenue Bond Interest & Sinking Fund - 25

Approved Budget

Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>					
40032 Trans from Water Fund	312,700	(198)	312,000	104,000	0
40033 Trans from Sewer Fund	0	0	0	0	0
40034 2006 R/Bond Int & Sinking Interest Earned	200	226	20	49	0
Total Revenue	312,900	28	312,020	104,049	0
Total Revenue	312,900	28	312,020	104,049	0
 Expenditures					
<u>Expenses</u>					
500033 2006 R/Bond Int & Sinking Principal Pay't	95,000	0	95,000	95,000	0
500034 2006 R/Bond Int & Sinking Interest Pay't	217,198	(1)	213,089	107,578	0
500800 2006 R/Bond Int & Sinking Bank Fees	500	500	500	0	0
Total Expenses	312,698	500	308,589	202,578	0
Total Expenditures	312,698	500	308,589	202,578	0
Total Revenue Over(Under) Expenditures	203	(472)	3,431	(98,528.16)	0

City of Magnolia

2006 Revenue Bond Reserve Fund - 14 Approved Budget

Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenues</u>					
40109 Deposit Wells Fargo	0	0	0	0	0
40120 2006 R/Bond Reserve Interest Earned	500	26,428	0	94	0
Total Revenue	500	26,428	0	94	0
Total Revenue	500	26,428	0	94	0
 <u>Expenditures</u>					
<u>Expenses</u>					
501800 2006 R/Bond Reserve Bank Fees	0	0	0	0	0
501810 2006 R/Bond Reserve Principal Pay't	0	0	0	0	0
501820 2006 R/Bond Reserve Interest Pay't	0	0	0	0	0
Total Expenses	0	0	0	0	0
Total Expenses	0	0	0	0	0
Total Revenue Over(Under) Expenditures	500	26,428	0	94	0

City of Magnolia

Capital Equipment:

The City of Magnolia does not have a separate Capital Equipment budget.

The following items were approved as part of the overall operating budgets for the General Fund and Enterprise Fund for FY 2014-15:

General Fund:

Public Works - \$8,000 for mowers, edgers and miscellaneous equipment

Administration - \$2,000 for computer equipment

City Council - \$1,000 for computer equipment

Enterprise Fund:

Water Dept. - \$50,000 for the first installment payment of a 5-year payment plan for a Tesla AMR automatic meter reader system. This should provide more accuracy in water billing and should eliminate most of the man hours involved with the monthly readings.

\$1,000 for computer equipment

\$5,000 for miscellaneous equipment

Sewer Dept. - \$10,000 for boring equipment, sewer hose and miscellaneous tools

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 seven 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 9.

City of Magnolia

ATS-Red Light Camera -10

Approved Budget		Bank Balance as of 06/30/14 \$ 209,022			
Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>					
40220 Red Light Camera Revenue	260,000	364,800	260,000	252,740	250,000
40020 Red Light Camera Fund Interest	500	430	60	211	200
Total Gross Revenue	260,500	365,230	260,060	252,951	250,200
NEW State Comptroller Fees				(127,719)	(60,000)
Total Net Revenues	260,500	365,230	260,060	125,232	190,200
 <u>Expenditures</u>					
<u>Expenses</u>					
500501 Transfer out for Salary Reimb.	97,226	68,136	106,265	74,139	86,251
500543 Education, Travel, Certification				0	0
500630 Red Light Camera Expense	55,774	53,511	20,000	45,113	45,000
500631 Contractual-Am. Traffic Sys	57,000	57,456	57,000	58,368	60,843
NEW Harris County Contract-Radio				0	0
500760 Fuel	50,000	76,071	70,000	78,000	40,000
500635 Refunds	500	0	500	0	500
500800 Bank Fees	0	0	0	0	0
500815 State Comptroller	0	142,415	0	0	0
Total Operating Expenses	260,500	397,589	253,765	255,620	232,595
 Capital Expenses					
500951 Motor Vehicles	0	53,067	0	2,000	0
503945 Other Equipment	0	0	0	0	0
Total Capital Expenses	0	53,067	0	2,000	0
 Total Red Light Camera Fund Expenses	260,500	450,656	253,765	257,620	232,595
Total Revenue Over(Under) Expenditures	0	(85,426)	6,295	(132,388)	(42,395)
Beginning Fund Balance	357,276	357,276	271,850	271,850	139,462
Ending Fund Balance	357,276	271,850	278,145	139,462	97,067

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 06/30/14 \$ 1,067,328 (\$150K Invested)

Approved Budget					
Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenues</u>					
40009 HB445 Sales Tax Revenue	225,000	252,782	225,000	280,246	287,500
40020 HB445 Interest Earned	2,000	13,091	2,000	678	700
Total Revenue	227,000	265,873	227,000	280,924	288,200
Total Revenue	227,000	265,873	227,000	280,924	288,200
<u>Expenditures</u>					
<u>Expenses</u>					
500805 Sls Tax-Repay State of Texas	0	0	0	0	0
500850 HB445 Road Repair	225,000	106,169	225,000	5,501	287,500
Total Expenses	225,000	106,169	225,000	5,501	287,500
Total Expenditures	225,000	106,169	225,000	5,501	287,500
Total Revenue Over(Under) Expenditures	2,000	159,704	2,000	275,422	700

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. Revenue from this tax may only be used to maintain and repair existing municipal streets.

City of Magnolia

Hotel/Motel Occupancy Tax - 17

Bank Balance as of 06/30/14 \$ 64,911

Approved Budget					
Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>					
40110 Hotel/Motel Occupancy Tax Revenue	35,000	40,925	35,000	48,789	45,000
40117 Event Donations	0	0	0	0	0
Total Revenue	35,000	40,925	35,000	48,789	45,000
Total Revenue	35,000	40,925	35,000	48,789	45,000
 Expenditures					
<u>Expenses</u>					
501560 Event Funding	35,000	32,523	35,000	48,515	45,000
Total Expenses	35,000	32,523	35,000	48,515	45,000
Total Expenditures	35,000	32,523	35,000	48,515	45,000
Total Revenue Over(Under) Expenditures	0	8,402	0	273	0

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

Municipal Court Security Fund - 18

Approved Budget		Bank Balance as of 06/30/14 \$ 63,735				
Revenue		Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>						
40408 Municipal Court Security Fund Fees		5,000	10,010	6,000	7,833	7,000
Total Revenue		5,000	10,010	6,000	7,833	7,000
 Expenditures						
Expenses						
504565 Municipal Court Security Exp		5,000	4,038	6,000	4,607	6,000
504565 Build out of clerks' windows						20,000
NEW Harris County Contract-Radio						2,763
Total Expenditures		5,000	4,038	6,000	4,607	28,763
Total Revenue Over(Under) Expenditures		0	5,972	0	3,226	(21,763)

These fees are generated from court fines. By law, these funds can only be spent on the City's municipal court.

City of Magnolia

Municipal Court Technology Fund - 19

Approved Budget		Bank Balance as of 06/30/14 \$ 5,686			
Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>					
40426 Credit Card Convenience Fee	0	7,234	500	6,561	6,000
41906 Municipal Court Tech Fund Fee	10,000	11,532	10,000	10,199	10,000
41907 Equipment Fund	0	0	0	0	0
Total Revenue	10,000	18,765	10,500	16,760	16,000
Total Revenue	10,000	18,765	10,500	16,760	16,000
 <u>Expenditures</u>					
<u>Expenses</u>					
519570 Municipal Court Tech Fund Exp	5,000	16,044	10,000	16,570	17,920
519571 Computer Server	5,000	0	0	0	0
Total Expenses	10,000	16,044	10,000	16,570	17,920
Total Expenditures	10,000	16,044	10,000	16,570	17,920
Total Revenue Over(Under) Expenditures	0	2,721	500	191	(1,920)

These fees are generated from court fines. By law, these funds can only be spent on the City's municipal court.

City of Magnolia

Municipal Court Technology Fund - 19

Account	Account Name	Current Budget	Description
Revenues:			
40426	Credit Card Convenience Fee	6,000	
41906	Muni Court Tech Fund Fee	10,000	
41907	Equipment Fund		
Expenses:			
519570	Muni Court Tech Fund Exp.	17,920	Lexis Nexis Risk Mgt 1,150
			Credit card fees 3,755
			DeLage Landen lease 2,925
			Extra copies 4,170
			Language translation service 400
			2 receipt printers/cash drawers 1,150
			IT Services 4,370

City of Magnolia

Scofflaw -26

Approved Budget		Bank Balance as of 06/30/14		\$	85
Revenue		Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	
<u>Revenue</u>					
40020	Scofflaw Interest Earned	0	0	0	
40426	Scofflaw Fee	0	0	0	
	Total Revenue	0	0	0	
Total Revenue		0	0	0	
 Expenditures					
Expenses					
500632	Contract-Co Tax Assessor-Coll	0	0	0	
	Total Expenses	0	0	0	
Total Expenditures		0	0	0	
Total Revenue Over(Under) Expenditures		0	0	0	

The Texas Scofflaw Program is a section of the Texas transportation Code, designed to help county and municipal governments hold law breakers accountable by allowing a tax assessor-collector of a county to reject vehicle registration for customers with outstanding fines, fees, taxes, or who have failed to appear in a municipal or county court. (Transportation Code Sec. 702.003)

City of Magnolia

In Kind Fees - 27

Bank Balance as of 06/30/14 \$ 8,075

Approved Budget					
Revenue	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
<u>Revenue</u>					
40120 In Kind Franchise Fee	0	1,453	0	4,165	0
Total Revenue	0	1,453	0	4,165	0
Total Revenue	0	1,453	0	4,165	0
Expenditures					
Expenses					
	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	1,453	0	4,165	0

SB 1087 Chapter 66, as a percent of franchise fees, states that these funds can only be used for capital costs related to Public, Educational, or Governmental Facilities (PEG).

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.

City of Magnolia

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		575,000			287,500	862,500
Other Taxes						-
Franchise Fees						-
Licenses & Permits						-
Fines & Forfeitures						-
Interest Income		300		85	100	485
Water User Fees						-
Sewer User Fees						-
Impact Fees						-
Other Revenue						-
Miscellaneous					45,000	45,000
Total Revenues		575,300		85	332,600	907,985
TRANSFERS:						
Intra-Fund Transfer (06)4B						-
Intra-Fund Transfer (07)4A				302,425		302,425
Intra-Fund Trfr (10)Red Lt Camera(TC)						-
Intra-Fund Trfr (28)2014 GO Bonds						
Total Intra-Fund Transfers		-		302,425	-	302,425
Total Revenues/Transfers		575,300		302,510	332,600	1,210,410
EXPENDITURES:						
Personnel Services		21,500			43,200	64,700
Contractual Expenses		20,100			22,520	42,620
Miscellaneous Expenses		3,200			1,700	4,900
Other Expenses		5,200			38,500	43,700
Capital Expenses					170,652	170,652
Bond/Loan Principal Payments		61,132		200,000		261,132
Bond/Loan Interest Payments		19,766		102,425		122,191
Intra-Fund Trfrs Out		302,425				302,425
Total Expenditures/Transfers		433,323		302,425	276,572	1,012,320
Total Revenue Over/(Under) Expenditures		141,977		85	56,028	198,090
Beginning Fund Balance		(46,175)		2,183,628	492,368	2,629,821
Ending Fund Balance		95,802		2,183,713	548,397	2,827,912

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. 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
- Grant/loan programs
- Coordination/facilitation of state, regional and federal programs
- Business consulting
- Plan development

2014 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 06/30/14 \$ 438,842

Approved Budget	Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Revenue					
40011 4A 1/2 Sales Tax Revenue	450,000	505,563	450,000	560,560	575,000
40022 4A Interest Earned	500	350	100	301	300
40107 Proceeds from Loan				700,000	
40124 Misc Revenue	0	0	0	0	0
40126 Grant Proceeds	0	0	0	0	0
Total Revenue	450,500	505,913	450,100	1,260,861	575,300
Expenses					
Personnel Services					
500501 Salary & Benefit Reimbursement	32,494	19,818	41,700	19,848	20,000
500543 Training & Travel	1,000	167	1,000	0	1,000
500550 Dues & Membership	500	0	500	300	500
Total Personnel Services	33,994	19,985	43,200	20,148	21,500
Contractual Expenses					
500632 Contract/consultant Services	16,006	15,872	17,690	15,638	15,450
500640 Legal	2,000	1,203	2,000	2,000	2,000
500641 Auditing/Accounting Services	2,000	2,000	2,500	2,500	2,500
500643 Engineering	0	0	0	0	0
500674 Posting/Advertising	0	0	0	145	150
Total Contractual Expenses	20,006	19,075	22,190	20,283	20,100
Miscellaneous Expenses					
500742 Magazines, Maps & Books	3,000	0	2,000	0	2,000
500743 Copies/Admin.	0	0	200	0	200
500745 Hospitality, Refreshments	500	0	500	71	500
500746 Magnolia Tomorrow/Grow Magnolia	0	0	0	0	0
500766 Office Supplies	500	79	500	80	500
Total Miscellaneous Expenses	4,000	79	3,200	152	3,200
Expenses (continued)					
500551 Interest Expense	0	128,048	0	0	0
500824 Error & Omissions Insurance	1,200	996	1,565	1,216	1,700
500825 Liability Insurance	2,000	1,994	2,000	2,543	3,000
500833 Postage	200	0	0	0	0
500836 Printing	500	0	500	0	500
500838 Promotional Expense	0	0	0	0	0
500843 Business Recruitment Package	0	0	0	0	0
500851 Park Maintenance	0	20,000	0	0	0
500858 Depreciation Expense	0	164,773	0	0	0
Total Expenses (continued)	3,900	315,811	4,065	3,759	5,200
Capital Expenses					
500961 Unity Park Road Construction	0	0	23,490	23,490	0
500964 Land Purchase				750,000	0
NEW 2014 Loan Principal					61,132
NEW 2014 Loan Interest					19,766
500909 2012 Sales Tax R/Bond I&S Trfr Out	261,663	(3,498)	300,500	300,500	302,425
Total Capital Expenses	261,663	(3,498)	323,990	1,073,990	383,323
Total 4A Economic Development Expenditures	323,563	351,452	396,645	1,118,331	433,323
Revenue Over(Under) Expenditures	126,938	154,461	53,455	142,530.17	141,977

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.

2014 4B CDC Board of Directors:

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

Staff Contacts:

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

City of Magnolia

4B- Community Development Corporation - 06

Approved Budget		Bank Balance as of 06/30/14 \$ 137,572				
		Approved 2012-2013	Actual 2012-2013	Approved 2013-2014	Projected 2013-2014	Approved 2014-2015
Revenue						
40011 4B 1/4 Sales Tax Revenue		255,000	252,782	255,000	280,314	287,500
40022 4B Interest Earned		300	903	100	75	100
Total Revenue		255,300	253,685	255,100	280,390	287,600
Misc. Revenue						
40124 Misc. Revenues		8,000	2,158	0	0	0
40127 Park Rental Fees		4,000	3,775	5,200	13,110	10,000
40128 Yellow House-Rental Fees		30,000	33,250	37,200	4,125	33,000
40136 The Stroll		0	822	0	2,799	2,000
Total Misc. Revenue		42,000	40,004	42,400	20,034	45,000
Project Fund						
40126 Project Fund/Reserve		245,000	0	0	0	0
Total Project Fund		245,000	0	0	0	0
Total Revenue		542,300	293,689	297,500	300,423	332,600
Expenses						
Personnel Services						
500501 Salary & Benefit Reimbursement		86,701	54,440	41,700	41,700	41,700
500543 Training & Travel		1,000	167	1,000	0	1,000
500550 Dues & Membership		0	0	2,000	300	500
Total Personnel Services		87,701	54,607	44,700	42,000	43,200
Contractual Expenses						
500632 Contract/consultant Services		18,006	14,170	17,690	15,000	18,220
500640 Legal		5,000	2,646	500	389	500
500641 Auditing/Accounting Services		2,000	2,000	2,500	2,500	2,500
500674 Posting/Advertising		0	0	0	218	300
500675 Promotions		0	0	0	735	1,000
Total Contractual Expenses		25,006	18,816	20,690	18,841	22,520
Miscellaneous Expenses						
500742 Magazines, Maps & Books		1,000	0	500	0	500
500743 Copies/Admin.		0	0	200	0	200
500745 Hospitality Refreshments		500	0	500	11	500
500746 Magnolia Tomorrow/Grow Magnolia		15,000	31	0	113	0
500766 Office Supplies		500	147	500	294	500
Total Miscellaneous Expenses		17,000	178	1,700	418	1,700
Expenses (continued)						
500824 Error & Omissions Insurance		1,500	1,994	2,000	2,543	2,500
500825 Liability Insurance		1,000	996	1,500	1,216	1,500
500833 Postage		0	0	0	0	0
500836 Printing		0	0	2,000	0	2,000
500850 Other Expenses		500	0	500	0	500
500840 Econ Dev Business Impr Grant		10,000	11,748	0	0	0
500841 Farmers Market, Market Park		3,000	1,607	275	638	0
500845 Monuments/Signs		0	0	0	0	0
500846 Beautification		0	0	0	0	0
500848 Park Maintenance		55,000	39,344	30,000	30,647	32,000
500858 Depreciation Expense			6,472		0	0
500973 6th Street Extension		100,000	0	0	0	0
500851 Downtown Revitalization		55,000	2,253	0	1,461	0
Total Other Expenses		226,000	64,414	36,275	36,504	38,500
Capital Expenses						
500971 Yellow House		5,000	1,667	5,000	5,000	5,000
500924 SIB Loan transfer for pmt		165,756	165,756	165,705	165,705	165,652
Total Capital Expenses		170,756	167,423	170,705	170,705	170,652
Total 4B Community Dev. Expenditures		526,464	305,438	274,070	268,468	276,572
Revenue Over(Under) Expenditures		15,836	(11,749)	23,430	31,956	56,028

SUPPLEMENTAL INFORMATION



City of Magnolia

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

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

For Fiscal Year 2014-15 (2014 Tax Year):

Taxable Assessed Valuation	\$162,777,486
Adopted Tax Rate	0.4629
Estimated Levy	\$753,497

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.

07/21/2014 08:00 am
tc502_juris_summary.rep v1.5
Request Seq.: 1704215

Tax Collection System - MONTGOMERY COUNTY
Certified Roll Jurisdiction Summary
Processing For Tax Year: 2013

Page 26 of 146

Jurisdiction: 302 CITY OF MAGNOLIA

Total Parcels:	1,539	Tax Rate:	0.4786000		
Real:	1,247	State Hom:	0	Opt Hom:	0.0100000
Personal:	292	State O65:	0	Opt O65:	25,000
Mineral/Other:	0	Disabled:	0	Opt Disabled:	0
Market Value:	219,132,124				
Real:	163,508,330				
Personal:	55,623,794				
Mineral/Other:	0				
AG Exclusion Count:	3	AG Exclusion Amt:	1,101,570		
Timber Exclusion Count:	13	Timber Exclusion Amt:	5,195,180		
HS Capped Count:	121	HS Capped Amt:	3,414,560		
Assessed Value:	209,420,814				
Exempt Count/Amt:	94	54,039,347	11b366 Count/Amt:	7	1,913
100% Exempt Vet Count/Amt:	5	611,290	Leased Vehicles Count/Amt:	3	87,606
Freeport Count/Amt:	3	8,197,239			
State Homestead Count:	0	State Homestead Amt:	0		
Local Homestead Count:	293	Local Homestead Amt:	1,374,700		
State Over 65 Count:	0	State Over 65 Amt:	0		
Local Over 65 Count:	109	Local Over 65 Amt:	2,555,720		
Surviving Spouse Count:	0	Surviving Spouse Amt:	0		
Disabled Count:	8	Disabled Amt:	0		
Total VET Count:	16	Total VET Amt:	111,500		
Partial Exempt Values:	4,041,920				
Taxable Value:	142,441,499				
Total Levy Amt:	681,725.15				
Frozen Account Count:	0				
Frozen Homesite Value:	0				
Frozen Taxable Value:	0				
Unfrozen Levy Amt:	0.00				
Frozen Levy Amt:	0.00				
Frozen Levy Loss Amt:	0.00				
Total Non-Exempt Parcel Count:	1,445				

STATE OF TEXAS

§

§

PROPERTY TAX CODE, SECTION 26.01(a)

COUNTY OF MONTGOMERY

§

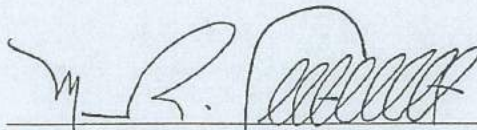
CERTIFICATION OF 2014 APPRAISAL ROLL FOR

City of Magnolia

I, Mark A. Castleschouldt, Chief Appraiser for the Montgomery Central Appraisal District, solemnly swear that the attached is a recap of the approved Appraisal Roll of the Montgomery Central Appraisal District and constitutes the **CERTIFIED** values for **City of Magnolia**.

The attached also includes, listed separately, the amount of new value as a result of new improvements, newly approved exemptions, newly approved special valuations (agriculture and timber), and, if applicable, any newly annexed property taxable by **City of Magnolia**. Also included are properties, if any, which are taxable by **City of Magnolia** but which remain under protest. The Chief Appraiser is unaware of any properties that are not included in either the Certified Roll or the Withheld Roll and therefore have not been approved by the Montgomery County Appraisal Review Board and certified by the Chief Appraiser.

Date: July 23, 2014



Mark A. Castleschouldt, Chief Appraiser
Montgomery Central Appraisal District

Assessment Roll Grand Totals Report

MONTGOMERY CENTRAL APPRAISAL DISTRICT

Tax Year: 2014 As of: Certification

CMA - City Of Magnolia (ARB Approved Totals)

Number of Properties: 1518

Land Totals

Land - Homesite	(+)	\$9,542,230		
Land - Non Homesite	(+)	\$29,596,764		
Land - Ag Market	(+)	\$1,227,270		
Land - Timber Market	(+)	\$6,355,660		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$46,721,924	(+)	\$46,721,924

Improvement Totals

Improvements - Homesite	(+)	\$45,930,560		
Improvements - Non Homesite	(+)	\$115,781,480		
Total Improvements	(=)	\$161,712,040	(+)	\$161,712,040

Other Totals

Personal Property (307)		\$60,278,597	(+)	\$60,278,597
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value			(=)	\$268,712,561
Total Homestead Cap Adjustment (187)			(-)	\$4,591,240
Total Exempt Property (94)			(-)	\$86,518,616

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$7,582,930		
Ag Use (3)	(-)	\$10,220		
Timber Use (15)	(-)	\$106,210		
Total Productivity Loss	(=)	\$7,466,500	(-)	\$7,466,500
Total Assessed			(=)	\$170,136,205

Exemptions

(HS Assd 31,981,430)

(HS) Homestead Local (285)	(+)	\$1,330,950		
(HS) Homestead State (285)	(+)	\$0		
(O65) Over 65 Local (114)	(+)	\$2,652,910		
(O65) Over 65 State (114)	(+)	\$0		
(DP) Disabled Persons Local (8)	(+)	\$0		
(DP) Disabled Persons State (8)	(+)	\$0		
(DV) Disabled Vet (11)	(+)	\$107,000		
(DVX/MAS) Disabled Vet 100% (5)	(+)	\$651,340		
(PRO) Prorated Exempt Property (1)	(+)	\$11,520		
(AUTO) Lease Vehicles Ex (3)	(+)	\$117,728		
(FP) Freeport (1)	(+)	\$5,088,562		
(HB366) House Bill 366 (8)	(+)	\$1,849		
Total Exemptions	(=)	\$9,961,859	(-)	\$9,961,859
Net Taxable (Before Freeze)			(=)	\$160,174,346

Assessment Roll Grand Totals Report

MONTGOMERY CENTRAL APPRAISAL DISTRICT

Tax Year: 2014 As of: Certification

CMA - City Of Magnolia (Under ARB Review Totals)

Number of Properties: 24

Land Totals

Land - Homesite	(+)	\$388,430		
Land - Non Homesite	(+)	\$0		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$388,430	(+)	\$388,430

Improvement Totals

Improvements - Homesite	(+)	\$3,086,190		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$3,086,190	(+)	\$3,086,190

Other Totals

Personal Property (0)		\$0	(+)	\$0
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$3,474,620		\$3,474,620
Total Homestead Cap Adjustment (18)			(-)	\$342,940
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			(=)	\$3,131,680

Exemptions

(HS Assd 2,986,280)

(HS) Homestead Local (23)	(+)	\$115,000		
(HS) Homestead State (23)	(+)	\$0		
(O65) Over 65 Local (6)	(+)	\$150,000		
(O65) Over 65 State (6)	(+)	\$0		
(DP) Disabled Persons Local (1)	(+)	\$0		
(DP) Disabled Persons State (1)	(+)	\$0		
(DV) Disabled Vet (1)	(+)	\$12,000		
Total Exemptions	(=)	\$277,000	(-)	\$277,000
Net Taxable (Before Freeze)			(=)	\$2,854,680

Don't use

Assessment Roll Grand Totals Report

MONTGOMERY CENTRAL APPRAISAL DISTRICT

Tax Year: 2013 As of: Supplement 6

CMA - City Of Magnolia (2014 Withheld Accts @ 2013 Values)

Number of Properties: 24

Land Totals

Land - Homesite	(+)	\$370,060		
Land - Non Homesite	(+)	\$0		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$370,060	(+)	\$370,060

Improvement Totals

Improvements - Homesite	(+)	\$2,579,170		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$2,579,170	(+)	\$2,579,170

Other Totals

Personal Property (0)		\$0	(+)	\$0
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value			(=)	\$2,949,230
Total Homestead Cap Adjustment (10)				(-) \$149,090
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			(=)	\$2,800,140

Exemptions

(HS Assd 2,528,640)

(HS) Homestead Local (22)	(+)	\$110,000		
(HS) Homestead State (22)	(+)	\$0		
(O65) Over 65 Local (3)	(+)	\$75,000		
(O65) Over 65 State (3)	(+)	\$0		
(DP) Disabled Persons Local (1)	(+)	\$0		
(DP) Disabled Persons State (1)	(+)	\$0		
(DV) Disabled Vet (1)	(+)	\$12,000		
Total Exemptions	(=)	\$197,000	(-)	\$197,000
Net Taxable (Before Freeze)			(=)	\$2,603,140

Effective Tax Rate Report

MONTGOMERY CENTRAL APPRAISAL DISTRICT

TaxYear: 2014

Taxing Units: CMA - City Of Magnolia

NEW EXEMPTIONS:

	COUNT	2013 ABSOLUTE EX VALUES	2014 PARTIAL EX VALUES
NEW EXEMPT PROPERTY	1	\$0	
NEW HS EXEMPTIONS	21		\$95,000
NEW PRO EXEMPTIONS	0		\$0
NEW OA EXEMPTIONS	15		\$254,650
NEW DP EXEMPTIONS	0		\$0
NEW DV1 EXEMPTIONS	0		\$0
NEW DV2 EXEMPTIONS	2		\$15,080
NEW DV3 EXEMPTIONS	0		\$0
NEW DV4 EXEMPTIONS	0		\$0
NEW DVX EXEMPTIONS	0		\$0
NEW HB366 EXEMPTIONS	0		\$0
NEW PC EXEMPTIONS	0		\$0

ABSOLUTE EX TOTAL		\$0
PARTIAL EX TOTAL	(+)	\$364,730
2013 TAXABLE VALUE LOST DUE TO PROPERTY BECOMING EXEMPT IN 2014	(=)	\$364,730

NEW ANNEXED PROPERTY:

	COUNT	APPRAISED VALUE	TAXABLE VALUE
NEWLY ANNEXED PROPERTY	7	\$459,850	\$454,850
IMPROVEMENT SEGMENTS	15	\$0	
LAND SEGMENTS	8	\$0	
MINERAL	0	\$0	
OTHER	1	\$7,800	

TAXABLE VALUE ON NEWLY ANNEXED PROPERTY:		\$454,850
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Effective Tax Rate Report

TaxYear: 2014

Taxing Units: CMA - City Of Magnolia

MONTGOMERY CENTRAL APPRAISAL DISTRICT

NEW AG APPLICATIONS:

NEW AG APPLICATIONS COUNT		0
2013 MARKET		\$0
2014 USE	(-)	\$0
VALUE LOST DUE TO AG APPLICATIONS:	(=)	\$0 (\$0 Taxable)

NEW IMPROVEMENTS:

	COUNT	TOTAL APPRAISED VALUE ¹	NEW CURRENT TAXABLE ²
NEW IMPROVEMENTS	47	\$8,173,700	\$6,712,165
RESIDENTIAL	45	\$7,503,270	\$6,646,545
COMMERCIAL	0	\$0	\$0
OTHER	2	\$670,430	\$65,619
NEW ADDITIONS	13	\$3,154,970	\$1,151,708
RESIDENTIAL	8	\$1,439,350	\$329,606
COMMERCIAL	1	\$907,540	\$689,740
OTHER	4	\$808,080	\$132,362
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:		\$11,328,670	\$7,863,873

2014 Effective Tax Rate Worksheet City of Magnolia

Date: 07/25/2014 03:16 PM

1. 2013 total taxable value. Enter the amount of 2013 taxable value on the 2013 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).	\$142,441,499
2. 2013 tax ceilings. Counties, cities and junior college districts. Enter 2013 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 2013 or a prior year for homeowners age 65 or older or disabled, use this step.	\$0
3. Preliminary 2013 adjusted taxable value. Subtract Line 2 from Line 1.	\$142,441,499
4. 2013 total adopted tax rate.	\$0.4786/\$100
5. 2013 taxable value lost because court appeals of ARB decisions reduced 2013 appraised value. A. Original 2013 ARB Values.	\$0
B. 2013 values resulting from final court decisions.	\$0
C. 2013 value loss. Subtract B from A.	\$0
6. 2013 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$142,441,499
7. 2013 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2013. Enter the 2013 value of property in deannexed territory.	\$0
8. 2013 taxable value lost because property first qualified for an exemption in 2014. 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 2013 market value:	\$0
B. Partial exemptions. 2014 exemption amount or 2014 percentage exemption times 2013 value:	\$364,730
C. Value loss. Add A and B.	\$364,730
9. 2013 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 2014. Use only properties that qualified in 2014 for the first time; do not use properties that qualified in 2013.	
A. 2013 market value:	\$0
B. 2014 productivity or special appraised value:	\$0
C. Value loss. Subtract B from A.	\$0
10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$364,730

11. 2013 adjusted taxable value. Subtract Line 10 from Line 6.	\$142,076,769
12. Adjusted 2013 taxes. Multiply Line 4 by line 11 and divide by \$100.	\$679,979
13. Taxes refunded for years preceding tax year 2013. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2013. 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 2013. This line applies only to tax years preceding tax year 2013.	\$3,915
14. Taxes in tax increment financing (TIF) for tax year 2013. 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 2014 captured appraised value in Line 16D, enter 0.	\$0
15. Adjusted 2013 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14.	\$683,894
16. Total 2014 taxable value on the 2014 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. 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 2014 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2014 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below. E. Total 2014 value. Add A and B, then subtract C and D.	\$160,174,346 \$0 \$0 \$0 \$160,174,346
17. Total value of properties under protest or not included on certified appraisal roll. A. 2014 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. B. 2014 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. C. Total value under protest or not certified: Add A and B.	\$2,603,140 \$0 \$2,603,140
18. 2014 tax ceilings. Counties, cities and junior colleges enter 2014 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	\$0

in 2013 or a prior year for homeowners age 65 or older or disabled, use this step.	
19. 2014 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$162,777,486
20. Total 2014 taxable value of properties in territory annexed after Jan. 1, 2013. Include both real and personal property. Enter the 2014 value of property in territory annexed.	\$454,850
21. Total 2014 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2013. 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, 2013, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2014.	\$7,863,873
22. Total adjustments to the 2014 taxable value. Add Lines 20 and 21.	\$8,318,723
23. 2014 adjusted taxable value. Subtract Line 22 from Line 19.	\$154,458,763
24. 2014 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100.	\$0.4427/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2014 county effective tax rate.	

A county, city or hospital district that adopted the additional sales tax in November 2013 or in May 2014 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.

2014 Rollback Tax Rate Worksheet City of Magnolia

Date: 07/25/2014

26. 2013 maintenance and operations (M&O) tax rate.	\$0.2426/\$100
27. 2013 adjusted taxable value. Enter the amount from Line 11.	\$142,076,769
28. 2013 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$344,678
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2013. Enter amount from full year's sales tax revenue spent for M&O in 2013 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 2013: 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 2013. This line applies only to tax years preceding tax year 2013.	\$2,456
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 2014 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.	\$347,134
29. 2014 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$154,458,763
30. 2014 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$0.2247/\$100
31. 2014 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$0.2426/\$100
32. Total 2014 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.	\$568,651
B. Subtract unencumbered fund amount used to reduce total debt.	\$210,000
C. Subtract amount paid from other resources.	
D. Adjusted debt. Subtract B and C from A.	\$0
	\$358,651
33. Certified 2013 excess debt collections. Enter the amount certified by the collector.	\$0
34. Adjusted 2014 debt. Subtract Line 33 from Line 32D.	\$358,651
35. Certified 2014 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
36. 2014 debt adjusted for collections. Divide Line 34 by Line 35	\$358,651
37. 2014 total taxable value. Enter the amount on Line 19.	\$162,777,486
38. 2014 debt tax rate. Divide Line 36 by Line 37 and multiply by \$100.	\$0.2203/\$100
39. 2014 rollback tax rate. Add Lines 31 and 38.	\$0.4629/\$100
40. COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2014 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-2014-021

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 2013-2014; 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 8th day of August 2014, the Mayor filed with the City Secretary a proposed budget of expenditures for the City of Magnolia for the fiscal year 2014-2015, the same being the fiscal year of the City; and

WHEREAS, after notice required by law, public hearings on such budget were held at the regular meeting place of the City Council on the 12th day of August 2014, and the 26th day of August 2014, at which hearings 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 2014-2015"

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	—	—	✓
Council member Jeff Chumley Position 2	✓	—	—
Mayor Pro Tem Rick Carby Position 3	✓	—	—
Council member Brenda Hoppe Position 4	✓	—	—
Council member Jonny Williams Position 5	✓	—	—

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 29th day of August 2014.



THE CITY OF MAGNOLIA, TEXAS

By: Todd Kana
Todd Kana, Mayor

ATTEST:

Lynne George
Lynne George, TRMC, CPM, City Secretary

ORDINANCE NO. O-2014-022

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 2014 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 two and three hundredths cents (0.2203) for debt service and a tax rate of twenty four and twenty six hundredths cents (0.2426) 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 29th day of August 2014, 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 2014 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 2014, and for each year thereafter until otherwise provided, and ad valorem tax at the rate of twenty four and twenty six hundredths cents (0.2426) 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.

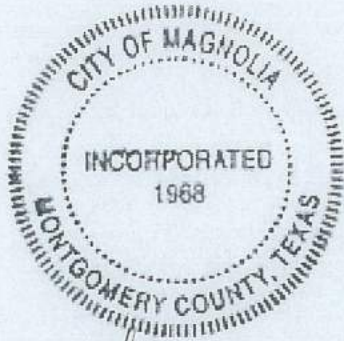
Section 4. For the purpose of paying the interest on bonds, warrants, certificates of obligation, or other lawfully authorized evidence of indebtedness issued by the City of Magnolia, Texas, including the various installments of principal due on the serial bonds, warrants, certificates of obligation, 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 2014-2015, 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 2014 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 two and three hundredths cents (0.2203) 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, 2014. All ad valorem taxes due the City of Magnolia, Texas, and not paid on or before January 31, 2014 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 29th day of August 2014.

THE CITY OF MAGNOLIA, TEXAS



By: _____

Todd Kana

Todd Kana, Mayor

ATTEST:

Lynne George
Lynne George, TRMC, CPM, City Secretary

Budgeting Process

The City of Magnolia adopts an annual budget which is prepared on the modified accrual basis of accounting. Under the modified basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. However, amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended. Also, amounts paid to reduce long-term indebtedness are reported as expenditures. Depreciation is not included in the budget.

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, and the final tax rate and budget are legally enacted through passage of an ordinance by the end of August.

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

BUDGET AND TAX RATE CALENDAR

FY 2014-2015

May 7, 2014

February	11	Regular City Council Meeting – Request for Council Goals
March	11	Regular City Council Meeting – Update Council Goals
April	1-30	Directors & supervisors develop short-& long-term goals, Capital Improvement/Replacement Programs, & employment recommendations; Finance Dept. works on initial budget documents
May	1	Departmental Budget worksheets to Directors and Supervisors; deadline to turn in Dept. goals & objectives
May	19-30	Directors and Supervisors review Departmental Budgets with Finance Dept.
May	30	Deadline for completion of Departmental Budgets
June	13	Deadline for first internal draft of Proposed Budget
July	1	First Draft of Proposed Budget to City Council
July	—	Chief Appraiser Certifies Appraisal roll; Tax Assessor calculates effective & rollback rates; Tax Assessor publishes “Notice of Effective Rate & Statement of Increase/Decrease” (effective & rollback tax rates)
July	8	Post Notice of July 12 Budget Workshop
July	12	Budget Workshop Meeting – 8:00 a.m. to noon
July	11	Post Notice of July 15 Rescheduled Regular City Council Meeting
July	15	Rescheduled Regular City Council Meeting – 7:00 pm
July	25	Post Notice of July 29 Special City Council meeting, <u>if needed</u>
July	29	Special City Council Meeting – <u>if needed</u>
August	1	Post Notice of August 5 Special City Council Meeting
August	5	Special City Council Meeting – To discuss tax rate: if proposed tax rate <u>exceeds</u> the rollback rate <u>or</u> the effective tax rate (whichever is <u>lower</u>), take record vote to place proposed tax rate/increase on future agenda & set public hearings
August	6	Publish 1 st Notice of Public Hearings on Tax Increase & Budget in Potpourri, including Record Vote on Proposed Tax Increase
August	8	Budget Filed w/City Secretary
August	8	Post Notice of Aug. 12 Regular City Council Meeting
August	12	Regular City Council Meeting - 1 st Public Hearing on Tax Rate
August	20	Publish 2 nd Notice of Public Hearings on Tax Increase and Budget in Potpourri, including Record Vote on Proposed Tax Increase
August	22	Post Notice of August 26 Special City Council Meeting
August	26	Special City Council Meeting – 2 nd Public Hearing on <u>Tax Rate & Budget items ONLY</u>
August	26	Post Notice of August 29 Special City Council Meeting
August	29	Special City Council Meeting – Adopt: 1. Operating Budget, & 2. M&O Tax Rate
September	2	File copy of Tax Rate w/Montgomery County Appraisal District; file copy of Budget w/City Secretary, County Clerk
September	4	Notice of Tax Revenue Increase in Potpourri
September	9	Regular City Council Meeting
October	1	Effective date of Budget

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.

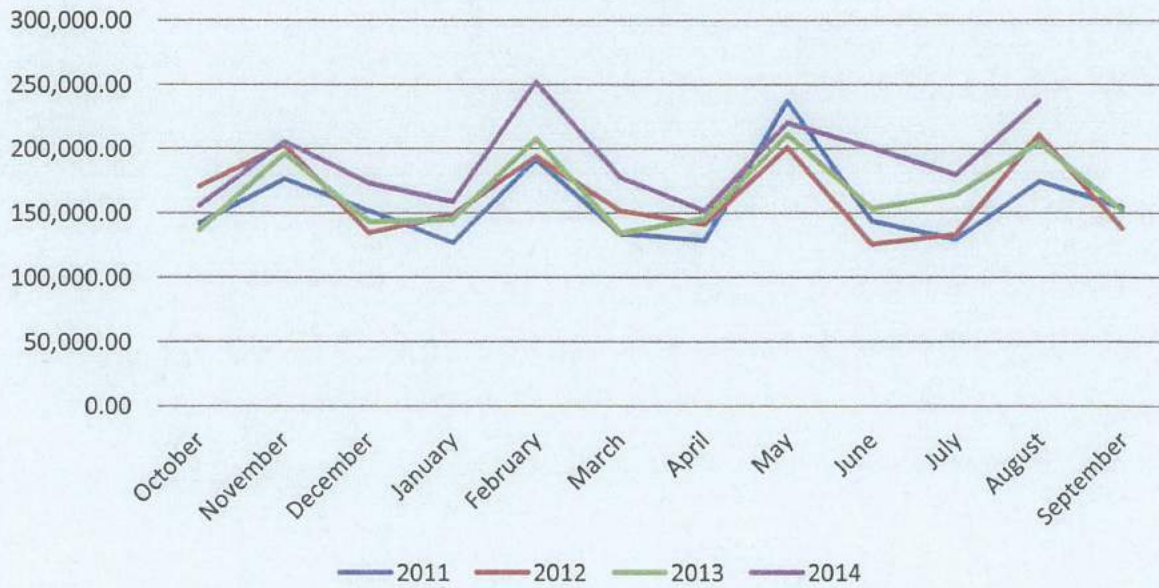
Revenues

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.

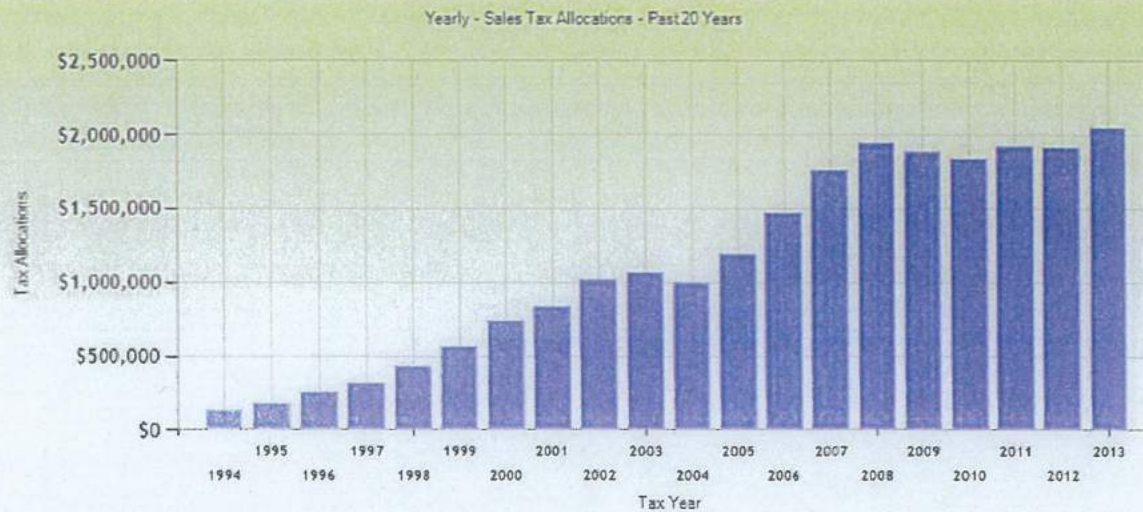
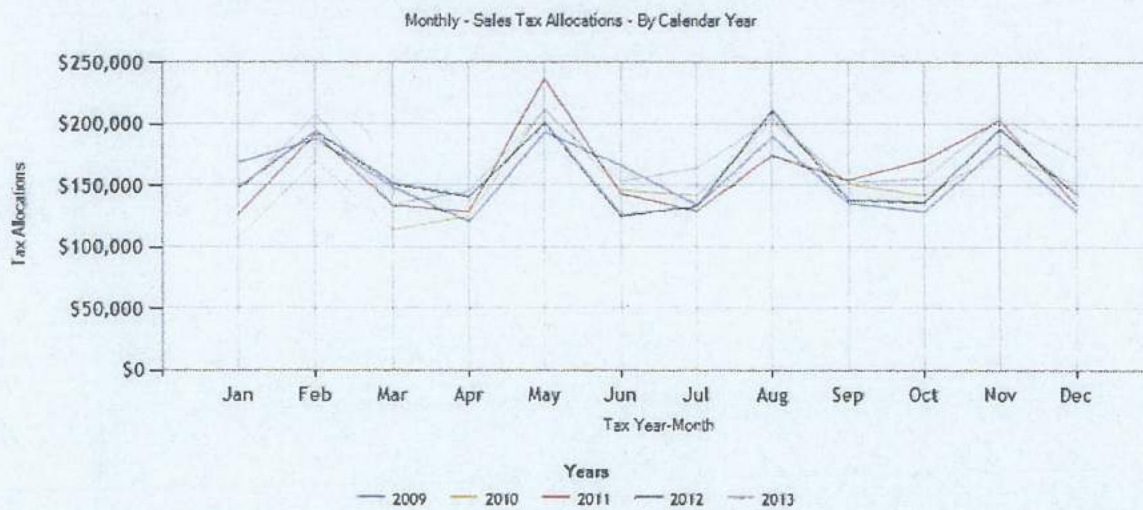
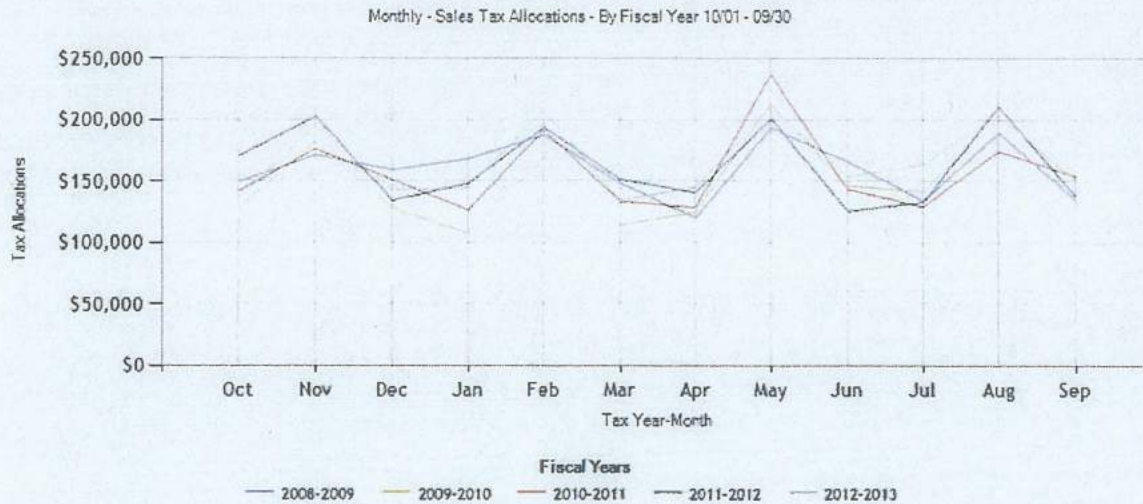
Capital Equipment

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.

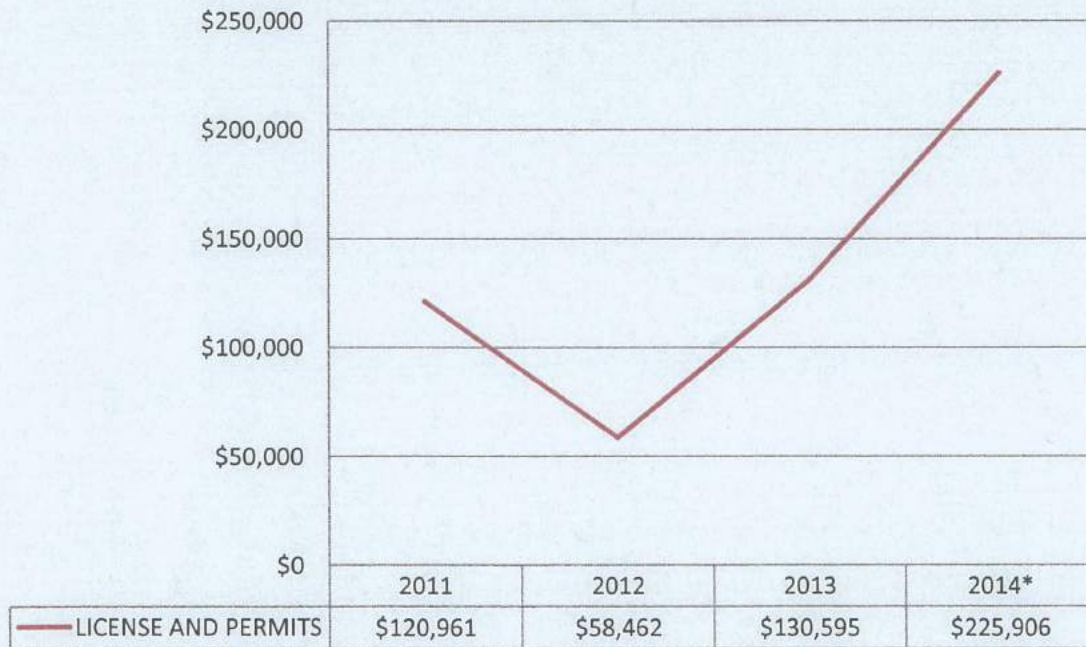
Sales Tax Revenue



*2014 is through August

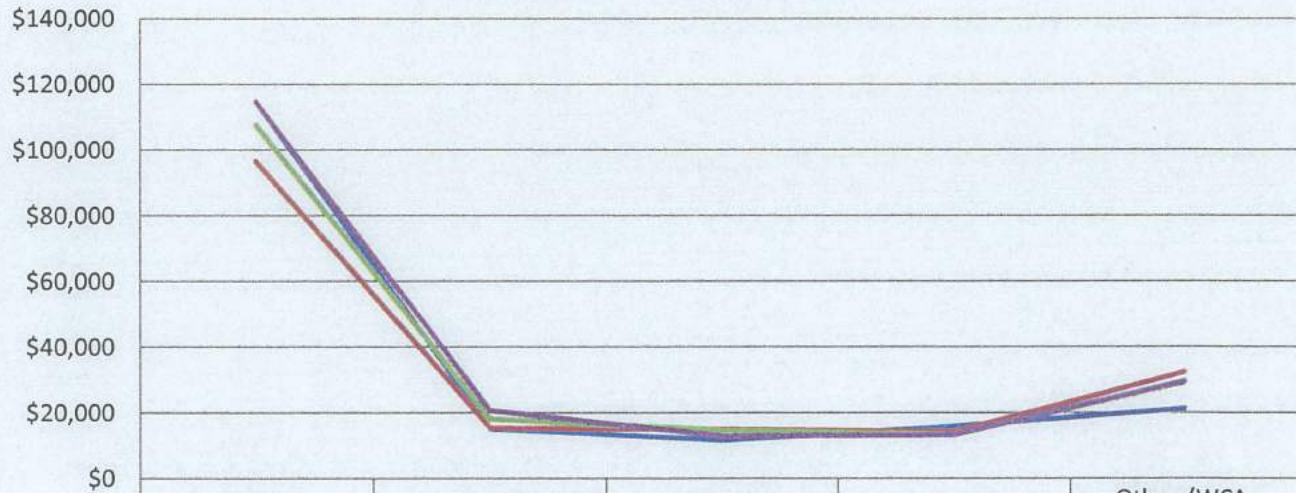


LICENSE AND PERMIT FEES



2014* is through the end of August, 2014.

Franchise Fee Revenue



	Centerpoint Energy	Hughes Natural Gas	Southwestern Bell Telephone	Comcast	Others(WCA, CBeyond,Republic ,etc)
2011	\$114,534	\$14,951	\$11,457	\$15,682	\$21,118
2012	\$96,412	\$15,242	\$14,745	\$14,026	\$32,321
2013	\$107,466	\$17,906	\$14,562	\$13,183	\$29,288
2014*	\$114,530	\$20,574	\$12,659	\$13,102	\$29,530

2014* is through the end of August.

Franchise Fees are "rental fees". When utilities and other industries use city property to distribute their services, cities are permitted by law to collect franchise fees.

City of Magnolia

Comprehensive Plan

In April 2013, the City of Magnolia adopted the first of its kind Comprehensive Plan which shows that the City is clearly focused on the future. 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 for almost two years. 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.

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

We have included the cover letter from the City of Magnolia's Comprehensive Plan as well as the two-page "Action Agenda". By reviewing it, you will see the intent and vision of city leaders who listened to the community.



KENDIG KEAST
COLLABORATIVE

1415 Highway 6 S. Ste. A-300 | Sugar Land, TX 77478
Phone : 281.242.2960 Fax : 281.242.4115

May 10, 2013

Mr. Paul Mendes
City Administrator
City of Magnolia
18111 Buddy Riley Boulevard
Magnolia, Texas 77354

Dear Mr. Mendes:

We are pleased to submit the City of Magnolia's Comprehensive Plan as unanimously adopted by City Council on April 9, 2013. The plan development process and final set of deliverables were completed in accordance with our Professional Services Agreement with the City.

As the tagline, "Magnolia on the Move," suggests, this Comprehensive Plan is only a snapshot in time for one of the fastest growing communities and regions in the country. Yet it serves as an overarching policy guide that is designed to influence growth and development for the next 20 years. The year-long planning process garnered widespread participation and support of community stakeholders. In addition to City Council, Planning and Zoning Commission, and 4A/4B Community Development Corporation Board directives, this plan reflects guidance from stakeholder interviews and focus groups; five work sessions with a Comprehensive Plan Advisory Committee; a joint elected and appointed official workshop; and a public hearing.

As a result of community input, we were able to define Magnolia's vision and identify specific implementation strategies. This plan describes the community's needs and aspirations related to land use and community character; growth management; transportation and utility infrastructure; parks and amenities; housing and neighborhoods; and revitalization of the Magnolia Town Center. As the City moves forward, implementation will require the commitment of the entire community – especially its City officials and staff – to champion the plan's vision and action agenda.

On behalf of my firm, it has been a pleasure working with residents, business owners, and City staff. I sincerely appreciate the opportunity to lend our comprehensive planning and implementation experience to this process. We look forward to witnessing Magnolia's continued success and enhancement in the years ahead.

Respectfully submitted,

Bret C. Keast, AICP
President

Performance Concepts in Planning
www.kendigkeast.com



		PLANNING AND PROGRAMMING	MANAGEMENT	PUBLIC INVESTMENT AND FUNDING	CITY OF MAGNOLIA	INTERGOVERNMENTAL PARTNERSHIPS	COMMUNITY ORGANIZATIONS	PRIVATE SECTOR	LAND USE AND CHARACTER	GROWTH MANAGEMENT AND CAPACITY	COMMUNITY MOBILITY	PARKS AND AMENITIES	HOUSING AND NEIGHBORHOODS
Planning and Programming Strategies		Core Strategies			Partners			Community Themes					
FIRST PRIORITY	Thoroughfare Planning. Use the Thoroughfare Plan to promote a comprehensive approach to infrastructure-supported development patterns. This involves the preservation of rights-of-way; intergovernmental coordination; and identification of priority road, sidewalk, trail, and intersection improvements in accordance with the Thoroughfare Plan and any related strategic planning documents.	Primary	Secondary	Secondary	Primary	Secondary		Secondary	Secondary	Secondary	Primary		Secondary
	New Unity Plaza Study. Form an exploratory committee and develop a marketing study that evaluates community interest, market viability, and site selection of a new Unity Plaza. This study would include identification of financial, regulatory, and administrative incentives to promote walkable and mixed-use housing in a designated area of the Magnolia Town Center.	Primary		Secondary	Primary	Secondary	Secondary	Primary	Primary	Secondary			Secondary
	Annexation, ETJ, and Infrastructure Extension Policy. Adopt an annexation, ETJ, and infrastructure policy to guide City officials in determining annexation and development agreement decisions. This would include a fiscal impact model to assess costs and revenues of proposed annexations. Using strategic annexation as one form of growth, the City strives to ultimately exceed 5,000 inhabitants in order to gain home rule authority.	Primary	Secondary		Primary	Secondary		Secondary	Secondary	Primary	Secondary		Secondary
SECOND PRIORITY	Weekend and Nightlife Programming. Incorporate additional weekend and nighttime community events, like the Love Bug Fest, that can bring life to commercial businesses after the typical work week, thereby encouraging a vibrant "after hours" scene.	Primary		Secondary	Secondary	Secondary	Primary	Secondary	Primary			Primary	Secondary
	Regional Communication and Crime Prevention. Coordinate with regional partners to develop a communication and service system for emergencies and natural disasters or a crime patrol and prevention district.	Primary			Primary	Primary	Secondary	Secondary		Primary			Secondary
	Joint Powers Agency. Evaluate the advantages and disadvantages of forming a Joint Powers Agency (JPA) to centrally manage water distribution, wastewater collection, and storm drainage for developers and municipal utility districts.	Primary	Secondary		Primary	Secondary		Secondary	Secondary	Primary			Secondary
	Citywide Corridor and Landscape Plan and Design Standards. Develop a Corridor and Landscape Plan and Design Standards along FM 1488, FM 1774, and Nichols Sawmill Road that extend to the extrajurisdictional jurisdiction boundary.	Primary	Secondary	Secondary	Primary	Secondary		Secondary	Secondary	Secondary	Primary	Secondary	Secondary
	GIS Transportation and Utility Mapping. Consider developing a geographic information system (GIS) mapping database that comprehensively inventories and assesses the condition of all transportation networks and public utilities (water, sewage, and drainage).	Primary		Secondary	Primary	Secondary				Primary	Primary		
THIRD PRIORITY	Economic Development Coordination and Public Awareness. Continue City staff coordination with the Greater Magnolia Chamber of Commerce, Magnolia Parkway Chamber of Commerce, and other community partners to attract new businesses and residents and to support existing ones. This may involve pursuing additional regional and national recognition programs or offering incentive loan programs.	Primary		Secondary	Primary	Secondary	Primary	Primary	Primary	Secondary	Secondary	Secondary	Secondary
	Neighborhood and Area Planning Studies. Pursue regional, state, and federal grants; public-private partnerships; and other funding resources to sponsor sub-area plans for targeted residential and mixed-use opportunities within the community.	Primary		Secondary	Primary		Secondary	Secondary	Primary	Secondary	Secondary	Secondary	Primary
	Community Survey. Develop a community survey to assess public safety needs through fair and equitable participation of residents. This survey should be a joint collaboration with other City departments to focus on specific community issues and opportunities.	Primary		Secondary	Primary		Secondary		Secondary	Primary	Secondary	Secondary	Secondary
	Neighborhood Crime Watch and Volunteerism. Continue organizing and soliciting a broad base of support for citizen-led programs to mitigate crime and promote neighborhood cleanup and revitalization.	Primary			Primary	Secondary	Secondary	Secondary	Primary	Primary		Secondary	Secondary
FIRST PRIORITY	Transit Feasibility Study. In collaboration with TxDOT, H-GAC, METRO, and/or the Gulf Coast Rail District, along with other SH 249, FM 1774, and FM 1488 stakeholders, evaluate the feasibility of commuter rail or bus rapid transit. These public modes of travel would reduce automobile reliance and commute times to major employment centers and other metro-area destinations.	Primary		Secondary	Secondary	Primary	Secondary		Secondary	Secondary	Primary	Secondary	Secondary
	Management Strategies												
	Building Guidelines and Design Standards. Consider adopting building guidelines or design standards that may address building shape, blank walls and articulation, rooflines, building materials, and architectural treatments. This may apply to commercial, industrial, or high-density residential areas.	Secondary	Primary		Primary			Secondary	Primary				Secondary
FIRST PRIORITY	Regional Detention. Consider revising the City's stormwater management regulations to provide a streamlined fee-in-lieu process for funding regional off-site storage facilities (that could also serve as recreational amenities).	Secondary	Primary		Primary	Secondary		Secondary	Secondary	Primary		Secondary	
	Preservation of Natural Areas. Consider amending the development ordinances to establish resource protection standards (e.g., preservation of woodlands, wetlands, and riparian areas along floodplains).	Secondary	Primary		Primary			Secondary	Primary	Secondary		Secondary	Secondary



Management Strategies (continued)		PLANNING AND PROGRAMMING	MANAGEMENT	PUBLIC INVESTMENT AND FUNDING	CITY OF MAGNOLIA	INTERGOVERNMENTAL PARTNERSHIPS	COMMUNITY ORGANIZATIONS	PRIVATE SECTOR	LAND USE AND CHARACTER	GROWTH MANAGEMENT AND CAPACITY	COMMUNITY MOBILITY	PARKS AND AMENITIES	HOUSING AND NEIGHBORHOODS
		Core Strategies			Partners			Community Themes					
SECOND PRIORITY	Review of Land Development Regulations. Review and update existing subdivision and land development regulations so they are consistent with the principles and objectives of the Comprehensive Plan.	Primary	Primary		Primary			Primary	Primary	Primary	Primary	Primary	Primary
	Mixture of Housing Types. Apply management strategies to guide the location, character, quality, lot size, and pattern of development in Magnolia. This includes: <ul style="list-style-type: none"> • Preservation of land for low-density housing, which will help to protect the rural and spacious character of Magnolia. • Higher density and mixed-use development patterns along major corridors; within the Magnolia Town Center (and proposed Unity Plaza); and nearby the proposed Aggie Expressway. • Clusters of neighborhood commercial dispersed throughout the community. • Senior housing and amenities in clustered, mixed land use areas near other senior and recreational facilities to facilitate convenient mobility. 	Primary	Primary		Primary			Primary	Primary	Primary	Primary		Primary
	Road Design Standards. Review the City's Development Standards to integrate more specific access management, connectivity, and safety standards in accordance with the principles of the Comprehensive Plan.	Primary	Primary		Primary	Primary		Primary	Primary	Primary	Primary		Primary
	Development Agreements. Continue to enter into development agreements with contiguous landowners to ensure private land planning efforts near the City limits are compatible with the Comprehensive Plan and Development Standards.	Primary	Primary		Primary	Primary		Primary	Primary	Primary	Primary	Primary	Primary
THIRD PRIORITY	Deed Restrictions and Covenants. Provide technical support to help neighborhoods prepare deed restrictions and covenants for the purpose of protecting the value and integrity of their homes.	Primary	Primary		Primary		Primary	Primary	Primary				Primary
Public Investment and Funding Strategies													
FIRST PRIORITY	Magnolia Loop. Construct an outer "loop" of secondary arterials and collectors that accommodates continuous travel around the City.	Primary	Primary	Primary	Primary	Primary		Primary	Primary	Primary	Primary		Primary
	Gateways and Landmarks. Enhance or newly construct signature gateway and streetscape treatments at high-profile entry points, as well as at key intersections and locations within the community.	Primary		Primary	Primary	Primary	Primary	Primary	Primary		Primary		
	Industrial Park Incentives. Consider using 4A and 4B funds to assemble land or develop a financial incentive package to promote industrial development. This may first involve a Business and Technology Park Feasibility Study to identify prime vacant properties warranting incentives.	Primary		Primary	Primary			Primary	Primary				
	Expanded Design Theme. Expand the branding of the Magnolia Town Center to include land on both sides of the railroad tracks, which may include officially renaming the area and decorative elements, street upgrades, and other outdoor amenities.	Primary		Primary	Primary		Primary	Primary	Primary				
SECOND PRIORITY	Sidewalk and Trail Investments. Develop an inventory and master plan identifying opportunities, strategic recommendations, and funding mechanisms to develop the City's network of pedestrian and bicycle routes. This plan would ultimately lead to the construction of new sidewalks and trails.	Primary	Primary	Primary	Primary	Primary		Primary	Primary		Primary	Primary	Primary
	Facade Grant Program. Consider funding a mini-grant program for existing commercial businesses to help finance building facade improvements, enhance landscaping, and construct other site upgrades that might not otherwise occur. This may be complemented by a Rehabilitation Revolving Loan Fund or Interest Forgiveness Program that is funded by foundations or charitable organizations.	Primary		Primary	Primary		Primary	Primary	Primary				
	New Police Staff, Facilities, and Equipment. Develop a long-term, multi-year Police Department staffing, facilities, and equipment program (similar to the Fleet Management Strategy).	Primary		Primary	Primary					Primary			
	Parks and Recreation Enhancement. Consider public park investments in existing neighborhoods lacking recreational features, or expansion of existing facilities to increase the City's level of service.	Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary			Primary	Primary
THIRD PRIORITY	Comprehensive Wayfinding System. Implement a signage and wayfinding system to increase awareness of local attractions, historic points of interest, shopping and restaurants, and special events.	Primary		Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary		
	Infill Incentives. Promote infill development and redevelopment through infrastructure investments, incentives (e.g., fee waivers, tax incentives), grants, and strategic land banking with the intent of promoting contiguous development patterns and maximizing the efficiency of existing infrastructure.	Primary		Primary	Primary			Primary	Primary	Primary			Primary
	Beautification and Screening Investments. Use street and drainage improvements as an opportunity to install landscaping and screening that can address nearby compatibility concerns.	Primary	Primary	Primary	Primary	Primary		Primary	Primary	Primary	Primary	Primary	Primary

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