



ANNUAL OPERATING BUDGET

**OCTOBER 1, 2015
TO
SEPTEMBER 30, 2016**

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 \$71,618 which is a 9.1% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$36,043.

A record vote was conducted of the City Council on August 28, 2015 for approval of an ordinance adopting the City of Magnolia 2015-2016 Fiscal Year Annual Budget as follows:

City Council	Aye	Nay	Absent
Anne Sundquist, Position 1	X		
John Bramlett, 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	2015	2014
Fiscal Year	2015-2016	2014-2015
Proposed Rate	\$ 0.4629	\$ 0.4629
Total Adopted Rate	\$ 0.4629	\$ 0.4629
Adopted Operating Rate	\$ 0.1972	\$ 0.2426
Adopted Debt Rate	\$ 0.2657	\$ 0.2203
Effective Tax Rate	\$ 0.4243	\$ 0.4427
Effective Operating Rate (M&O)	\$ 0.2224	\$ 0.2224
Maximum Operating Rate (M&O)	\$ 0.2401	\$ 0.2426
Debt Rate (I&S)	\$ 0.2657	\$ 0.2203
Rollback Rate	\$ 0.5058	\$ 0.4629

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	\$16,054,938	\$ 597,075
Self-Supporting	\$ 5,213,369	\$ 545,420
Total Debt	\$21,268,307	\$1,142,495

Welcome!

This City of Magnolia, Texas annual budget is for the fiscal year beginning October 1, 2015, and ending September 30, 2016. 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 2015-2016 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 2015 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 2014 actual. The ending balance of the actual year becomes the beginning balance of the projected current fiscal year, FY 2015. 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 2016 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of the City's organization. Each department's presentation includes a mission statement, accomplishments for the previous fiscal year, and operational objectives for the upcoming year. Selected service levels for each department are presented graphically. The funding for each department, as well as the unit's staffing, is summarized over a number of years.

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

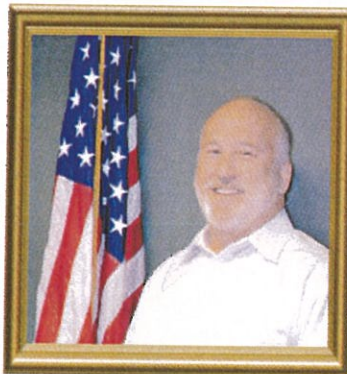
MAGNOLIA CITY COUNCIL



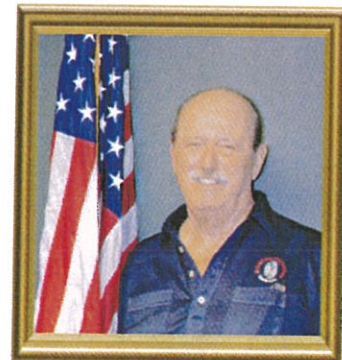
Todd Kana
Mayor
Elected May 2010
Serving 3rd term
tkana@cityofmagnolia.com



John Bramlett
Position 2
Elected May 2015-2017
jbramlett@cityofmagnolia.com



Rick Carby
Mayor Pro Tem/Position 3
Re-elected May 2015-2017
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Jonny Williams
Position 5
Elected May 2014-2016
jwilliams@cityofmagnolia.com



Anne Sundquist
Position 1
Re-elected May 2015-2017
asundquist@cityofmagnolia.com



Brenda Hoppe
Position 4
Elected May 2014-2016
bhoppe@cityofmagnolia.com



**CITY OF MAGNOLIA
APPROVED BUDGET
FISCAL YEAR 2015-2016**

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INTRODUCTION



A Message from Mayor Kana

August 28, 2015

To Our Magnolia Residents:

For the sixth year I take great pride in presenting the attached City's operational budget. I would like to bring to your attention some of our accomplishments incorporated in the fiscal year 2015/2016 budget.

Again, 2015 has proven to be a positive year financially for the City. Sales tax revenues were modestly increased by 8.5%, and our departments 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.

Magnolia's local economy has improved. Housing growth continues in Magnolia Ridge, and several other developments are programmed to start this coming year. The City retail spaces are at approximately 94% capacity with additional businesses on the horizon, to include HEB in the next year or so.

Our main street project was completed, with some final touches on striping to be finished within the next month or so. This has given 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 late 2015. SH 249 will run from Beltway 8 north to Hwy 6, and Navasota to College Station. The plans for the SH 1774 railroad flyover just past 1488 are complete, and the contracts are expected to be let early 2016. This will improve the traffic at the 1774/1488 intersection.

The City of Magnolia continues to refine and implement a Strategic Plan, with the annexation completed out to Spur 149, with the projected annexation of another 119 acres into the city limits. The water and sewer contract for the trunk line out to Spur 149 has been let, and construction is expected to be completed by next August. The City of Magnolia has made a strong showing in financial management and received an upgrade to an (AA) rating from STANDARD AND POOR'S. We also implemented a new contract that has reduced the City's electric bill by approximately 75% from what we paid five years ago. The City has completed the plans for a 2-million-gallon-a-day sewer plant to be located in the vicinity of our current sewer plant. In addition, to insure that we keep good employees, we have included a 3% cost of living adjustment ("COLA") for most employees which will marginally help them 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. This makes the sixth 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

City of Magnolia

Fast Facts

Magnolia, Texas is located in southwest Montgomery County, nationally ranked as 13th in growth in the state. A short drive from Houston, Magnolia is poised for expansion with the arrival of the SH 249 Toll Way and major corporations like ExxonMobil moving into the area. At the crossroads of progress, Magnolia is still a place where neighbors help neighbors—a place to call home or grow your business.

Demographics:

Population/Income -

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

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

Median age: 38.4

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

City Size & Taxes -

City size in square miles: approx. 4 square miles

Property tax rate (2014): \$0.4629 per \$100 valuation

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

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

Housing -

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

Permit valuation added in fiscal year 2013-14: \$14.3 million

Residential \$10.2 million

Non-residential \$3.2 million

Education/Labor Force -

Bachelor's Degree or higher 21.7%

High school diploma or higher 82.9%

White collar workers 72.4%

Blue collar workers 27.7%

Job growth rate 2.96%

Number of universities within an hour's drive – 4

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

Key Regional Industries -

Construction

Engineering services

Business consulting services

Medical and specialized hospitals

Production, transportation, material moving

Pipe & other metal manufacturing

Educational services

City of Magnolia

History and General Statement:

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

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

Financial Reporting

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

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

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

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

City of Magnolia

The City has presented the following major governmental funds:

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

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

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

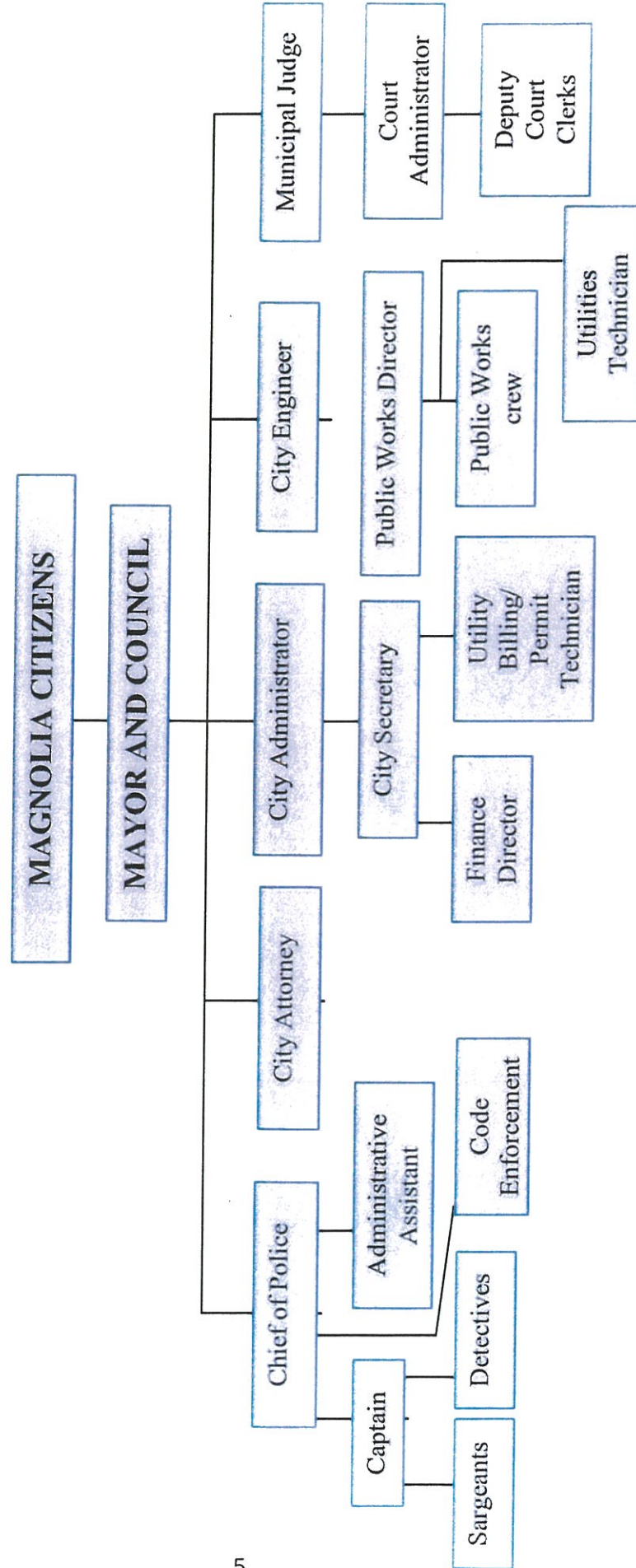
Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted or designated for specified activities. The City has two such major funds – the HB445 fund and the Red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

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

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



Organizational Chart – FY 2015-2016



City of Magnolia

Staffing:

Please see the chart of staffing positions on the following page. It reflects a total of 32.5 paid positions for FY 2015-16 and 6 mayor/council positions. This is an increase of 3.0 FTE's overall from the previous year's budget.

City of Magnolia

Authorized Positions by Department

		Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
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	1	1	0
	Permit Technician	0	0	0	0.5
	Code Enforcement Officer	1	0	0	0
	Total	2	2	2	1.5
POLICE	Chief of Police	1	1	1	1
	Captain	0	0	0	1
	Sergeant	2	3	3	3
	Detective	1	1	1	1
	Patrol Officers	5	6	7	7
	Reserve Officers	9	9	9	9
	Administrative Asst/Dispatch	1	1	2	1
	Code Compliance Officer	0	0	0	1
	Executive Officer	0	1	1	0
	Evidence Clerk	1	0	0	1
	Total	20	22	24	25
PUBLIC WORKS	Laborers	2	2	2	1
	Mechanic	1	1	0.5	0.5
	Total	3	3	2.5	1.5
MUNICIPAL COURT	Judge	1	1	1	1
	Associate Judge	1	1	1	1
	Municipal Court Administrator	1	0	1	1
	Municipal Court Clerk	1	2	1	1.5
	Total	4	4	4	4.5
FINANCE	Finance Administrator			1	1
	Finance Clerk	1	1	0.5	0.5
	Total	1	1	1.5	1.5
CITY SECRETARY	City Secretary	1	1	1	1
	Total	1	1	1	1
WATER	Utility Maintenance Worker	0.5	0.5	1	2
	Water Plant Operator	1	1	1	1.5
	Mechanic				0.5
	Permit Technician	0.67	0.67	0.67	0.67
	Total	2.17	2.17	2.67	4.67
SEWER	Utility Maintenance Worker	0.5	0.5	0.5	1.0
	Sewer Plant Operator				0.5
	Permit Technician	0.33	0.33	0.33	0.33
	Total	0.83	0.83	0.83	1.83
Grand Total (Excluding Council)		34	36	38.5	41.5

City of Magnolia

2016 Approved Budget Major Items

Overall

3% pay increase (except police)	16,550
Add'l employee-split between Admin & Court (incl. benefits)	37,493
Decrease for medical insurance costs-employees	(92,160)

Police Dept

New salary grades	71,336
Implementation of traffic enforcement division to be paid from Red Light Camera Fund (expense trfr of 1 additional employee & higher-paid employees from General Fund to Red Light Camera Fund)	(58,403)
Add'l employee-code enforcement (incl. benefits)	55,458
SUV for Police Chief	31,550

City Council

Decrease for medical insurance costs	(52,400)
Sound system for Council chambers	10,000

Water

Automatic water meters (2nd of 5 years)	50,000
Add'l employee-plant operator (incl. benefits)	52,693

City of Magnolia

Governmental Funds Budgeted Statement of Revenues, Expenditures, and Changes in Fund Balance										
	General	HB445	Red Light	Hotel /Motel	Debt Svc	Court	Court	In-Kind	Capital	Total of
	Fund	Fund	Camera Fund	Occupancy	Funds	Security	Tech	Franchise	Projects	Governmental
				Tax Fund		Fund	Fund	Fees Fund	Funds	Funds
REVENUES:										
Property Taxes	365,731				304,450					670,181
Sales Taxes	1,200,000	300,000								1,500,000
Other Taxes	13,000									13,000
Franchise Fees	220,000							3,550		223,550
Licenses & Permits	234,300									234,300
Fines & Forfeitures	447,050					7,000	7,000			461,050
Hotel Occupancy Tax				45,000						45,000
Interest Income	-	700	200		100					1,000
Water User Fees										-
Sewer User Fees										-
Other Revenue	8,800		250,000				2,000			260,800
Miscellaneous	5,000									5,000
Total Revenues	2,493,881	300,700	250,200	45,000	304,550	7,000	9,000	3,550	-	3,413,881
TRANSFERS:										
Intra-Fund Transfer (06)4B	21,000									21,000
Intra-Fund Transfer (07)4A	20,000									20,000
Intra-Fund Trfr (10)Red Lt Camera(TC)	159,273									159,273
Intra-Fund Transfer (02) Water Dept Fund					104,450					104,450
Intra-Fund Trfr (28)2014 GO Bonds										-
Total Intra-Fund Transfers	200,273	-	-	-	104,450	-	-	-	-	304,723
Total Revenues/Transfers	2,694,153	300,700	250,200	45,000	409,000	7,000	9,000	3,550	-	3,718,603
EXPENDITURES:										
Personnel Services	1,515,862									1,515,862
Contractual Expenses	555,389		61,752				9,325			626,466
Miscellaneous Expenses	403,050		60,087		500	6,000	1,000			470,637
Capital Expenses/Road Repair	53,550	300,000								353,550
Tourism				45,000						45,000
Bond/Loan Principal Payments					230,000					230,000
Bond/Loan Interest Payments					178,400					178,400
Intra-Fund Trfrs Out			159,273							159,273
Total Expenditures/Transfers	2,527,851	300,000	281,112	45,000	408,900	6,000	10,325	-	-	3,579,188
Total Revenue Over/(Under)	166,302	700	(30,912)	-	100	1,000	(1,325)	3,550	-	139,415
Expenditures										
Projected Beginning Fund Balance/ Retained Earnings	459,837	1,045,641	140,411	90,635	229,423	69,146	2,942	9,339	19,057	2,066,431
Projected Ending Fund Balance/ Retained Earnings	626,139	1,046,341	109,499	90,635	229,523	70,146	1,617	12,889	19,057	2,205,847
*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 2015

Ending Fund Balance in the General Fund for FY 2015 is projected to be \$459,837. This is \$94,841 or 26.0% more than budgeted. Revenues (including intra-fund transfers) for the current fiscal year, budgeted at \$2,714,101, are expected to come in approximately \$633 more than budgeted. Increases in sales tax and franchise tax were offset by a large decrease in court revenues.

Operating expenditures for FY 2015 are projected to come in approximately \$186,192 or 7.2% under budget. All departments other than Public Works and City Secretary are expected to end the year under the original budget in expenditures.

2015/2016 Budget

Revenues

Revenues are budgeted at \$2,694,153 which is \$19,948 or approximately 0.7% less than last year. This decrease is primarily due to property tax, license and permit fees, and court revenue decreases. And even though we had increases in sales tax and franchise tax in FY 2015, we budgeted fairly conservatively for the coming year due to uncertainties in the economy, especially the oil and gas industry.

Expenditures

The budget for operating expenditures for FY 2016 is \$2,527,851 or 2.6% less than the adopted budget for FY 2015. Included in the budget are 3% salary adjustments for all employees except those in the Police Department, who received salary adjustments to make their wages more comparable with other area municipalities. Health insurance costs decreased substantially due to a change of insurance carriers and changes in coverage. Expenses decreased from the prior year budget in all major categories except Capital Outlay.

City of Magnolia

SUMMARY-Approved Budget 2015-2016

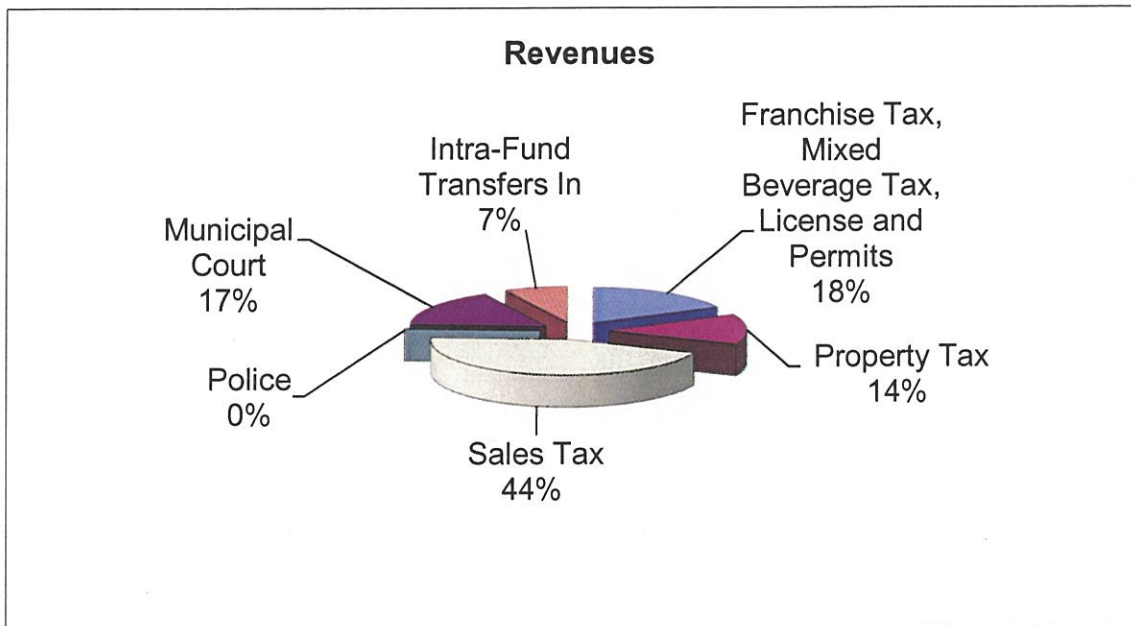
GENERAL FUND

REVENUE SUMMARY	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016	-/+ % Change
City Hall / Administration	\$1,667,650	\$2,017,149	\$2,044,831	1.37%
Police Department	\$0	\$8,250	\$2,000	-75.76%
Municipal Court	\$516,660	\$540,750	\$447,050	-17.33%
Intra-Fund Transfers In	\$264,665	\$147,951	\$200,273	35.36%
TOTAL REVENUE	\$2,448,975	\$2,714,101	\$2,694,153	-0.73%
EXPENDITURE SUMMARY				
City Hall / Administration	\$537,665	\$620,003	\$512,433	-17.35%
Police Department	\$961,734	\$1,096,810	\$1,223,342	11.54%
Public Works	\$208,387	\$172,766	\$162,999	-5.65%
Municipal Court	\$425,447	\$366,319	\$335,581	-8.39%
Finance	\$67,746	\$89,710	\$89,482	-0.25%
City Secretary	\$86,356	\$94,908	\$100,013	5.38%
Facilities	\$92,500	\$78,670	\$68,000	-13.56%
City Council	\$37,986	\$64,403	\$22,500	-65.06%
Parks	\$26,500	\$13,000	\$13,500	3.85%
TOTAL EXPENDITURES	\$2,444,321	\$2,596,587	\$2,527,851	-2.65%
REVENUE OVER (UNDER) EXPENDITURES	\$4,654	\$117,513	\$166,302	41.52%

City of Magnolia

Revenue Summary - General Fund

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
General Fund				
Franchise, Beverage, Permits	\$208,650	\$247,650	\$472,300	\$479,100
Property Tax	\$379,000	\$420,000	\$394,849	\$365,731
Sales Tax	\$992,000	\$1,000,000	\$1,150,000	\$1,200,000
Police	\$0	\$0	\$8,250	\$2,000
Municipal Court	\$416,660	\$516,660	\$540,750	\$447,050
Intra-Fund Transfers In	\$248,434	\$264,665	\$147,951	\$200,273
Total	\$2,244,744	\$2,448,975	\$2,714,101	\$2,694,153



City of Magnolia

General Fund - 01

Approved Budget

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenues					
General and Administrative					
40102 Gen/Admin Donations	0	0	0	6,500	0
40104 Liquor License Fee	4,000	1,378	2,500	1,193	1,500
40105 Ad Valorem Tax Revenue	420,000	353,426	394,849	394,849	365,731
40107 Mix Beverage Tax Revenue	9,000	11,513	9,000	13,131	13,000
40110 Wrecker Permit Fees	200	650	1,000	1,330	1,300
40115 Misc. Tax/Mont.Co. Tax Assessor	0	83	0	0	0
40116 Sales Tax Revenue	1,000,000	1,198,665	1,150,000	1,287,779	1,200,000
40117 Misc. Income	7,000	8,413	7,000	2,615	5,000
40118 License and Permits	75,000	250,085	240,000	228,234	225,000
40119 Sign Permit Revenue	800	6,563	6,500	7,000	6,500
40120 Franchise Tax Revenue	150,000	190,982	200,000	231,715	220,000
40122 Interest Income/Gen Fund	0	2	0	4	0
40127 Rendition Penalty/Montgomery Co.	150	722	300	297	300
40128 Vehicle & Equip. Sales	0	12,256	6,000	0	6,000
40133 Plat Fee Revenue	500	167	0	969	500
40134 A/R-Engineering Fees Collected	1,000	0	0	0	0
Total General and Administrative	1,667,650	2,034,903	2,017,149	2,175,616	2,044,831
Police					
40203 Police Department Donations	0	(250)	0	0	0
40207 Officer Safety Equipment Program Reve	0	0	8,250	343	2,000
40208 Crime Stoppers Revenue	0	0	0	2,500	0
40224 Police-Asset Forfeiture	0	(612)	0	(1,077)	0
Total Police	0	(862)	8,250	1,766	2,000
Courts					
40401 Summoning Jury Fee	0	2	0	8	0
40402 Indigent Defense Fee	3,000	5,101	3,000	3,443	3,500
40403 Judicial Fee / City	1,200	1,548	1,200	1,038	1,200
40404 Judicial Fee / County	10,000	13,874	10,000	9,327	10,000
40405 State Jury Fee	8,000	10,321	8,000	6,922	8,000
40407 OMNI Revenue	5,000	13,254	5,000	16,440	15,000
40409 Warrant Fee Revenue	38,000	30,905	38,000	31,892	30,000
40410 Traffic Fine Revenue	400,000	373,481	400,000	273,089	300,000
40411 OverPay Refunds (Court Fines)	275	461	1,200	8	200
40413 Bond Escrow/Bond Refund	10,000	45,817	30,000	43,824	35,000
40414 C.O.L.A.G.Y.	32,000	28,645	32,000	17,332	32,000
40416 Child Safety Seat Fee	5	1,631	200	1,656	1,000
40417 Civil Justice Fee	180	261	150	163	150
40418 Arrest Fee	9,000	11,125	9,000	7,331	9,000
40419 Jury Fee	0	0	0	5	0
40421 Trial Conviction Fee	0	0	0	50	0
40423 Bond		(6,785)	2,000	(6,876)	0
40424 Truancy Prevention Fund	0	2,900	1,000	2,826	2,000
Total Courts	516,660	532,540	540,750	408,478	447,050
Intra-Fund Transfers IN					
49906 Intra-Fund Transfer (06)4B	41,700	19,926	41,700	20,870	21,000
49907 Intra-Fund Transfer (07)4A	41,700	19,848	20,000	20,529	20,000
49910 Intra-Fund Trfr (10)Red Lt Camera(TC)	181,265	81,296	86,251	87,475	159,273
Total Intra-Fund Transfers	264,665	121,070	147,951	128,874	200,273
Total Revenue	2,448,975	2,687,650	2,714,101	2,714,734	2,694,153

City of Magnolia

Revenues

Account	Account Name	Current Budget	Description
40104	Liquor License Fee	1,500	Fees paid in order to sell alcohol within City limits
40105	Ad Valorem Tax Revenue	365,731	M&O tax rate of \$.1972 based on est. valuation of \$ 185,538,070
40107	Mixed Beverage Tax Revenue	13,000	Locally collected taxes on the sale and consumption of alcohol. Tax rate established by State.
40110	Wrecker Permit Fees	1,300	Fees paid by wrecker companies to operate within City
40116	Sales Tax Revenue	1,200,000	City's portion of sales tax-- \$.01 of the total \$.0825 collected by the State
40117	Misc. Income	5,000	Miscellaneous receipts which do not fall within any other category
40118	Licenses and Permits	225,000	Fees paid as established by ordinance for construction of structures inside the City
40119	Sign Permit Revenue	6,500	Fees paid to enable a business to install a sign within the City/annual renewal required
40120	Franchise Tax Revenue	220,000	Fees paid for the privilege of operating in the City, based on gross revenues and percent established by contract
40127	Rendition Penalty/Montgomery Co.	300	Penalties applied to businesses in noncompliance with personal property rendition laws
40128	Vehicle & Equip. Sales	6,000	Income from sale of surplus property
40133	Plat Fee Revenue	500	
40207	Officer Safety Equip. Program Rev.	2,000	Monies paid by police personnel to pay for their firearms
40208	Crime Stoppers Revenue	-	

City of Magnolia

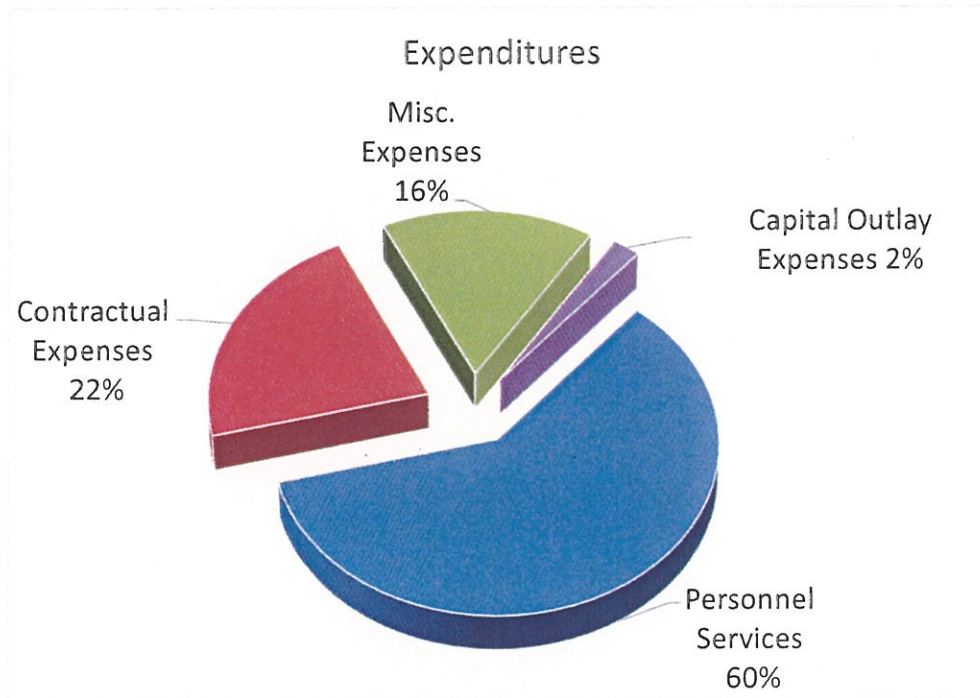
Revenues

Account	Account Name	Current Budget	Description
Court Fees and Fines, as limited by State law:			
40402	Indigent Defense Fee	3,500	
40403	Judicial Fee/City	1,200	
40404	Judicial Fee/County	10,000	
40405	State Jury Fee	8,000	
40407	OMNI Revenue	15,000	
40409	Warrant Fee Revenue	30,000	
40410	Traffic Fine Revenue	300,000	
40411	OverPay Refunds (Court Fines)	200	
40413	Bond Escrow/Bond Refund	35,000	
40414	C.O.L.A.G.Y.	32,000	Collection agency fees
40416	Child Safety Seat Fee	1,000	
40417	Civil Justice Fee	150	
40418	Arrest Fee	9,000	
40423	Bond	-	
40424	Truancy Prevention Fund	2,000	
49906	Intra-Fund Transfer (06) 4B	21,000	Funds transferred in from Community Development Fund
49907	Intra-Fund Transfer (07) 4A	20,000	Funds transferred in from Economic Development Fund
49910	Intra-Fund Trfr (10) Red Lt Camera	159,273	Funds transferred in from Red Light Camera Fund
		2,694,153	

City of Magnolia

Expenditure Summary - General Fund

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
General Fund				
Personnel Services	\$1,509,786	\$1,505,027	\$1,563,019	\$1,515,862
Contractual Expenses	\$365,800	\$473,000	\$595,019	\$555,389
Miscellaneous Expenses	\$326,350	\$444,100	\$427,550	\$403,050
Capital Outlay Expenses	\$23,700	\$22,194	\$11,000	\$53,550
Total	\$2,225,636	\$2,444,321	\$2,596,587	\$2,527,851



CITY COUNCIL

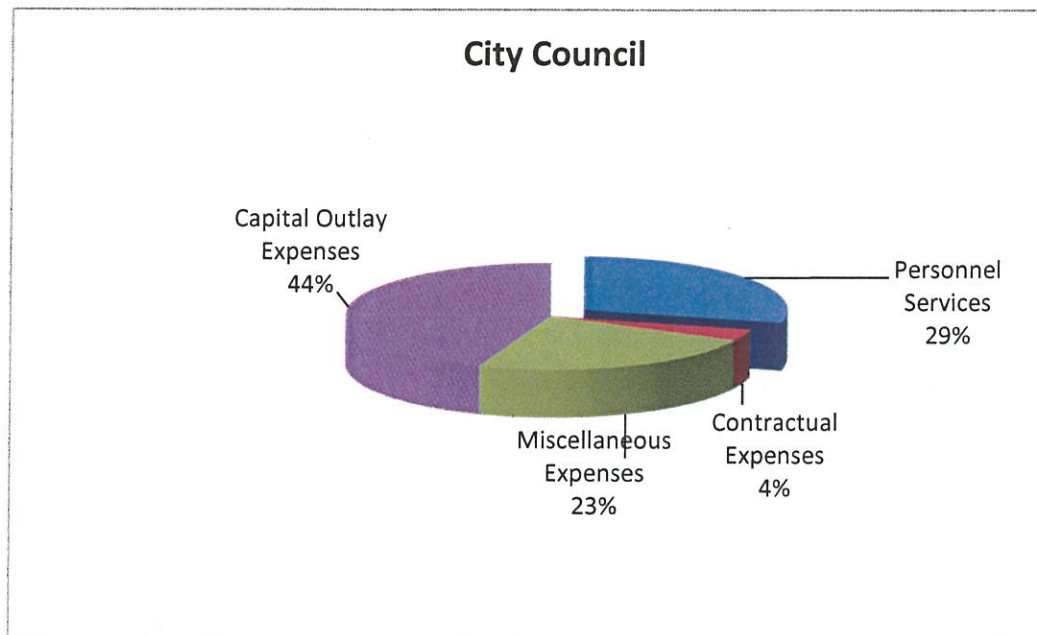


City of Magnolia

City Council Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$20,818	\$32,786	\$58,903	\$6,500
Contractual Expenses	\$1,000	\$1,000	\$800	\$800
Miscellaneous Expenses	\$3,800	\$3,200	\$3,700	\$5,200
Capital Outlay Expenses	\$3,000	\$1,000	\$1,000	\$10,000
Total	\$28,618	\$37,986	\$64,403	\$22,500

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Mayor and Council	6	6	6	6
Total	6	6	6	6



City of Magnolia

City Council	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
<u>Personnel Services</u>					
510526 Insurance(Med,Dental,Vision)	32,286	37,380	58,403	43,884	6,000
510543 Education, Travel, & Certification	500	0	500	0	500
Total Personnel Services	32,786	37,380	58,903	43,884	6,500
<u>Contractual Expenses</u>					
510642 Dues & Memberships	1,000	221	800	300	800
Total Contractual Expenses	1,000	221	800	300	800
<u>Miscellaneous Expenses</u>					
510744 Minor Equipment	0	0	0	0	2,000
510766 Office Supplies	700	495	700	101	700
510775 Ref. Books, Reports, Subscriptions	0	0	0	0	0
510879 Elected Officials-Errors/Omissions Ins.	2,500	2,260	3,000	2,215	2,500
Total Miscellaneous Expenses	3,200	2,755	3,700	2,316	5,200
<u>Capital Expenses</u>					
510920 Computers & Equipment	1,000	280	1,000	0	10,000
Total Capital Expenses	1,000	280	1,000	0	10,000
Total City Council Expenditures	37,986	40,636	64,403	46,500	22,500

City of Magnolia

City Council

Account	Account Name	Current Budget	Description	
510526	Employee Insurance	6,000	Medical, dental, vision	
510543	Education, Travel, Certifications	500	Training, travel & certifications	
510642	Dues & Memberships	800	HGAC	200
			Chamber of Commerce	0
			Misc.	600
510744	Minor Equipment	2,000	Conference room chairs	
510766	Office Supplies	700	Business cards, name plates, etc.	
510879	Elected Officials-Errors & Omissions Ins.	2,500		
510920	Computers & Equipment	10,000	Sound system for Council chambers	
		22,500		

ADMINISTRATION



Administration Department

Department Mission

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

Program Narrative

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

Accomplishments for FY 2014-2015

- Continued to increase the size of the City by adding parcels of land through annexation
- Oversaw preparation of FY 2015-16 Annual Budget
- Continued the improvement of City's reserve funds
- Prepared the State of the City presentation for the Mayor
- Upgraded the City rating to AA with Standard and Poor's

Objectives for FY 2015-2016

- Continue to improve fiscal integrity of City finances
- Maintain customer-friendly attitudes by all employees
- Review department staffing and procedures to improve efficiency
- Continue to monitor and improve interoperability and cross training
- Pursue 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 citizens and external customers

Goals for FY 2015-2016

- Oversee development of additional financial written policies, i.e. capital improvement policy, debt policy
- Development of ordinances to support future zoning
- Strive to attract both commercial and residential development to Magnolia
- Improve the City's level of transparency on funds and all activities

Permit Department (Administration)

Department Mission

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

Program Narrative

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

Accomplishments for FY 2014-2015

- Completed inspections within one business day
- Completely restructured the rolled plan filing system
- Successfully enforced annual sign renewal fees
- Successfully enforced annual alarm renewal fees

Objectives for FY 2015-2016

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

Goals for FY 2015-2016

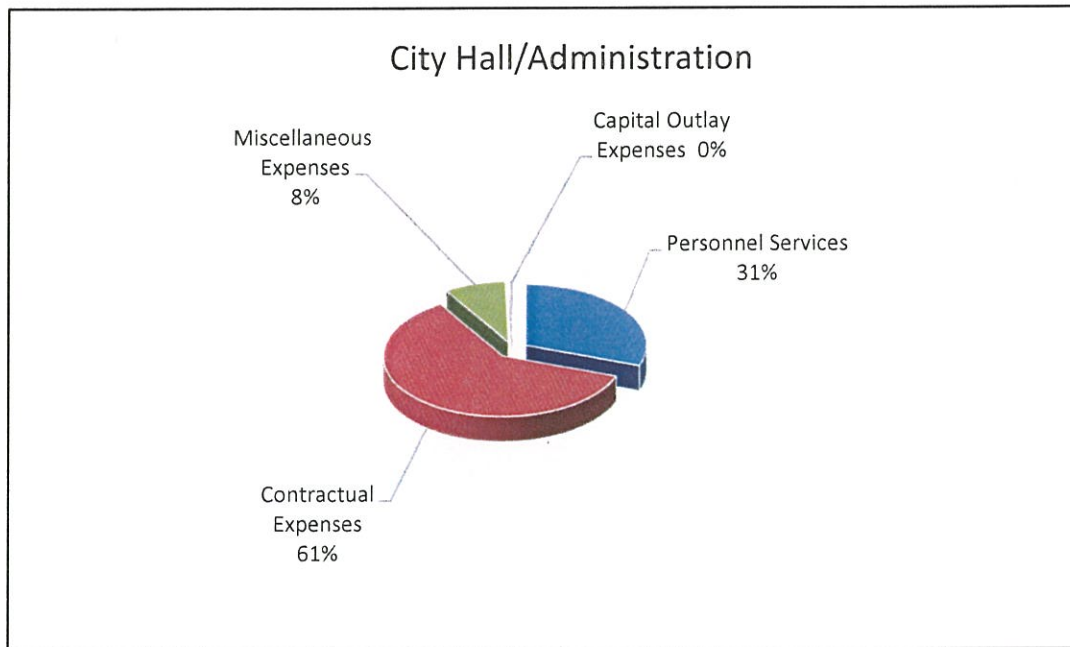
- Maintain or improve inspection turnarounds
- Continue to provide excellent customer service
- Train our new code enforcement officer
- Ensure the construction and maintenance of safe residential and commercial structures

City of Magnolia

City Hall/Administration Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$282,800	\$257,566	\$203,793	\$156,583
Contractual Expenses	\$125,500	\$256,000	\$378,610	\$311,500
Miscellaneous Expenses	\$22,700	\$24,100	\$35,600	\$42,350
Capital Outlay Expenses	\$12,000	\$0	\$2,000	\$2,000
Total	\$443,000	\$537,666	\$620,003	\$512,433

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
City Manager/Administrator	1	1	1	1
City Secretary	0	0	0	0
Permit Technician	0	0	0	0.5
Receptionist	0	0	0	0
Finance	0	0	0	0
Executive Assistant	0	1	1	0
Code Enforcement Officer	1	0	0	0
Total	2	2	2	1.5



City of Magnolia

Department Expenditures City Hall/Administration

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
<u>Personnel Services</u>					
501501 Salaries	134,712	132,369	101,365	78,532	89,026
501502 Car Allowance	8,400	8,400	8,400	7,754	8,400
501505 Cell Phone Allowance	840	840	840	840	840
501503 Overtime	0	0	0	0	0
501506 Salary 4B	37,440	18,470	38,563	18,819	16,487
501507 Salary 4A	37,440	18,401	18,745	18,557	16,487
501515 Longevity	240	200	330	265	320
501516 T.E.C.(Unemployment)	1,657	631	414	25	135
501517 TMRS	920	310	1,947	1,202	2,144
501518 Worker's Compensation	495	410	394	435	441
501526 Insurance (Med./Dental/Vision/Life)	17,940	16,075	19,908	12,882	10,331
501536 Payroll Tax (F.I.C.A/Medicare)	14,082	10,944	8,486	9,637	7,542
501543 Education,Travel, & Certifications	2,000	3,311	3,000	2,561	3,000
501547 Drug Test	100	60	100	0	30
501550 Dues and Memberships	1,300	821	1,300	1,447	1,400
Total Personnel Services	257,565	211,242	203,793	152,956	156,583
<u>Contractual Expenses</u>					
501629 Inspection Services	70,000	179,071	160,000	141,765	140,000
501632 Consultant/Contract Services	70,000	84,047	115,000	53,445	60,000
501640 Legal	60,000	43,901	50,000	50,498	50,000
501641 Accounting	10,000	7,400	10,000	10,000	12,000
501643 Engineering	6,000	9,543	10,000	5,265	10,000
501670 Rental of Office Equipment/copier	5,000	5,800	5,500	5,763	6,000
501673 Computer Software (S/W)	20,000	25,689	25,000	39,000	30,000
501674 Posting/Advertising	0	390	0	0	0
501677 Computer Assistance (IT Services)	15,000	4,478	3,110	2,060	3,500
Total Contractual Expenses	256,000	360,318	378,610	307,796	311,500
<u>Miscellaneous Expenses</u>					
501744 Minor Equipment	0	0	2,000	2,000	2,000
501751 Prior Year Adj-2009	0	6	0	(401)	0
501760 Fuel	0	81	0	75	0
501766 Office Supplies	8,000	8,223	9,000	4,997	5,000
501768 Planning Commission Expenses	500	148	500	31	500
501774 Cell Phones	600	588	600	696	0
501775 Ref. Books, Reports, Subscriptions	7,000	4,762	5,000	5,000	5,000
501800 Bank Fees	0	87	0	0	0
501778 Flower Fund	500	894	750	124	600
501779 Morale/Welfare	1,000	1,069	1,000	1,488	1,500
501801 Mayor/Council Christmas Reception	0	2,061	0	898	0
501806 City Administrators Fund	3,000	3,307	3,000	3,414	4,000
501807 Community Special Events		0	10,000	18,037	20,000
501833 Postage	3,500	2,547	3,750	2,993	3,750
501841 Montgomery Co Tax Assessor/Coll.		454	0	0	0
Total Miscellaneous Expenses	24,100	24,226	35,600	39,352	42,350
<u>Capital Expenses</u>					
501919 City Hall Furn/Equip Lease Pay'ts	0	0	0		0
501920 Computer Equipment	0	703	2,000	240	2,000
Total Capital Expenses	0	703	2,000	240	2,000
Total City Hall/Administration Expenditures	537,665	596,488	620,003	500,344	512,433

City of Magnolia

City Hall/Administration

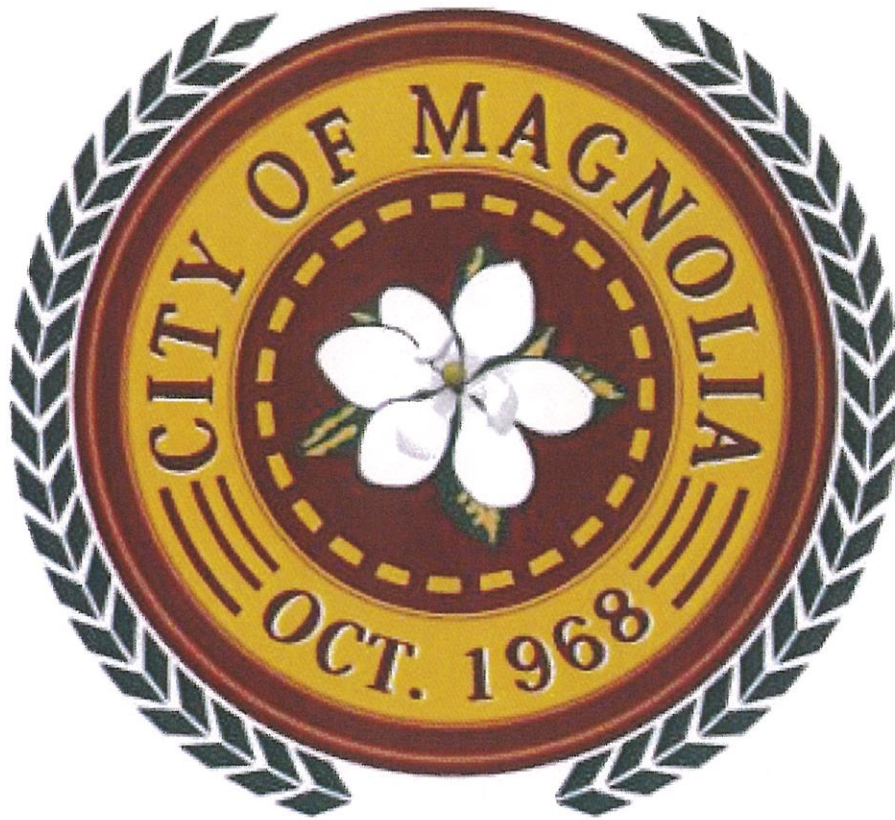
Account	Account Name	Current Budget	Description
501501	Salaries	89,026	City Administrator, part time empl.
501502	Car Allowance	8,400	Monthly car allowance for City Administrator
501505	Cell Phone Allowance	840	Allowance for use of personal cell phone for business purposes
501503	Overtime	-	Authorized overtime for non-exempt employees
501506	Salary 4B	16,487	Transfer amount of payroll expenses for 4B portion of City Administrator's salary
501507	Salary 4A	16,487	Transfer amount of payroll expenses for 4A portion of City Administrator's salary
501515	Longevity	320	\$5 per month per year of service with City
501516	T.E.C. (Unemployment)	135	Unemployment taxes- 1.0% rate
501517	TMRs	2,144	Retirement cost-1.63% rate
501518	Worker's Compensation	441	Premiums paid to TML for W/C ins.
501526	Employee Insurance	10,331	Medical, dental, vision
501536	Payroll Tax	7,542	Social Security & Medicare-7.65% rate
501543	Education, Travel, Certifications	3,000	Training, travel & certifications
501547	Drug Test	30	Pre-employment & post-accident testing
501550	Dues, Memberships & Promotions	1,400	<div> <div>Tx City Mgt Ass'n</div> <div>50</div> <div>TFMA</div> <div>90</div> <div>Amex</div> <div>110</div> <div>TML</div> <div>540</div> <div>Tx Social Security Admin Fee</div> <div>35</div> <div>International Code Council</div> <div>125</div> <div>Sam's Club</div> <div>100</div> <div>Misc.</div> <div>350</div> </div>
501629	Inspection Services	140,000	Inspections and reviews of construction
501632	Consultant/Contract Services	60,000	<div> <div>Consultants, i.e. Kendig Keast,</div> <div>60,000</div> <div>Municode, website hosting,</div> <div>fogging, bonding, on-site shredding</div> </div>

City of Magnolia

City Hall/Administration

Account	Account Name	Current Budget	Description
501640	Legal	50,000	Attorney fees
501641	Accounting	12,000	Fees for annual audit, accounting support
501643	Engineering	10,000	General engineering fees
501670	Rental of Office Equipment/Copier	6,000	Rental expense of copier, extra costs for b/w and color copies
501673	Computer Software (S/W)	30,000	<div> <div>Tyler (Incode) annual maint.</div> <div>19,000</div> </div> <div> <div>McAfee support</div> <div>990</div> </div> <div> <div>Domain renewal</div> <div>75</div> </div> <div> <div>Gov.office annual svc pkg</div> <div>550</div> </div> <div> <div>enCodePlus annual s/w licensing</div> <div>4,500</div> </div> <div> <div>Constant Contact</div> <div>250</div> </div> <div> <div>Additional software purchase & maintenance & support</div> <div>4,635</div> </div>
501677	Computer Assistance (IT Services)	3,500	Technical services for admin
501744	Minor Equipment	2,000	Misc. minor equipment
501766	Office Supplies	5,000	Paper, pens, staples, clips, toner, file folders, note pads, etc.
501768	Planning Commission Expenses	500	Expenses incurred on behalf of the Planning Commission
501774	Cell Phones	-	Cost of cell phones and usage
501775	Ref. Books,Reports,Subscriptions	5,000	Periodicals, manuals, updates to Local Gov't Code
501778	Flower Fund	600	Cost of sending flowers for bereavement/sickness of employees, Council, board members and their families
501779	Morale/Welfare	1,500	Employee luncheons, birthday cakes, etc.
501801	Mayor/Council Christmas Reception	-	Christmas expenses, expenses that are not office supplies
501806	City Administrator's Fund	4,000	Misc. expenses incurred by City Administrator including business lunches
501807	Community Special Events	20,000	Fireworks for July 4th, other events
501833	Postage	3,750	Admin mailing costs including Pitney Bowes mail machine lease, mail permits, Fedex charges
501920	Computer Equipment	2,000	Purchase of new computer equipment
		512,433	

CITY SECRETARY



City Secretary

Department Mission

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

Description

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

Accomplishments

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

Goals

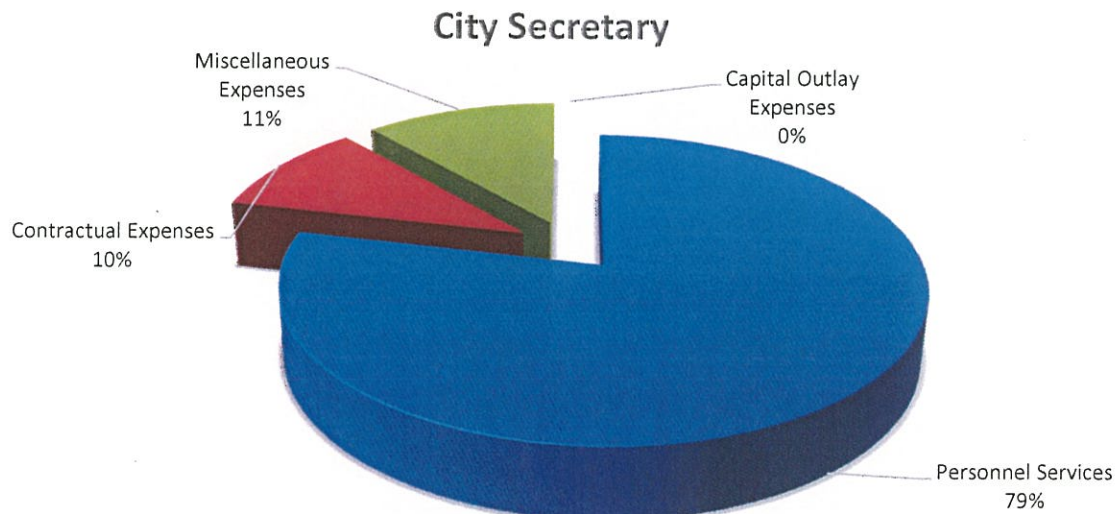
- Continue to organize and improve the maintenance and retention of records.
- Continue to coordinate an index for all City ordinances.
- Continue to improve the records retention program and assist other departments.

City of Magnolia

City Secretary Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$66,045	\$68,556	\$74,008	\$78,513
Contractual Expenses	\$3,000	\$7,000	\$10,000	\$10,000
Miscellaneous Expenses	\$10,700	\$10,800	\$10,900	\$11,500
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$79,745	\$86,356	\$94,908	\$100,013

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
City Secretary	1	1	1	1
Deputy City Secretary	0	0	0	0
Total	1	1	1	1



City of Magnolia

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
City Secretary					
<u>Personnel Services</u>					
506501 Salaries	52,660	52,564	56,640	57,576	58,339
506506 Salary 4B	0	0	0	0	2,541
506507 Salary 4A	0	0	0	0	2,466
506515 Longevity	200	195	255	260	315
506516 T.E.C.	476	207	207	14	90
506517 T.M.R.S.	264	114	659	603	1,038
506518 Worker's Comp	142	123	141	169	166
506526 Insurance (Med/Dental/Life/Vision)	8,970	8,741	9,954	9,740	6,888
506536 Payroll Tax (F.I.C.A./Medicare)	4,044	4,036	4,352	4,424	4,870
506543 Education, Travel, Certification	1,500	471	1,500	500	1,500
506550 Dues and Memberships	300	95	300	300	300
Total Personnel Services	68,556	66,546	74,008	73,586	78,513
<u>Contractual Expenses</u>					
506674 Posting and Advertising	7,000	3,451	10,000	10,000	10,000
Total Contractual Expenses	7,000	3,451	10,000	10,000	10,000
<u>Miscellaneous Expenses</u>					
506769 Office Equipment	200	0	200	0	200
506773 Cost of Election	10,000	7,394	10,000	10,000	10,000
506775 Magazines, Maps & Books	300	105	300	300	300
506833 Postage	0	0	0	0	0
506834 Recording Fees	300	569	400	1,146	1,000
506836 Printing	0	0	0	0	0
Total Miscellaneous Expenses	10,800	8,068	10,900	11,446	11,500
Total City Secretary Expenditures	86,356	78,065	94,908	95,032	100,013

City of Magnolia

City Secretary

Account	Account Name	Current Budget	Description
506501	Salaries	58,339	1 full time
506506	Salary 4B	2,541	Transfer amount of payroll expenses for 4B portion of City Secretary's salary
506507	Salary 4A	2,466	Transfer amount of payroll expenses for 4A portion of City Secretary's salary
506515	Longevity	315	\$5 per month per year of service with City
506516	T.E.C. (Unemployment)	90	Unemployment taxes- 1.0% rate
506517	TMRS	1,038	Retirement cost-1.63% rate
506518	Worker's Compensation	166	Cost of W/C insurance
506526	Employee Insurance	6,888	Medical, dental, vision
506536	Payroll Tax	4,870	Social Security & Medicare-7.65% rate
506543	Education, Travel, Certifications	1,500	Training, travel & certifications
506547	Drug Test	-	Pre-employment & post-accident testing
506550	Dues & Memberships	300	TMCA 95 Misc 205
506674	Posting & Advertising	10,000	Posting legal notices, ordinances, election information
505766	Office Supplies	-	Pens, note pads, staples, clips, etc.
506769	Office Equipment	200	
506773	Cost of Election	10,000	Paid to the County for elections
506775	Magazines, Maps & Books	300	Updates of TX Local Gov't Code, etc.
506833	Postage	-	
506834	Recording Fees	1,000	Costs for recording items with County or State
		100,013	

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 2014-2015

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

Objectives for FY 2015-2016

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

Goals for FY 2015-2016

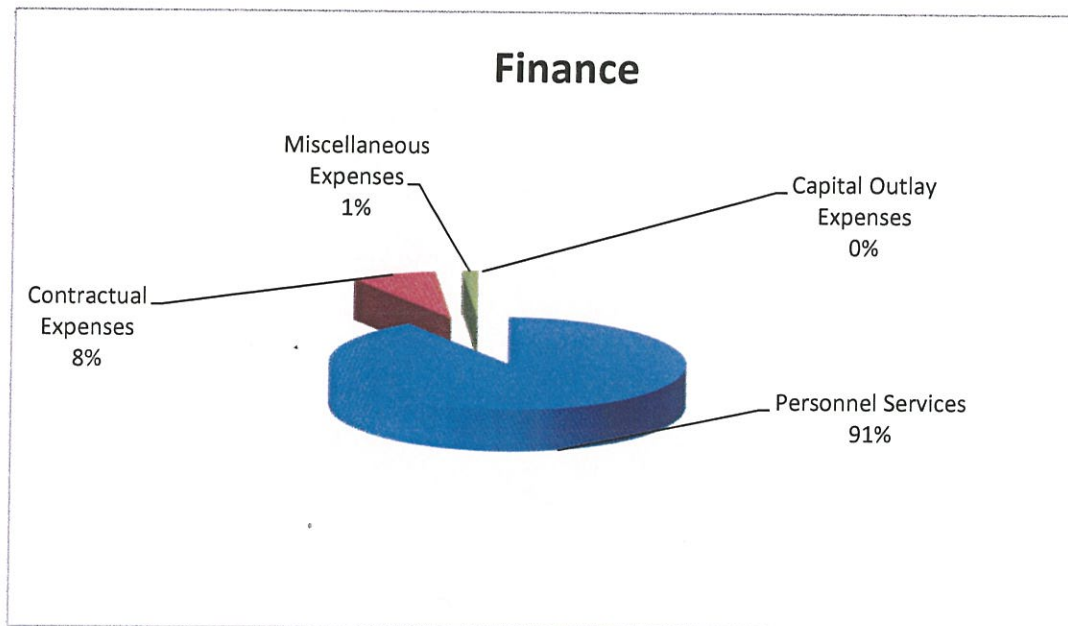
- Become a more efficient finance department by reducing/eliminating some of the paper-based processes
- Modify personnel policy handbook
- Develop additional financial policies, i.e. capital improvement policy, debt policy

City of Magnolia

Finance Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$58,684	\$61,446	\$82,610	\$81,182
Contractual Expenses	\$3,800	\$4,500	\$5,500	\$7,000
Miscellaneous Expenses	\$1,800	\$1,800	\$1,600	\$1,300
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$64,284	\$67,746	\$89,710	\$89,482

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Finance Administrator	1	1	1	1
Finance Clerk			0.5	0.5
Total	1	1	1.5	1.5



City of Magnolia

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Finance					
<u>Personnel Services</u>					
505501 Salaries	44,398	56,350	62,869	63,783	64,754
505503 Overtime	2,178	2,454	2,000	1,500	2,000
505515 Longevity	420	415	475	480	535
505516 T.E.C.	423	326	414	151	180
505517 T.M.R.S.	235	108	558	588	809
505518 Worker's Comp	126	123	156	178	184
505526 Insurance (Med/Dental/Life/Vision)	8,970	8,755	9,954	9,725	6,888
505536 Payroll Tax (F.I.C.A./Medicare)	3,595	4,460	4,999	5,031	5,148
505543 Education, Travel, Certification	1,000	252	1,000	250	500
505547 Drug Test	0	0	0	0	0
505550 Dues and Memberships	100	9	185	185	185
Total Personnel Services	61,446	73,252	82,610	81,871	81,182
<u>Contractual Expenses</u>					
505632 Contract/Outside Services	0	0	0	0	0
505644 Appraisal District Fee	4,500	5,328	5,500	6,340	7,000
Total Contractual Expenses	4,500	5,328	5,500	6,340	7,000
<u>Miscellaneous Expenses</u>					
505766 Office Supplies	600	721	600	600	600
505775 Ref Books, Reports, Subscriptions	200	0	200	0	200
505800 Bank Fees	0	347	300	150	0
505805 Mileage	500	0	0	359	300
505820 Surety&Fidelity Bonds	500	150	500	0	200
Total Miscellaneous Expenses	1,800	1,218	1,600	1,109	1,300
Total Finance Expenditures	67,746	79,798	89,710	89,320	89,482

City of Magnolia

Finance

Account	Account Name	Current Budget	Description
505501	Salaries	64,754	1 administrator, 1 part time clerk
505503	Overtime	2,000	Authorized overtime for non-exempt employees
505515	Longevity	535	\$5 per month per year of service with City
505516	T.E.C. (Unemployment)	180	Unemployment taxes- 1.0% rate
505517	TMRS	809	Retirement cost-1.63% rate
505518	Worker's Compensation	184	Cost of W/C insurance
505526	Employee Insurance	6,888	Medical, dental, vision
505536	Payroll Tax	5,148	Social Security & Medicare-7.65% rate
505543	Education, Travel, Certifications	500	Training, travel & certifications
505547	Drug Test	-	Pre-employment & post-accident testing
505550	Dues, Memberships & Promotions	185	GFOAT 185
505644	Appraisal District Fee	7,000	Qtrly fee paid to Montgomery Co. Central Appraisal District
505766	Office Supplies	600	Paper, pens, staples, clips, note pads, etc.
505775	Ref. Books, Reports, Subscriptions	200	Updates to personnel manuals
505820	Surety & Fidelity Bonds	200	Bonding for Finance Dept.
505800	Bank Fees	300	Stop pay fees, cost of checks & deposit slips
505805	Mileage	-	Mileage for bank trips, etc.
		89,482	

POLICE





MAGNOLIA POLICE DEPARTMENT

Budget Narrative FY 2015-2016

VISION

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

MISSION

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

VALUES

Quality Service

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

Respect

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

Integrity

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

Teamwork

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

Creativity

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

Accountability

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

Leadership

We inspire others to achieve their goals by leading from the front and by example

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 online 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.

Accomplishments for FY 2014-2015

- The Magnolia Police Department was named the Top Driving While Intoxicated (DWI) agency in Montgomery County, being recognized by the Montgomery County District Attorney's Office and Mothers Against Drunk Drivers (MADD) for our proactive approach in combating impaired and distracted drivers.
- In an effort to continue our partnership with our community, MPD participates with the Greater Magnolia Chamber of Commerce in recognizing first responders for their hard work and dedication to public safety. With this partnership, several officers of MPD have been recognized by the Chamber as first responders of the quarter.
- 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 \$27k (year-to-date) in actual manpower hours.
- Initiated an automated telephone calling system for Magnolia warrants.
- Matching grant from the TxDOT DWI Regional Task Force Initiative.
- Click it or Ticket Grant
- Alive at 25 Traffic Defensive Driving course instructors certified through the National Safety Council and Texas Education Agency.
- Website resource portal for various federal, state and local service providers.
- Online UCR reporting system
- DWI MADD Award
- Montgomery County District Attorney's Top Agency Award

Narrative to explain Goals and Objectives for FY 2015-2016

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) focuses efforts on traffic violations along major thoroughfares. Implementation of a certified Child Safety Seat technician.
- 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.
- 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 maintains the responsibilities of 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 minimize criminal activity.
 - i. **Objective 2.10:** Met quarterly with the District Attorney and area police chiefs to discuss recent trends relative to public perception.
 - j. **Objective 2.11:** The Public Information Officer (PIO) released case synopsis and other pertinent information. Proactively sought out news and community interest stories and coordinate the release of information with pertinent personnel. Coordinated National Night Out.
 - k. **Objective 2.12:** Reserve Officers continue to take 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 roundups. The roundups are coordinated with the Criminal Investigations Division, Uniform Patrol Division, Municipal Court and other departments. A statistical report is submitted detailing the outcome after each roundup.
 - 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.

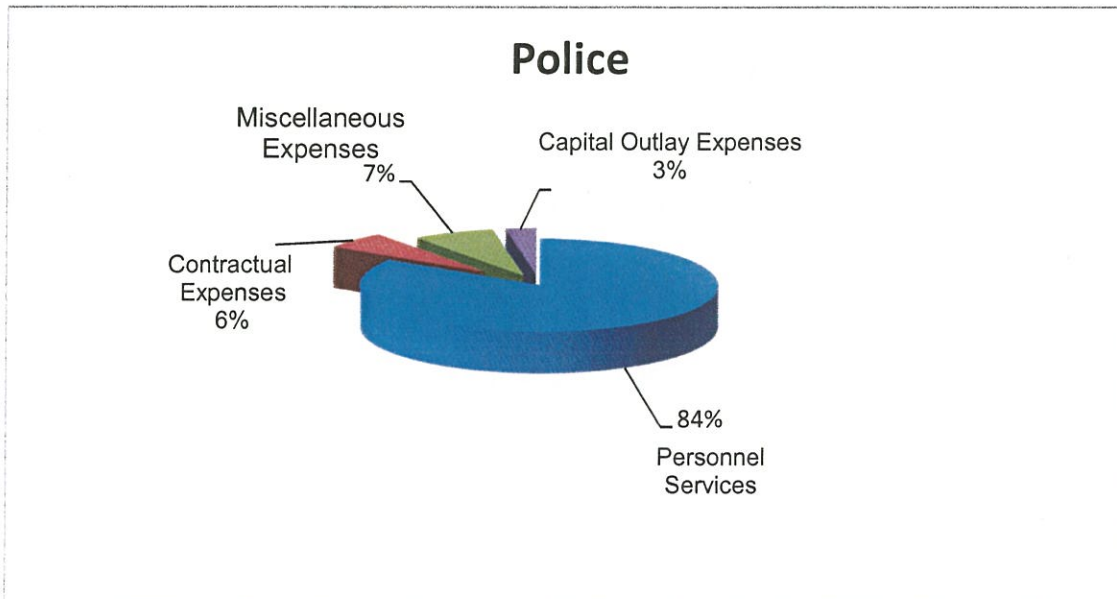
- b. **Objective 3.2:** Analyze the FTO program to provide enhanced instruction to motivate and support new employees and co-workers. Scenario training included areas that were real.
- c. **Objective 3.3:** Preparation for the Texas Best Practices Program is maintained. MPD policies are organized, reviewed 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 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$824,912	\$853,040	\$938,922	\$1,028,303
Contractual Expenses	\$57,000	\$58,000	\$67,939	\$71,089
Miscellaneous Expenses	\$35,450	\$37,500	\$89,950	\$90,400
Capital Outlay Expenses	\$6,700	\$13,194	\$0	\$33,550
Total	\$924,062	\$961,734	\$1,096,810	\$1,223,342

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Chief of Police	1	1	1	1
Captain	0	0	0	1
Lieutenant	0	0	0	0
Sergeant	2	3	3	3
Corporal	0	0	0	0
Detective	1	1	1	1
Patrol Officers	5	6	7	7
Reserve Officers	9	9	9	9
Dispatch	0	0	0	0
Administrative Asst/Dispatch	1	1	2	1
Code Compliance Officer	0	0	0	1
Executive Officer	0	1	1	0
Evidence Clerk	1	0	0	1
Total	20	22	24	25



City of Magnolia

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Police Department					
<u>Personnel Services</u>					
502501 Salaries	536,061	548,411	590,874	563,243	636,950
502503 Overtime	20,000	18,749	20,000	20,000	20,000
502504 S.T.E.P. Overtime	2,000	1,302	2,000	2,000	2,000
502510 Salary and Benefit Reimbursement(TC)	78,400	76,436	79,959	87,475	159,273
502515 Longevity	3,345	2,905	3,615	2,490	2,035
502516 T.E.C.(Unemployment)	5,758	3,123	3,105	811	1,440
502517 TMRS	3,199	1,372	8,061	6,544	13,370
502518 Worker's Compensation	17,251	11,275	14,220	20,754	17,670
502526 Insurance (Med./Dental/Vision/Life)	125,580	119,933	149,310	122,265	110,200
502536 Payroll Tax (F.I.C.A/Medicare)	48,945	48,188	53,278	51,653	50,565
502543 Education,Travel, & Certifications	9,900	9,733	10,900	10,900	13,000
502544 State P. D. Education	0	0	0	(1,417)	0
502547 Drug Test	800	270	800	257	500
502550 Dues, Memberships, & Promotions	1,300	336	1,300	1,303	1,300
502587 Tx Best Practices	500	0	1,500	0	0
Total Personnel Services	853,040	842,032	938,922	888,278	1,028,303
<u>Contractual Expenses</u>					
502604 Police Dept Cell Phones	0	5,054	6,000	8,147	8,000
502625 Maintenance & Repair Vehicle	20,000	21,332	23,000	18,320	24,000
502630 Outside Services	10,000	4,780	5,000	6,895	5,000
502634 Maintenance & Repair Office Equip.	800	7	800	0	800
502637 Mont. Co Sheriffs Office / Radio	15,000	7,490	15,526	15,526	15,526
502638 Harris County Contract-Radio	0	0	2,763	2,763	2,763
502670 Copy Machine/Lease of Office Equip.	6,000	5,261	6,500	3,174	5,000
502673 Computer Software	6,200	4,217	6,500	7,034	7,000
502677 Computer Assistance (IT Services)	0	0	1,850	1,276	3,000
Total Contractual Expenses	58,000	48,141	67,939	63,135	71,089
<u>Miscellaneous Expenses</u>					
502744 Minor Equipment	500	0	1,200	372	1,200
502760 Fuel	0	59	40,000	43,523	45,000
502762 Uniforms & Badges	8,400	7,337	8,400	8,400	9,500
502763 Motor Vehicle Supplies	3,000	0	0	0	0
502766 Office Supplies	8,000	4,893	6,000	4,702	6,000
502767 Safety Equipment	0	0	0	0	0
502769 Evidence Supplies	600	0	600	1,200	1,200
502770 K-9 Expense	3,000	1,646	3,000	882	3,000
502771 Citizens Police Academy	1,000	1,000	1,000	824	1,000
502772 Officer Safety Equipment Assistance Program			8,250	518	2,000
502827 Fleet Insurance - TML	4,000	10,107	10,500	9,975	10,500
502828 Law Enforcement Liability	9,000	10,668	11,000	9,483	11,000
502833 Postage	0	14	0	0	0
Total Miscellaneous Expenses	37,500	35,723	89,950	79,879	90,400
<u>Capital Expenses</u>					
502920 Computer Equipment	6,000	3,808	0	1,443	2,000
502921 Radios		65	0	0	0
502922 Tasers	4,194	4,293	0	0	0
502924 Vests	3,000	0	0	0	0
502951 Motor Vehicles	0	0	0	54,800	31,550
Total Capital Expenses	13,194	8,166	0	56,243	33,550
Total Police Department Expenditures	961,734	934,063	1,096,810	1,087,535	1,223,342

City of Magnolia

Police Department

Account	Account Name	Current Budget	Description	
502501	Salaries	636,950	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)	159,273	Salary/payroll tax costs for 3 employees-red light camera	
502515	Longevity	2,035	\$5 per month per year of service with City	
502516	T.E.C. (Unemployment)	1,440	Unemployment taxes- 1.0% rate	
502517	TMRS	13,370	Retirement cost-1.63% rate	
502518	Worker's Compensation	17,670	Premiums paid to TML for W/C ins.	
502526	Employee Insurance	110,200	Medical, dental, vision for 16 empl.	
502536	Payroll Tax	50,565	Social Security & Medicare-7.65% rate	
502543	Education, Travel, Certifications	13,000	Misc education, travel expense	
502547	Drug Test	500	Pre-employment & post-accident testing	
502550	Dues, Memberships & Promotions	1,300	IACP	120
			TPCA	230
			Misc	950
502587	Tx Best Practices	-	Application fee and fee for assessors to conduct site visits	
502604	Cell Phones	8,000	Cost of cell phones & usage (Includes notebook computer usage)	
502625	Maintenance & Repair Vehicles	24,000	Oil changes, inspection, repairs, maintenance of police vehicles	
502630	Outside Services	5,000	Contracted expenses	
502634	Maint/Repair of Office Equipment	800	Routine maintenance or repair costs of office equipment	
502637	Mont. Co.Sheriff's Office/Radio	15,526	Annual contract with Montgomery County and new radios	
502638	Harris County Contract-Radio	2,763	Hand-held radio & annual fees for Police Reserve Program	
502640	Legal	-	Attorney fees	
502670	Copy Machine/Lease-Office Equip.	5,000	Lease payments for copier and charge for extra copies	

City of Magnolia

Police Department

Account #	Account Name	Current Budget	Description
502673	Computer Software	7,000	Annual renewal of TCLEDDDS Pay'ts for Ejustice service
502677	Computer Assistance (IT Services)	3,000	Technical services for P/D
502744	Minor Equipment (Ammo)	1,200	Ammunition for training, etc.
502760	Fuel	45,000	Fuel for police vehicles
502762	Uniforms & Badges	9,500	Uniforms & badges, new or replacement
502766	Office Supplies	6,000	Copy paper, pens, file folders, toner, coffee supplies, etc.
502769	Evidence Supplies	1,200	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.)
502772	Officer Safety Equipment Assistance Program	2,000	Program to assist officers with purchase of duty-related firearms (payroll deduction-no cost to City)
502827	Fleet Insurance-TML	10,500	Vehicle insurance
502828	Law Enforcement Liability	11,000	Police officers' liability insurance
502920	Computer Equipment	2,000	Office computers, air cards
502951	Motor Vehicles	31,550	SUV for Police Chief
		1,223,342	

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 2014-2015:

- Won the 2015 TMCEC Traffic Safety Initiative Award for low volume Courts-This is the 2nd consecutive award received;
- The Court Administrator received a Level Two Municipal Court Clerk Certification;
- Implemented TrafficPayment.com-An online/telephone payment option for Defendants;

- Completed Retention Project;
- Participated in Magnolia's July 4th celebration by implementing traffic safety programs that helped to educate the public regarding the dangers and consequences of distracted driving and underage drinking;
- Participated in National Night Out by educating the public regarding the dangers of distracted driving;
- Hosted a tour of the Court for the Magnolia Elementary School-Spoke to the Student Council about the dangers and consequences of distracted driving;
- Helped to implement a distracted driving personnel policy regarding employee use of cell phones while on the job.

Goals for FY 2015-2016:

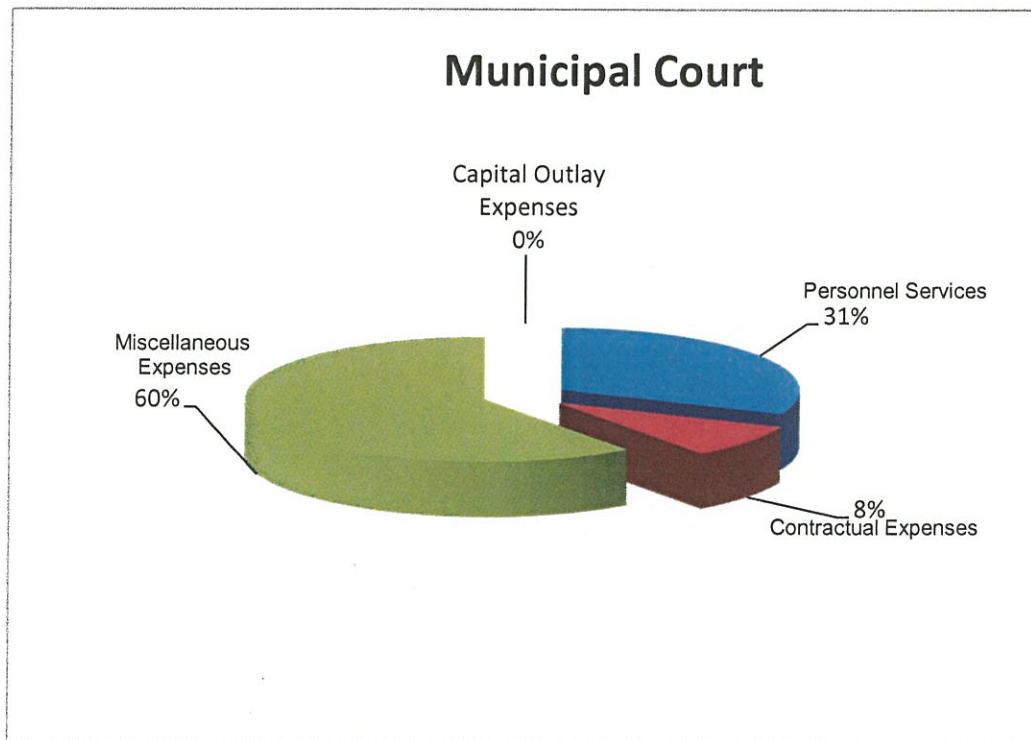
- Apply for the 2016 TMCEC Traffic Safety Initiative Award;
- Participate in the Great State Wide Warrant Round-up;
- Improve on Court collections-Collect on current warrants, implement a program that will help with collections before cases get to warrant status;
- Clerks continue education to stay abreast of the latest updated laws and Court procedures; Court Administrator will apply for a Level Three Municipal Court Clerk Certification.

City of Magnolia

Municipal Court Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$115,594	\$99,147	\$95,519	\$104,781
Contractual Expenses	\$12,000	\$12,000	\$29,000	\$29,000
Miscellaneous Expenses	\$206,300	\$314,300	\$241,800	\$201,800
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$333,894	\$425,447	\$366,319	\$335,581

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Judge	1	1	1	1
Associate Judge	1	1	1	1
Municipal Court Administrator	1	0	1	1
Municipal Court Clerk	1	2	1	1.5
Total	4	4	4	4.5



City of Magnolia

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Municipal Court					
<u>Personnel Services</u>					
504501 Salaries	70,718	75,455	64,949	67,407	77,216
504503 Overtime	0	0	0	0	0
504515 Longevity	200	165	290	295	170
504516 T.E.C.	651	424	414	23	225
504517 T.M.R.S.	362	135	755	692	1,261
504518 Worker's Comp	194	176	161	181	220
504526 Insurance (Med/Dental/Life/Vision)	17,940	17,307	19,908	19,321	17,219
504536 Payroll Tax (F.I.C.A./Medicare)	5,532	4,739	4,991	5,179	5,920
504543 Education, Travel, Certification	3,000	2,074	3,500	750	2,000
504547 Drug Test	50	30	50	0	50
504550 Dues and Memberships	500	400	500	400	500
Total Personnel Services	99,147	100,904	95,519	94,248	104,781
<u>Contractual Expenses</u>					
504605 Utilities/Telephone/Internet	0	0	0	0	0
504632 Contract/Outside Services		4,951	17,000	15,136	17,000
504633 Maint.& Repair/Building/Equipment	0	0	0	0	0
504640 Legal	12,000	10,550	12,000	9,450	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	15,501	29,000	24,586	29,000
<u>Miscellaneous Expenses</u>					
504766 Office Supplies	3,500	4,975	5,000	1,714	3,000
504775 Ref. Books, Rpts, Subscriptions	300	85	300	100	300
504810 Court Jurors	1,000	372	1,000	108	500
504812 O.M.N.I.	1,500	1,991	1,500	3,675	3,000
504814 C.O.L.A.G.Y.	30,000	28,119	30,000	3,781	12,000
504815 State Comptroller Fees	275,000	194,981	200,000	164,785	180,000
504833 Postage	3,000	3,032	4,000	1,708	3,000
Total Miscellaneous Expenses	314,300	233,555	241,800	175,871	201,800
Total Municipal Court Expenditures	425,447	349,959	366,319	294,705	335,581

City of Magnolia

Municipal Court

Account	Account Name	Current Budget	Description
504501	Salaries	77,216	1 administrator, 1 full time clerk, 1 part time clerk
504503	Overtime	-	Authorized overtime for non-exempt employees
504515	Longevity	170	\$5 per month per year of service with City
504516	T.E.C. (Unemployment)	225	Unemployment taxes- 1.0% rate
504517	TMRS	1,261	Retirement cost-.1.63% rate
504518	Worker's Compensation	220	Cost of W/C insurance
504526	Employee Insurance	17,219	Medical, dental, vision
504536	Payroll Tax	5,920	Social Security & Medicare-7.65% rate
504543	Education, Travel, Certifications	2,000	Training, travel & certifications
504547	Drug Test	50	Pre-employment & post-accident testing
504550	Dues, Memberships & Promotions	500	TMCCA 150 TCCA 80 Misc. 270
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	3,000	Copy paper, pens, file folders, toner, etc.
504775	Ref. Books, Reports, Subscriptions	300	Updated law manuals
504810	Court Jurors	500	Money paid to jurors for their service
504812	O.M.N.I.	3,000	Quarterly cost to send information to DPS
504814	C.O.L.A.G.Y.	12,000	Collection agency fees
504815	State Comptroller Fees	180,000	State's portion of all tickets and fines
504833	Postage	3,000	Costs for court mailings
		335,581	

PUBLIC WORKS/ FACILITIES



Public Works Department/Facilities

Department Mission

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

Program Narrative

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

Accomplishments for FY 2014-2015

- 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 2015-2016

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

Goals for FY 2015-2016

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

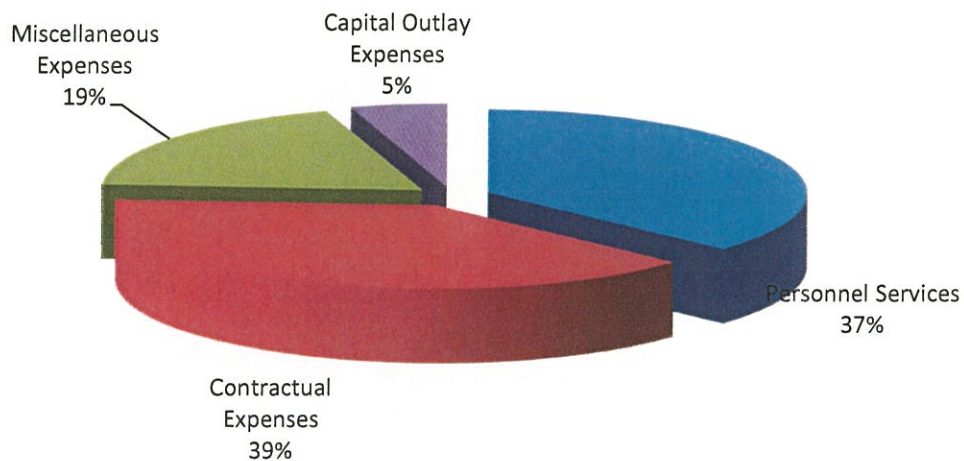
City of Magnolia

Public Works Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$129,735	\$132,487	\$109,266	\$59,999
Contractual Expenses	\$48,000	\$45,000	\$32,000	\$64,000
Miscellaneous Expenses	\$10,500	\$22,900	\$23,500	\$31,000
Capital Outlay Expenses	\$2,000	\$8,000	\$8,000	\$8,000
Total	\$190,235	\$208,387	\$172,766	\$162,999

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Laborers	2	2	2	1
Mechanic	1	1	0.5	0.5
Total	3	3	2.5	1.5

Public Works



City of Magnolia

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Public Works					
<u>Personnel Services</u>					
503501 Salaries	90,563	112,671	72,893	102,584	42,330
503503 Overtime	4,344	4,636	2,813	5,315	1,693
503505 Cell Phone Allowance	900	831	500	759	600
503515 Longevity	550	535	410	378	155
503516 T.E.C.	867	1,239	518	65	135
503517 T.M.R.S.	482	253	887	1,163	730
503518 Worker's Comp	0	0	0	0	0
503526 Insurance (Med/Dental/Life/Vision)	26,910	33,932	24,885	33,026	10,331
503536 Payroll Tax (F.I.C.A./Medicare)	7,371	9,065	5,861	8,341	3,425
503543 Education, Travel, Certification	400	57	400	0	400
503547 Drug Test	100	620	100	270	200
Total Personnel Services	132,487	163,837	109,266	151,901	59,999
<u>Contractual Expenses</u>					
503602 Utilities/Water- Montgomery County	16,000	9,401	0	0	0
503604 Electric (Street Lights)	15,000	16,565	15,000	15,344	15,000
503625 Maint/Repair-Vehicle(parts,inspection)	5,000	3,604	5,000	11,271	10,000
503633 Maint. & Repair Equip-Heavy	4,000	4,669	4,000	6,768	6,000
503643 Engineering	0	845	0	0	0
503650 Mowing	0	0	0	0	25,000
503653 Ditch Renovations	2,000	0	2,000	0	2,000
503655 Street Signs & Flags	0	1,926	3,000	2,322	3,000
503663 Rental of Equipment	3,000	0	3,000	0	3,000
Total Contractual Expenses	45,000	37,010	32,000	35,705	64,000
<u>Miscellaneous Expenses</u>					
503700 General Supplies	6,000	4,544	6,000	4,026	6,000
503744 Minor Tools and Equipment	6,000	9,521	6,000	3,568	6,000
503749 Street Supplies	1,000	2,286	1,000	568	1,000
503760 Fuel	8,000	10,520	9,000	15,363	14,000
503761 Tires and Tubes	1,500	2,494	1,500	2,967	4,000
503762 Uniforms and Badges	0	0	0	0	0
503827 Fleet Insurance - TML	400	0	0	0	0
Total Miscellaneous Expenses	22,900	29,363	23,500	26,492	31,000
<u>Capital Expenses</u>					
503940 Mowers & Edgers	2,000	0	2,000	2,400	2,000
503945 Other Equipment	6,000	8,150	6,000	5,100	6,000
Total Capital Expenses	8,000	8,150	8,000	7,500	8,000
Total Public Works Expenditures	208,387	238,360	172,766	221,598	162,999

City of Magnolia

Public Works

Account	Account Name	Current Budget	Description
503501	Salaries	42,330	1.5 employees
503503	Overtime	1,693	Authorized overtime for non-exempt employees
503505	Cell Phone Allowance	600	Allowance for use of personal cell phones for business purposes
503515	Longevity	155	\$5 per month per year of service with City
503516	T.E.C. (Unemployment)	135	Unemployment taxes- 1.0% rate
503517	TMRS	730	Retirement cost-1.63% rate
503518	Worker's Compensation	-	Cost of W/C insurance
503526	Employee Insurance	10,331	Medical, dental, vision
503536	Payroll Tax	3,425	Social Security & Medicare-7.65% rate
503543	Education, Travel, Certifications	400	Training, travel & certifications
503547	Drug Test	200	Pre-employment & post-accident testing
503604	Electric (Street Lights)	15,000	Expense for all street lights in the City
503625	Maintenance & Repair Vehicles	10,000	Oil changes, inspection, repairs, maintenance of P W vehicles
503633	Maint & Repair Equipment-Heavy	6,000	Costs to repair backhoe, tractor, & other equipment
503650	Mowing	25,000	Mowing city right of ways
503653	Ditch Renovations	2,000	Expenses for repairing ditches
503655	Street Signs & Flags	3,000	Expenses to replace street signs and flags
503663	Rental of Equipment	3,000	Cost to rent work equipment

City of Magnolia

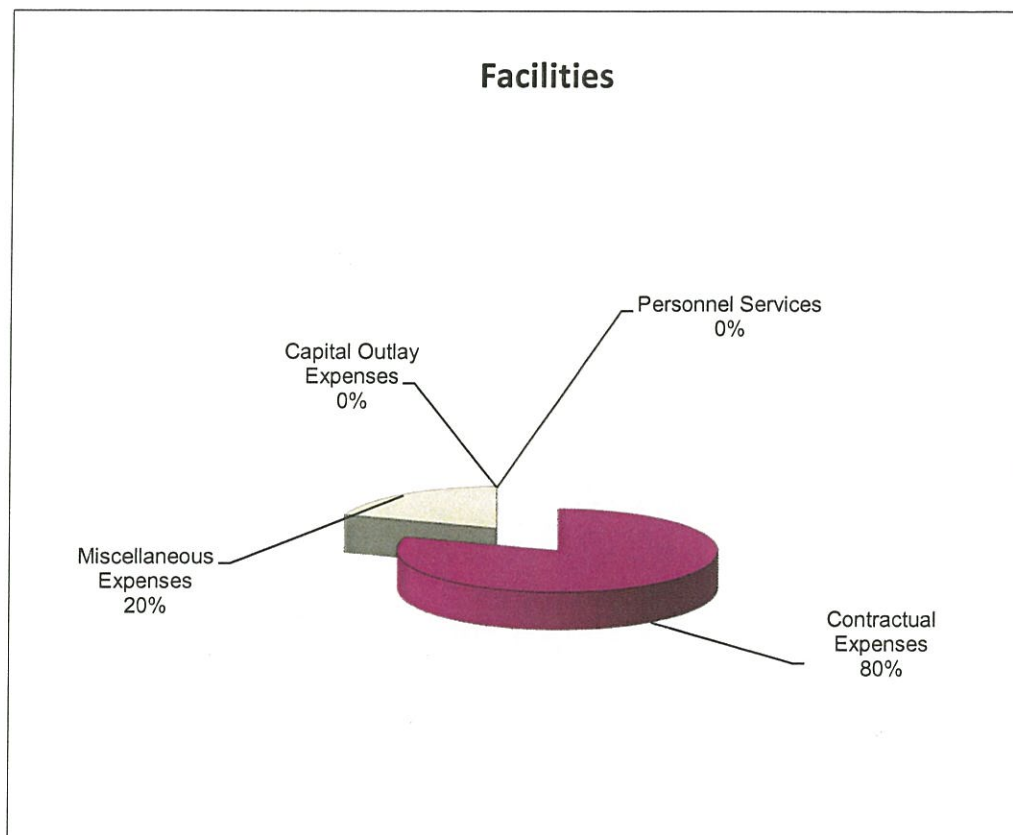
Public Works

Account	Account Name	Current Budget	Description
503700	General Supplies	6,000	Misc supplies-marking paint, gloves, safety equipment, insect repellent, batteries, shop supplies
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	14,000	Cost of fuel for P/W vehicles
503761	Tires and Tubes	4,000	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.
		162,999	

City of Magnolia

Facilities Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$0	\$0	\$0	\$0
Contractual Expenses	\$68,500	\$78,500	\$64,670	\$54,500
Miscellaneous Expenses	\$8,600	\$14,000	\$14,000	\$13,500
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$77,100	\$92,500	\$78,670	\$68,000



City of Magnolia

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Facilities					
<u>Contractual Expenses</u>					
509603 Utilities / Electric	20,000	17,300	20,000	17,726	18,000
509605 Telephone & Internet	18,000	15,378	18,000	15,208	17,000
509632 Contractual Services / Parks	0	624	1,000	608	1,000
509633 Bldg Lease & Grounds Maint	1,500	12,422	5,000	3,741	5,000
509634 Heat/A/C	20,000	0	0	0	0
509671 Janitorial Services / Cleaning	12,000	12,425	13,000	12,966	13,500
509673 Computer Software Lic/Upgrade	7,000	0	7,000	0	0
509677 Computer Assistance (IT Services)		0	670	938	0
Total Contractual Expenses	78,500	58,149	64,670	51,187	54,500
<u>Miscellaneous Expenses</u>					
509700 Supplies (Misc.)	10,000	8,777	10,000	8,601	10,000
509826 Building Insurance - TML	4,000	2,790	4,000	2,790	3,500
Total Miscellaneous Expenses	14,000	11,567	14,000	11,391	13,500
Total Facilities Expenditures	92,500	69,716	78,670	62,578	68,000

City of Magnolia

Facilities

Account	Account Name	Current Budget	Description
509603	Utilities/Electric	18,000	Electricity for City Hall, some stations
509605	Telephone & Internet	17,000	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	13,500	Costs for cleaning the building
509673	Computer Software License/Upgrade	-	Renewal of licenses & software
509677	Computer Assistance (IT Services)	-	Technical services for Facilities
509700	Supplies (Misc.)	10,000	Rug service, kitchen/bathroom supplies, trash bags, coffee, etc.
509826	Building Insurance-TML	3,500	Property insurance
		68,000	

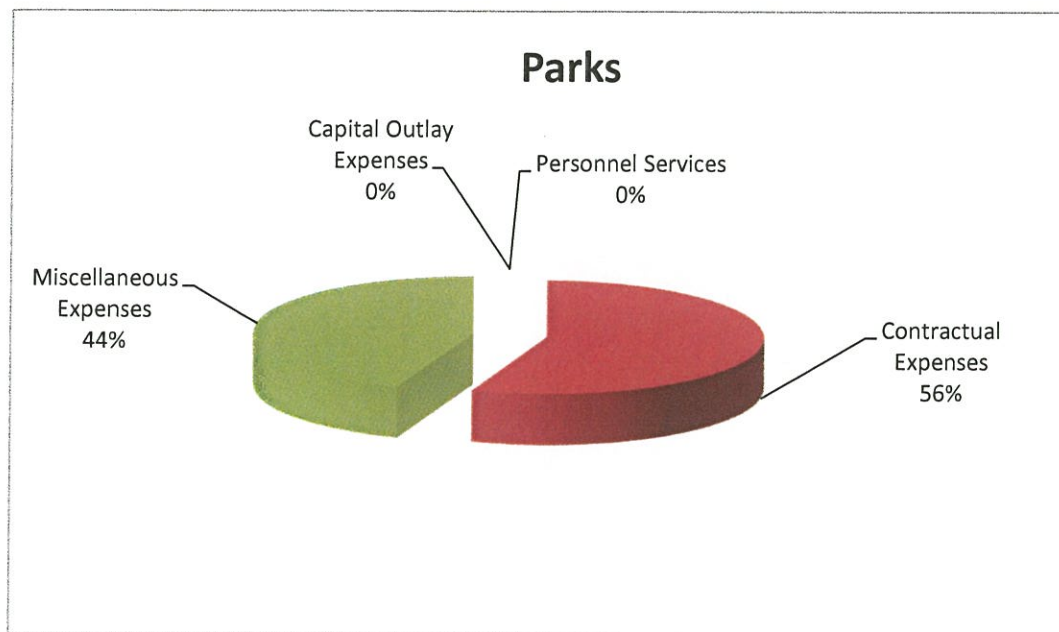
PARKS



Parks Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$11,198	\$0	\$0	\$0
Contractual Expenses	\$47,000	\$11,000	\$6,500	\$7,500
Miscellaneous Expenses	\$26,500	\$15,500	\$6,500	\$6,000
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$84,698	\$26,500	\$13,000	\$13,500

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Laborers	1	0	0	0
Total	1	0	0	0



City of Magnolia

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Parks					
<u>Personnel Services</u>					
511501 Salaries	0	0	0	0	0
511503 Overtime	0	0	0	0	0
511515 Longevity	0	0	0	0	0
511516 TEC	0	0	0	0	0
511517 TMRS	0	0	0	0	0
511518 Worker's Comp	0	0	0	0	0
511526 Insurance	0	0	0	0	0
511536 Payroll Tax (FICA)	0	0	0	0	0
Total Personnel Services	0	0	0	0	0
<u>Contractual Expenses</u>					
511603 Utilities / Electric	3,000	5,885	5,500	6,900	6,500
511632 Contractual Services / Parks	0	0	0	0	0
511633 Grounds Maintenance/Mulch	5,000	0	0	0	0
511634 Building Maintenance	1,000	0	1,000	0	1,000
511671 Janitorial Services / Cleaning	2,000	0	0	0	0
Total Contractual Expenses	11,000	5,885	6,500	6,900	7,500
<u>Miscellaneous Expenses</u>					
511700 Supplies	5,000	3,348	0	383	0
511744 Minor Equipment	5,000	0	0	0	0
511760 Gas/Oil	0	697	1,000	1,000	500
511826 Property Insurance - TML	2,500	0	2,500	1,500	2,500
511940 Equipment	3,000	0	3,000	3,000	3,000
Total Miscellaneous Expenses	15,500	4,045	6,500	5,883	6,000
Total Parks Expenditures	26,500	9,930	13,000	12,783	13,500

City of Magnolia

Parks

Account	Account Name	Current Budget	Description
511603	Utilities/Electric	6,500	Electricity for parks, stroll
511633	Grounds Maintenance/Mulch	-	Costs for maintaining the park grounds
511634	Building Maintenance	1,000	Costs for maintaining park structures
511671	Janitorial Services/Cleaning	-	Costs for cleaning the park structures
511700	Supplies	-	Paper towels, toilet tissue, soap, cleaning supplies for park
511744	Minor Equipment	-	
511760	Gas/Oil	500	Gas & oil for mowers, park equipment
511826	Property Insurance - TML	2,500	Insurance for park buildings
511940	Equipment	3,000	Batteries, misc equipment
		13,500	

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 2015

Revenues in the Water Department (including intra-fund transfers) for the current fiscal year, budgeted at \$1,470,201, are expected to come in approximately 0.9% or \$13,716 less than budgeted, primarily due to less-than-expected San Jacinto River Authority fee income. Revenues in the Sewer Department are expected to come in approximately \$50,607 or 9.9% more than budgeted. This is due to larger-than-expected revenues for both sewer usage and garbage collection, as well as increased tap fees. Impact Fund revenues for the current fiscal year are expected to exceed budget by \$200,200 or 181.5%.

Operating expenditures for FY 2015 in the Water Department are projected to come in approximately \$89,977 or 8.7% under budget. Expenses in the Sewer Department are projected to be under budget by \$1,379 or 0.3%.

City of Magnolia

2015/2016 Budget

Revenues

Revenues for the Water Department are budgeted at \$1,322,100 which is \$148,101 or 10.0% less than last year's budget. Budget decreases for fees collected for the San Jacinto River Authority and interdepartmental fund transfers were partially offset by an increased budget for general water fund revenue, tap fees and disconnect fees. Revenues for the Sewer Department are budgeted conservatively at only 6.7% or \$34,300 higher than FY 2015 budget. Impact fees are budgeted the same as last year except for a slight increase in interest revenue.

Expenditures

Expenditures for the Water Department are budgeted at \$989,181 or \$39,956 less than the previous year's budget. An increase in personnel costs was more than offset by decreases in contractual expenses and transfers to debt service.

Expenditures for the Sewer Department are budgeted \$78,459 or 16.8% more than the FY 2015 budget, primarily due to increases in personnel costs, utilities, garbage service, miscellaneous supplies, fuel and sludge hauling.

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

City of Magnolia

Enterprise Funds Budgeted Statement of Revenues, Expenditures, and Changes in Net Position						
	Water Fund	Enterprise Debt Svc Funds	Enterprise Capital Projects Fund	Sewer Fund	IMPACT Fund Water/Sewer	Total of Enterprise Funds
REVENUES:						
Property Taxes		188,675				188,675
Sales Taxes						-
Other Taxes						-
Franchise Fees						-
Licenses & Permits						-
Fines & Forfeitures						-
Interest Income					500	500
Water User Fees	1,322,100					1,322,100
Sewer User Fees				544,000		544,000
Impact Fees					110,000	110,000
Other Revenue						-
Miscellaneous						-
Total Revenues	1,322,100	188,675	-	544,000	110,500	2,165,275
TRANSFERS:						
Intra-Fund Transfer (06)4B		165,597				165,597
Intra-Fund Transfer (07)4A						-
Intra-Fund Trfr (10)Red Lt Camera(TC)						-
Intra-Fund Trfr (28)2014 GO Bonds	-					-
Total Intra-Fund Transfers						-
Total Revenues/Transfers	1,322,100	354,272	-	544,000	110,500	2,330,872
EXPENDITURES:						
Personnel Services	221,011			81,083		302,093
Contractual Expenses	134,300			348,000		482,300
Miscellaneous Expenses	473,420			106,150		579,570
Capital Expenses	56,000			10,000		66,000
Bond/C O Principal Payments		121,149				121,149
Bond/C O Interest Payments		233,123				233,123
Intra-Fund Trfrs Out	104,450					104,450
Total Expenditures/Transfers	989,181	354,272	-	545,233	-	1,888,685
Total Revenue Over/(Under)	332,919	0	-	(1,233)	110,500	442,187
Expenditures						
Projected Beginning Fund Balance/ Retained Earnings	2,511,297	456,432	4,661,855	514,362	1,115,004	9,258,950
Projected Ending Fund Balance/ Retained Earnings	2,844,217	456,432	4,661,855	513,129	1,225,504	9,701,137

WATER



Water Department

Department Mission

To continue to provide Superior Quality Water at good volume and pressure, and at reasonable cost, to our citizens, and to support the growth of Magnolia

Program Narrative

The Water Department is responsible for providing high standard and quality in the day-to-day operation and maintenance of the water supply system and water plants.

Accomplishments for FY 2014-2015

- Maintained Superior Water Rating from TCEQ
- Worked hand in hand with the TxDot contractor to identify and 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 2015-2016

- Continue to receive Superior Water Rating from TCEQ
- Maintain high standards of customer service
- Remain current on all testing, reporting and monitoring of the water systems and maintain strict compliance with state and federal regulations
- Monitor the operations of both water plants to ensure dependability and reliability to preclude any system failures
- Develop plans to extend water service to the newly annexed property at FM 149

Goals for FY 2015-2016

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

Utility Billing

Mission

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

Program Narrative

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

Accomplishments for FY 2014-2015

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

Objectives for FY 2015-2016

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

Goals for FY 2015-2016

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

City of Magnolia

Water Fund Revenue Summary

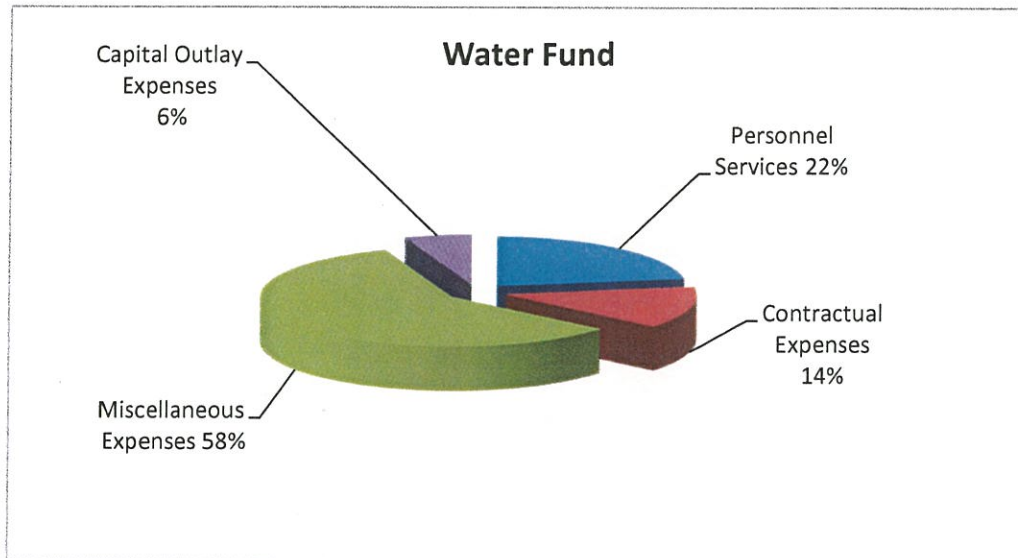
	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Revenue and Fees	\$1,104,700	\$1,059,650	\$1,470,201	\$1,322,100

Water Fund Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$119,834	\$120,844	\$137,353	\$221,011
Contractual Expenses	\$137,900	\$130,900	\$156,400	\$134,300
Miscellaneous Expenses	\$570,700	\$596,500	\$679,384	\$577,870
Capital Outlay Expenses	\$14,000	\$6,000	\$56,000	\$56,000
Total	\$842,434	\$854,244	\$1,029,137	\$989,181

Staffing

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Utility Maintenance Worker	0.5	0.5	1	2
Water Plant Operator	1	1	1	1.5
Mechanic				0.5
Permit Technician	0.67	0.67	0.67	0.67
Total	2.17	2.17	2.67	4.67



City of Magnolia

WATER - 02

Preliminary Budget

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenues					
<u>Revenue</u>					
40001 Water Fund Revenue	800,000	911,495	850,000	930,964	950,000
40004 Tap Fees	3,000	10,285	5,000	10,157	10,000
40005 Reconnect Fees	6,000	8,525	6,000	8,768	8,000
40006 Other Fees	1,500	4,346	2,500	5,108	4,000
40015 Cash Collections/Misc.	0	0	0	(15)	0
40016 Late Fees	9,000	11,823	10,000	10,421	10,000
40018 Disconnect Fees	10,000	27,264	15,000	25,305	20,000
40020 Interest Income	150	6,219	100	30	100
40024 Lone Star Groundwater	10,000	14,222	23,550	18,766	20,000
40025 San Jacinto River Authority	220,000	235,343	392,500	281,430	300,000
40033 Transfer in from Fund 28			165,551	165,551	0
Total Revenue	1,059,650	1,229,523	1,470,201	1,456,485	1,322,100
Total Revenue	1,059,650	1,229,523	1,470,201	1,456,485	1,322,100

Department Expenditures

Personnel Services

500501 Salaries	76,358	62,067	89,652	88,258	157,317
500503 Overtime	3,818	3,902	7,000	6,338	7,000
500505 Cell Phone Allowance	300	100	600	188	800
500515 Longevity	687	307	661	667	581
500516 T.E.C.	728	0	553	50	420
500517 T.M.R.S.	404	481	1,133	947	2,701
500518 Worker's Comp	9,583	1,248	1,637	5,535	5,301
500526 Insurance (Med/Dental/Life/Vision)	20,729	14,370	26,577	24,172	32,165
500536 Payroll Tax (F.I.C.A./Medicare)	6,186	4,512	7,490	7,302	12,676
500543 Education, Travel, Certification	2,000	461	2,000	1,000	2,000
500547 Drug Test	50	125	50	0	50
Total Personnel Services	120,844	87,573	137,353	134,457	221,011

Contractual Expenses

500603 Utilities / Electric	58,000	51,058	58,000	52,962	55,000
500605 Utilities / Telephone	2,300	(14,155)	2,400	2,517	2,800
500625 Maintenance & Repair / Vehicles	3,000	0	3,000	3,000	3,000
500627 Maintenance/ Building & Plant	12,000	9,546	15,000	5,918	15,000
500632 Contract/Consultant Services	7,000	733	5,000	430	2,500
500633 Maintenance & Repair Building/Equip	5,000	2,323	2,000	2,000	2,000
500641 Auditing & Accounting/Service	0	0	0	0	0
500643 Engineering	10,000	167,088	30,000	10,000	10,000
500652 Permits, Fees, Sample Test	22,000	26,904	30,000	32,060	35,000
500663 Rental of Equipment	5,000	403	5,000	69	5,000
500673 Computer Update	4,000	0	4,000	0	4,000
500674 Posting & Advertising	600	0	0	0	0
Total Contractual Expenses	128,900	243,899	154,400	108,956	134,300

City of Magnolia

WATER - 02

Preliminary Budget

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
<u>Miscellaneous Expenses</u>					
500677 Minor Equipment	2,000	0	2,000	2,000	2,000
500700 Supplies (Misc.)	30,000	48,666	60,000	20,771	50,000
500760 Fuel	8,000	2,849	5,214	5,087	7,000
500762 Uniforms & Badges	3,500	3,189	3,500	4,830	5,000
500766 Office Supplies	1,000	50	1,000	0	1,000
500780 Chemicals/ Water Treatment	14,000	11,907	14,000	12,515	16,000
500800 Bank Fees	1,000	2,277	2,000	2,404	2,500
500804 San Jacinto River Authority	197,500	285,278	353,250	357,359	360,000
500805 Lone Star Water Conservation	15,000	12,796	15,420	12,796	15,420
500826 Water Plant Insurance - TML	7,000	6,370	7,000	6,341	7,000
500827 Fleet Insurance	3,500	3,154	3,500	2,907	3,500
500833 Postage	4,000	3,609	4,000	3,237	4,000
500855 Bad Debts	0	15,167	0	0	0
500858 Depreciation	0	249,003	0	0	0
500861 Transfer to Debt Service	312,000	131,500	210,500	210,500	104,450
500863 Transfer Expense			0	0	0
500550 Interest Expense	0	16,226	0	0	0
500099 Amortization of Premium		2,469	0	0	0
590000 Bond Issuance Expense	0	200,689	0	0	0
Total Miscellaneous Expenses	598,500	995,197	681,384	640,747	577,870
<u>Capital Expenses</u>					
500920 Computer Equipment	1,000	0	1,000	0	1,000
500940 Water System Pumps & Motors	0	0	0	0	0
500950 Vehicle Payments	0	0	0	0	0
500960 Equipment	5,000	2,055	55,000	55,000	55,000
500975 Capital Outlay	0	0	0	0	0
Total Capital Expenses	6,000	2,055	56,000	55,000	56,000
Total Expenditures	854,244	1,328,724	1,029,137	939,160	989,181
Total Revenue Over(Under) Expenditures	205,406	(99,201)	441,064	517,325	332,919

City of Magnolia

WATER - 02

Account	Account Name	Current Budget	Description
Revenues:			
40001	Water Fund Revenue	950,000	Estimated water revenue per current fee schedule
40004	Tap Fees	10,000	\$650/water tap
40005	Application/Connection Fees	8,000	\$35/account
40006	Other Fees	4,000	Credit card fees
40016	Late Fees	10,000	5% of customer's balance
40018	Disconnect Fees	20,000	\$35/disconnect
40020	Interest Income	100	Interest earned
40024	Lone Star Groundwater Conservation	20,000	\$.15/1000 gal pumped
40025	San Jacinto River Authority	300,000	\$2.50/1000 gal pumped
	Transfer in from Fund 28	-	
		1,322,100	

City of Magnolia

WATER - 02

Account	Account Name	Current Budget	Description
Expenditures			
500501	Salaries	157,317	4.67 employees
500503	Overtime	7,000	Authorized overtime for non-exempt employees
500505	Cell Phone Allowance	800	Allowance for use of personal cell phones for business purposes
500515	Longevity	581	\$5 per month per year of service with City
500516	T.E.C. (Unemployment)	420	Unemployment taxes- 1.0% rate
500517	TMRS	2,701	Retirement cost-1.63% rate
500518	Worker's Compensation	5,301	Cost of W/C insurance
500526	Employee Insurance	32,165	Medical, dental, vision
500536	Payroll Tax	12,676	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	55,000	Electricity for water plants
500605	Utilities/Telephone	2,800	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	2,500	Answering service, etc.
500633	Maint & Repair Equipment-Heavy	2,000	Costs to repair water equipment
500643	Engineering	10,000	Costs for engineering services related to water construction
500652	Permits, Fees, Sample Test	35,000	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	Minor equipment	
500700	General Supplies	50,000	Misc supplies	
500760	Fuel	7,000	Fuel for Water Dept. vehicles and equipment	
500762	Uniforms & Badges	5,000	Cost of uniforms and cleaning	
500766	Office Supplies	1,000	Office supplies designated for water department	
500780	Chemicals/Water Treatment	16,000	Cost of chemicals for water treatment	
500800	Bank Fees	2,500	Credit card processing fees	
500804	San Jacinto River Authority	360,000	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	104,450	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 (2nd year of 5 payments)	50,000
			Misc.	5,000
		989,181		

SEWER



Sewer Department

Department Mission

To continue to provide Superior, safe operation of the 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 and maintenance of the sewage processing plant

Accomplishments for FY 2014-2015

- Continued to detect and repair 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
- Designed and contracted to lay a 16-inch line and sewer system to the newly annexed area at FM 1488 and FM 149

Objectives for FY 2015-2016

- Complete plans and permit applications to build 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 and smoke testing program for infiltration and leakage in collection system

Goals for FY 2015-2016

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

City of Magnolia

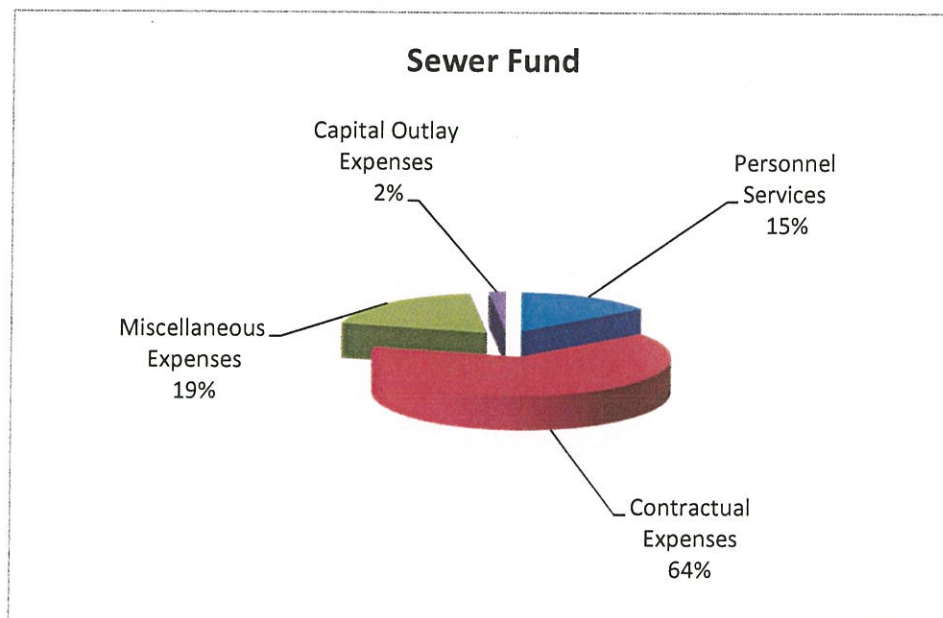
Sewer Fund Revenue Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Revenue and Fees	\$496,200	\$501,200	\$509,700	\$544,000

Sewer Fund Expenditure Summary

	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Personnel Services	\$50,007	\$55,886	\$55,556	\$81,083
Contractual Expenses	\$295,500	\$319,000	\$317,000	\$348,000
Miscellaneous Expenses	\$75,035	\$115,600	\$84,218	\$106,150
Capital Outlay Expenses	\$16,000	\$5,000	\$10,000	\$10,000
Total	\$436,542	\$495,486	\$466,774	\$545,233

Staffing	Approved 2012-2013	Approved 2013-2014	Approved 2014-2015	Approved 2015-2016
Sewer Operator	0.5	0.5	0.5	0.5
Utility Maintenance Worker				1.0
Permit Technician	0.33	0.33	0.33	0.33
Total	0.83	0.83	0.83	1.83



City of Magnolia

Sewer - 03

Preliminary Budget

	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenues					
<u>Revenue</u>					
40001 Sewer Fund Revenue	400,000	387,274	400,000	412,121	400,000
40003 Road Bore Fee	0	2,000	2,000	0	2,000
40004 Tap Fees	1,500	12,325	3,000	15,945	12,000
40010 Garbage Collection Fees	700	951	700	1,267	1,000
40011 Garbage Revenue	95,000	100,166	100,000	126,109	125,000
40012 Misc. Revenues	0	0	0	0	0
40016 Late Fees	4,000	4,948	4,000	4,865	4,000
40020 Interest Income	0	0	0	0	0
40022 Grant Income	0	84,245	0	0	0
Total Revenue	501,200	591,909	509,700	560,307	544,000
Total Revenue	501,200	591,909	509,700	560,307	544,000

Department Expenditures

Personnel Services

500501 Salaries	36,566	33,368	32,077	33,863	56,705
500503 Overtime	1,828	4,877	2,500	4,551	4,000
500505 Cell Phone Allowance			0	0	300
500515 Longevity	363	233	279	281	364
500516 T.E.C.	349	11	172	0	165
500517 T.M.R.S.	194	238	400	374	1,000
500518 Worker's Comp	4,676	4,586	8,250	2,794	0
500526 Insurance (Med/Dental/Life/Vision)	7,995	7,701	8,262	8,077	12,604
500536 Payroll Tax (F.I.C.A./Medicare)	2,965	2,878	2,666	2,960	4,695
500543 Education, Travel, Certification	900	350	900	593	1,200
500547 Drug Test	50	125	50	0	50
Total Personnel Services	55,886	54,367	55,556	53,493	81,083

Contractual Expenses

500603 Utilities / Electric	90,000	80,876	90,000	94,533	95,000
500605 Utilities / Telephone	3,000	2,541	3,000	2,299	3,000
500625 Maintenance & Repair / Vehicles	3,000	0	3,000	3,000	4,000
500627 Maint/Repair Lift Station	85,000	32,726	85,000	52,025	85,000
500632 Contract/Consultant Services	0	5,265	0	9,517	6,000
500633 Maint. & Repair Building/Equip.	28,000	38,817	25,000	25,116	25,000
500641 Auditing & Accounting Service	0	0	0	0	0
500643 Engineering	2,000	75,485	10,000	10,000	10,000
500652 Permits and Testing	8,000	3,770	4,000	6,197	8,000
500663 Rentals	2,000	403	2,000	0	2,000
500671 Sales Tax Expense	5,000	0	0	0	0
500672 Garbage Service	93,000	99,033	95,000	110,698	110,000
Total Contractual Expenses	319,000	338,917	317,000	313,385	348,000

City of Magnolia

Sewer - 03

Preliminary Budget	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
<u>Miscellaneous Expenses</u>					
500700 Supplies (Misc.)	18,000	8,930	15,000	22,017	20,000
500760 Fuel	6,000	5,519	2,168	13,329	10,000
500761 Tires and Tubes	2,000	0	2,000	2,000	4,000
500766 Office Supplies	1,000	13	500	0	500
500780 Chemicals/ Water Treatment	12,000	10,211	12,000	9,023	14,000
500800 Bank Fees-credit card	300	0	300	305	400
500801 Road Boring	0	0	0	0	0
500825 Liability Insurance - TML	1,300	1,081	1,500	1,027	1,500
500826 Sewer Plant Insurance - TML	2,500	2,344	3,000	2,344	3,000
500830 Personal Property Ins. - TML	500	525	550	536	550
500833 Postage	1,000	809	1,200	211	1,200
500855 Bad Debts	0	0	0	0	0
500857 Sludge Hauling	70,000	36,625	45,000	35,325	50,000
500861 Damage Claims	1,000	0	1,000	1,250	1,000
Total Miscellaneous Expenses	115,600	66,056	84,218	87,367	106,150
<u>Capital Expenses</u>					
500950 Vehicle Payments	0	0	0	0	0
500960 Other Equipment & Tools	5,000	9,687	10,000	11,150	10,000
500975 Capital Expenses	0	0	0	0	0
Total Capital Expenses	5,000	9,687	10,000	11,150	10,000
Total Expenditures	495,486	469,026	466,774	465,395	545,233
Total Revenue Over(Under) Expenditures	5,714	122,882	42,926	94,912	(1,233)

City of Magnolia

Sewer - 03

Account	Account Name	Current Budget	Description
Revenues:			
40001	Sewer Fund Revenue	400,000	Estimated sewer revenue per current fee schedule
40003	Road Bore Fee	2,000	Road bore costs
40004	Tap Fees	12,000	\$925/sewer tap
40010	Garbage Collection Fees/Taxes	1,000	Sales tax on garbage sales
40011	Garbage Revenue	125,000	Residential garbage fees
40016	Late Fees	4,000	5% of customer's balance
		544,000	
Expenses:			
500501	Salaries	56,705	1.83 employees
500503	Overtime	4,000	Authorized overtime for non-exempt employees
500505	Cell Phone Allowance	300	Allowance for use of personal cell phones for business purposes
500515	Longevity	364	\$5 per month per year of service with City
500516	T.E.C. (Unemployment)	165	Unemployment taxes- 1.0% rate
500517	TMRS	1,000	Retirement cost-1.63% rate
500518	Worker's Compensation	-	Cost of W/C insurance
500526	Employee Insurance	12,604	Medical, dental, vision
500536	Payroll Tax	4,695	Social Security & Medicare-7.65% rate
500543	Education, Travel, Certifications	1,200	Training, travel & certifications
500547	Drug Test	50	Pre-employment & post-accident testing
500603	Utilities/Electric	95,000	Electricity for sewer plants, lift stations
500605	Utilities/Telephone	3,000	Telephone service at plant(s)
500625	Maintenance & Repair/Vehicles	4,000	Oil changes, inspection, repairs, maintenance of vehicles
500627	Maintenance & Repair/Lift Station	85,000	Repairs to buildings and plant
500632	Contract/Consultant Services	6,000	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	8,000	Permit renewal
500663	Rental of Equipment	2,000	Cost to rent work equipment
500671	Sales Tax to State for Garbage-WCA	-	
500672	Garbage Service	110,000	Dumpster at plant/garbage residential
500700	Supplies (Misc.)	20,000	Misc operating supplies
500760	Fuel	10,000	Fuel for sewer equipment
500761	Tires and Tubes	4,000	Replacement of tires for equipment
500766	Office Supplies	500	Office supplies designated for sewer department
500780	Chemicals/Water Treatment	14,000	Cost of chemicals to treat wastewater
500800	Bank Fees	400	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	50,000	Cost to haul sludge
500861	Damage Claims	1,000	Amounts paid to settle damage claims
500960	Other Equipment & Tools	10,000	Boring equipment, sewer hose, misc small tools
		545,233	

City of Magnolia

IMPACT Fund Water/Sewer - 09

Bank Balance as of 05/31/15 \$ 883,295

Approved Budget					
	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenue					
<u>Revenue</u>					
40002 Water Impact Revenue	12,000	111,500	50,000	110,000	50,000
40003 Sewer Impact Revenue	12,000	201,000	60,000	200,000	60,000
40020 Impact Fund Interest	500	389	300	500	500
Total Revenue	24,500	312,889	110,300	310,500	110,500
Total Revenues	24,500	312,889	110,300	310,500	110,500
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	312,889	110,300	310,500	110,500
Beginning Fund Balance		491,615	804,504	804,504	1,115,004
Ending Fund Balance		804,504	914,804	1,115,004	1,225,504

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 2015-2016 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				2015-2016 DEBT SERVICE			
FUND	BOND ISSUED	ISSUE AMOUNT	MATURITY	OUTSTANDING PRINCIPAL BALANCE 9/2016	FISCAL PAY Principal	FISCAL PAY Interest	FISCAL PAY TOTAL P&I
GENERAL	General Obligation Refunding Bond, Series 2014 Issued February 2014 in the amount of \$5,860,000 This bond combines the 2004 Certificate of Deposit issued for new sewer construction ; 2006 Certificate of Deposit issued for the construction of City Hall; and 2006 Utility System Revenue and Refunding Bond issued for Water/Sewer Improvements.	\$5,860,000.00	09/30/2037	\$5,555,000.00	\$230,000.00	\$178,400.00	\$408,400.00
4A EDC	Sales Tax Refunding Bond, Series 2012 Issued January 2012 in the amount of \$2,945,000 This bond combined the 2003 Sales Tax Revenue Bond issued for the improvements of Smith and Melton Streets , and the 2009 Sales Tax Revenue Bond issued for the creation of Unity Park and for downtown improvements.	\$2,945,000.00	09/30/2024	\$2,205,000.00	\$205,000.00	\$93,925.00	\$298,925.00
ENTERPRISE	2011 State Infrastructure Bank- Loan Issued September 2011 in the amount of \$2,000,000 Issued for funding the relocation of utilities along FM 1774 in conjunction with the Texas Department of Transportation widening of the road to include extra lanes. *4B-CDC has agreed to assume this debt for this year.	\$2,000,000.00	02/01/2026	\$1,542,186.37	\$121,148.56	\$44,448.33	\$165,596.89
4A EDC	2014 Promissory Loan Entered agreement August 2014 in the amount of \$700,000 for the purchase of property in anticipation of a future utility system to service potential business. *Included in 4A-EDC budget. Not a separate fund.	\$700,000.00	08/26/2019	\$638,867.76	\$63,160.97	\$17,736.99	\$80,897.96
ENTERPRISE	Certificates of Obligation, Series 2014 Issued December 2014 in the amount of \$4,960,000 Proceeds are to pay for the construction of improvements to the City's waterworks and sewer system, including lift stations.	\$4,960,000.00	09/30/2045	\$4,960,000.00	\$0.00	\$188,675.00	\$188,675.00
TOTAL		\$16,465,000.00		\$14,901,054.13	\$619,309.53	\$523,185.32	\$1,142,494.85

City of Magnolia

2014 Tax Revenue C/O

	Bank Balance as of 05/31/15		\$ 4,620,120
Approved Budget	Approved	Projected	Approved
	2014-2015	2014-2015	Budget
			2015-2016
Revenue			
<u>Revenues</u>			
40001 Bond Refunding Income		5,025,000	
40005 Transfer from Fund 5			
40020 Interest Income		1,706	
40025 Transfer from Fund 25			
40030 Ad Valorem Tax Revenue			
40032 Trfr from 02/Water Fund			
40034 2014 G/O I&S Interest Earned			
41001 Trfr from 01/General Fund			
Total Revenue	0	5,026,706	0
Total Revenue	0	5,026,706	0
Expenditures			
<u>Expenses</u>			
500640 Legal Expense			
500800 Bank Fees		126	
500850 Project Expenses			
500950 Engineering Expense		365,827	
Total Expenses	0	365,953	0
Total Expenses	0	365,953	0
Total Revenue Over(Under) Expenditures	0	4,660,752	0

City of Magnolia

2014 Tax Revenue C/O I & S

	Bank Balance as of 05/31/15		\$	2
Approved Budget	Approved	Projected	Approved	
	2014-2015	2014-2015	Budget	
			2015-2016	
Revenue				
<u>Revenues</u>				
40001 Tax Revenue		63,411	188,675	
40020 Interest Income		7		
Total Revenue	0	63,418	188,675	
Total Revenue	0	63,418	188,675	
Expenditures				
<u>Expenses</u>				
500033 2014 C/O I&S Principal Pay't		0	0	
500034 2014 C/O I&S Interest Pay't		63,416	188,675	
500800 Bank Fees				
Total Expenses	0	63,416	188,675	
Total Expenses	0	63,416	188,675	
Total Revenue Over(Under) Expenditures	0	2	0	

City of Magnolia

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

Debt Service Schedule

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

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

Debt Service Schedule

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

City of Magnolia

2014 General Obligation Refunding Bonds I & S - 05

Approved Budget	Bank Balance as of 05/31/15 \$ 95,789				
	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenue					
<u>Revenues</u>					
40005 Transfer from Fund 5	0	52,037			
40014 Transfer to/from Fund 14	0	67,424			
40020 Interest Income	0	2,634		25	
40025 Transfer from Fund 25	0	146,234			
40030 Ad Valorem Tax Revenue	0	0	358,551	358,551	304,450
40032 Trfr from 02/Water Fund	0	122,500	210,500	210,500	104,450
40034 2014 G/O I&S Interest Earned	0	111	100	50	100
40035 Transfer to/from Fund 35	0	20,355			
41001 Trfr from 01/General Fund	0	14,566			
Total Revenue	0	425,862	569,151	569,126	409,000
Total Revenue	0	425,862	569,151	569,126	409,000
Expenditures					
<u>Miscellaneous Expenses</u>					
500033 2014 G/O I&S Principal Pay't	0	90,500	220,000	220,000	230,000
500034 2014 G/O I&S Interest Pay't	0	48,302	182,900	182,900	178,400
500800 Bank Fees	0	0	500	500	500
500925 Transfer to Water Dept	0	0	165,651	165,651	
Total Miscellaneous Expenses	0	138,802	569,051	569,051	408,900
Bond Issuance					
40001 Bond Refunding Income	0	(24,127)	0	4,074	
600005 Pay't to refunded bond escrow agent	0	1,845,226			
710000 Proceeds from bond issuance	0	(1,750,134)			
720000 Premium on bonds issued	0	(91,104)			
810000 Bond issuance expense	0	88,244			
Total Bond Issuance	0	68,105	0	4,074	0
Total Revenue Over(Under) Expenditures	0	218,955	100	(3,999)	100

City of Magnolia

2014 General Obligation Refunding Bonds

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

Debt Service Schedule

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

City of Magnolia

2014 General Obligation Refunding Bonds

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

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
11/01/2030	185,000.00	3.50%	28,837.50	213,837.50	
05/01/2031		3.50%	25,600.00	25,600.00	
09/30/2031					239,437.50
11/01/2031	195,000.00	4.00%	25,600.00	220,600.00	
05/01/2032		4.00%	21,700.00	21,700.00	
09/30/2032					242,300.00
11/01/2032	200,000.00	4.00%	21,700.00	221,700.00	
05/01/2033		4.00%	17,700.00	17,700.00	
09/30/2033					239,400.00
11/01/2033	210,000.00	4.00%	17,700.00	227,700.00	
05/01/2034		4.00%	13,500.00	13,500.00	
09/30/2034					241,200.00
11/01/2034	215,000.00	4.00%	13,500.00	228,500.00	
05/01/2035		4.00%	9,200.00	9,200.00	
09/30/2035					237,700.00
11/01/2035	225,000.00	4.00%	9,200.00	234,200.00	
05/01/2036		4.00%	4,700.00	4,700.00	
09/30/2036					238,900.00
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	Bank Balance as of 05/31/15 \$ 176,731				Approved Budget
	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Budget 2015-2016
Revenue					
<u>Revenue</u>					
40007 Trans from 4A-EDC	300,500	110,660	302,425	302,425	298,925
40120 2012 R/Bond Int & Sinking Interest Earned	10	112	85	85	85
Total Revenue	300,510	110,773	302,510	302,510	299,010
Total Revenue	300,510	110,773	302,510	302,510	299,010
Expenditures					
<u>Expenses</u>					
500033 2012 R/Bond Int & Sinking Principal Pay't	190,000	0	200,000	200,000	205,000
500034 2012 R/Bond Int & Sinking Interest Pay't	110,500	110,500	102,425	102,425	93,925
500800 2012 R/Bond Int & Sinking Bank Fees	0	132	0		
Total Expenses	300,500	110,632	302,425	302,425	298,925
Total Expenditures	300,500	110,632	302,425	302,425	298,925
Total Revenue Over(Under) Expenditures	10	140	85	85	85
Beginning Fund Balance			25,415	25,415	25,500
Ending Fund Balance		25,415	25,500	25,500	25,585

City of Magnolia

2012 Sales Tax Revenue Bond Reserve Fund - 22

Approved Budget	Bank Balance as of 05/31/15 \$ 297,934				Approved Budget
	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Budget 2015-2016
Revenue					
<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	50	251	0		0
Total Revenue	50	251	0	0	0
Total Revenue	50	251	0	0	0
Expenditures					
<u>Expenses</u>					
500033 2012 R/Bond Int & Sinking Principal	0	0	0	0	0
500034 2012 R/Bond Int & Sinking Interest	0	0	0	0	0
500551 Interest Expense	0	0	0	0	0
Total Expenses	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Total Revenue Over(Under) Expenditures	50	251	0	0	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	3,845,660.00

City of Magnolia

State Infrastructure Bank Loan Debt Service - 23

Approved Budget	Bank Balance as of 05/31/15		\$ 331,358		Approved Budget 2015-2016
	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	
Revenue					
<u>Revenue</u>					
40007 Transfer In from 4B	165,705	0	165,652	165,652	165,597
40120 SIB Loan I & S Int Earned	0		0	0	0
Total Revenue	165,705	0	165,652	165,652	165,597
Total Revenue	165,705	0	165,652	165,652	165,597
Expenditures					
<u>Expenses</u>					
500033 SIB Loan I & S Principal Pay't	114,197	0	117,622	117,622	121,149
500034 SIB Loan I & S Interest Pay't	51,507	0	48,030	48,030	44,448
Total Expenses	165,705	0	165,652	165,652	165,597
Total Expenditures	165,705	0	165,652	165,652	165,597
Total Revenue Over(Under) Expenditures	0	0	0	0	0

City of Magnolia

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

LOAN

4A - PURCHASE PROPERTY

Debt Service Schedule

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

City of Magnolia

2006 Revenue Bond Reserve Fund - 14

Approved Budget					
		Approved	Actual	Proposed	Approved
		2013-2014	2013-2014	Budget	Budget
				2014-2015	2015-2016
				Projected	
				2014-2015	
Revenue					
<u>Revenues</u>					
40109	Deposit Wells Fargo	0	0	0	0
40120	2006 R/Bond Reserve Interest Earned	0	94	0	0
	Total Revenue	0	94	0	0
Total Revenue					
		0	94	0	0
Expenditures					
<u>Expenses/Transfers Out</u>					
501800	2006 R/Bond Reserve Bank Fees	0	0	0	0
501810	2006 R/Bond Reserve Principal Pay't	0	0	0	0
501820	2006 R/Bond Reserve Interest Pay't	0	0	0	0
40028	Transfers Out		249,405		
	Total Expenses/Transfers Out	0	249,405	0	0
Total Expenses/Transfers Out					
		0	249,405	0	0
Total Revenue Over(Under) Expenditures					
		0	(249,311)	0	0

City of Magnolia

2006 Revenue Bond Interest & Sinking Fund - 25

Approved Budget					
		Approved	Actual	Approved	Projected
		2013-2014	2013-2014	2014-2015	2014-2015
Revenue					
Revenue					
40002	Transfer to/from Fund 2		(95,000)		
40028	Transfer to/from Fund 28		(146,234)		
40032	Trans from Water Fund	312,000	104,000	0	0
40033	Trans from Sewer Fund	0	0	0	0
40034	2006 R/Bond Int & Sinking Interest Earned	20	49	0	0
	Total Revenue	312,020	(137,185)	0	0
Total Revenue		312,020	(137,185)	0	0
Expenditures					
Expenses					
500033	2006 R/Bond Int & Sinking Principal Pay't	95,000	0	0	0
500034	2006 R/Bond Int & Sinking Interest Pay't	213,089	107,578	0	0
500800	2006 R/Bond Int & Sinking Bank Fees	500	500	0	0
	Total Expenses	308,589	108,078	0	0
Total Expenditures		308,589	108,078	0	0
Total Revenue Over(Under) Expenditures		3,431	(245,263)	0	0

City of Magnolia

2004 Certificate of Obligation Interest & Sinking - 05

Approved Budget		Proposed Budget		Approved Budget	
	Approved 2013-2014	Actual 2013-2014	Budget 2014-2015	Projected 2014-2015	Budget 2015-2016
Revenue					
<u>Revenue</u>					
40001 Ad Valorem Tax Revenue	86,699	62,731	0	0	0
40020 2004 Cert. of Obligation Int. & Sinking Int.	10	8	0	0	0
Total Revenue	86,709	62,739	0	0	0
Total Revenues	86,709	62,739	0	0	0
Expenditures					
<u>Expense/Transfers Out</u>					
500766 Bank Fees	500	500	0	0	0
500888 2004 Cert of Obligation I & S Prin. Pay't	65,000	0	0	0	0
500889 2004 Cert of Obligation I & S Int. Pay't	21,199	10,600	0	0	0
40028 Transfer to/from Fund 28		52,037			
Total Expense/Transfers Out	86,699	63,136	0	0	0
Total 2004 Certificate of Obligation Interest & Sinking	86,699	63,136	0	0	0
Total Revenue Over(Under) Expenditures	10	(397)	0	0	0

City of Magnolia

2006 Certificate of Obligation Interest & Sinking Fund - 35

Approved Budget					
	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenue					
<u>Revenue</u>					
40025 Trfr to/from Fund 25		(20,355)			
40030 Ad Valorem Tax Revenue	82,213	270,836			0
40032 Transfer from Water Fund-02	0		0	0	0
40033 Transfer from Sewer Fund-03	0		0	0	0
40034 2006 C/O Interest Earned	5	5			0
Total Revenue	82,218	250,485	0	0	0
Total Revenue	82,218	250,485	0	0	0
Expenditures					
<u>Expenses</u>					
500033 2006 C/O I & S Principal Pmt.	15,000	0			0
500034 2006 C/O I & S Interest Pmt.	66,713	33,257			0
500800 Bank/Agent Fees	500				0
590024 Transfers Out		165,704			
Total Expenses	82,213	198,961	0	0	0
Total Expenditures	82,213	198,961	0	0	0
Total Revenue Over(Under) Expenditures	5	51,524	0	0	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 2015-16:

General Fund:

Police Dept. - \$31,550 for a new SUV for the Police Chief

City Council - \$10,000 for a sound system for Council chambers

Administration - \$2,000 for computer equipment

Public Works - \$2,000 for lawn mowers, edgers

\$6,000 for major equipment such as trailers, forklifts, etc.

Enterprise Fund:

Water Dept. - \$50,000 for an installment payment on 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 05/31/15		\$ 130,034	
		Approved	Actual	Approved	Approved
Revenue		2013-2014	2013-2014	2014-2015	Budget
					2015-2016
<hr/>					
<u>Revenue</u>					
40220	Red Light Camera Revenue	260,000	237,465	250,000	240,000
40020	Red Light Camera Fund Interest	60	195	200	100
Total Gross Revenue		260,060	237,660	250,200	240,100
					250,200
<u>Expenditures</u>					
<u>Expenses</u>					
500501	Transfer out for Salary Reimb.	106,265	81,296	86,251	87,475
500543	Education, Travel, Certification			0	0
500630	Red Light Camera Expense	20,000	57,476	45,000	47,000
500631	Contractual-Am. Traffic Sys	57,000	47,291	60,843	25,000
NEW	Harris County Contract-Radio			0	0
500760	Fuel	70,000	75,230	40,000	5,115
500635	Refunds	500		500	0
500800	Bank Fees	0		0	0
500815	State Comptroller	0	40,522	60,000	61,255
Total Operating Expenses		253,765	301,815	292,595	225,845
					281,112
<u>Capital Expenses</u>					
500951	Motor Vehicles	0	13,820	0	0
503945	Other Equipment	0		0	0
Total Capital Expenses		0	13,820	0	0
Total Red Light Camera Fund Expenses		253,765	315,635	292,595	225,845
					281,112
Total Revenue Over(Under) Expenditures		6,295	(77,975)	(42,395)	14,255
					(30,912)
<hr/>					
Beginning Fund Balance		271,850	271,850	126,156	126,156
FY 2014 Audit Adj.			(67,719)		
Ending Fund Balance		278,145	126,156	83,761	140,411
					109,499

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

City of Magnolia

HB445 Road Repair - 11

Bank Balance as of 05/31/15 \$ 939,270 (\$183K Invested)

Approved Budget	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenue					
<u>Revenues</u>					
40009 HB445 Sales Tax Revenue	225,000	299,929	287,500	316,819	300,000
40014 Trfr in from Fund 14	0	181,981	0	0	0
40020 HB445 Interest Earned	2,000	710	700	750	700
Total Revenue	227,000	482,620	288,200	317,569	300,700
Total Revenue	227,000	482,620	288,200	317,569	300,700
Expenditures					
<u>Expenses</u>					
500805 Sis Tax-Repay State of Texas	0	0	0	0	0
500850 HB445 Road Repair	225,000	4,952	287,500	500,000	300,000
Total Expenses	225,000	4,952	287,500	500,000	300,000
Total Expenditures	225,000	4,952	287,500	500,000	300,000
Total Revenue Over(Under) Expenditures	2,000	477,668	700	(182,431)	700
Beginning Fund Balance		750,404	1,228,072	1,228,072	1,045,641
Ending Fund Balance		1,228,072	1,228,772	1,045,641	1,046,341

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

City of Magnolia

Hotel/Motel Occupancy Tax - 17

Bank Balance as of 05/31/15 \$ 83,705

Approved Budget		Approved	Actual	Approved	Projected	Approved
		2013-2014	2013-2014	2014-2015	2014-2015	Budget
						2015-2016
Revenue						
Revenue						
40110	Hotel/Motel Occupancy Tax Revenue	35,000	47,730	35,000	46,434	45,000
40117	Event Donations	0	0	0	0	0
	Total Revenue	35,000	47,730	35,000	46,434	45,000
Total Revenue		35,000	47,730	35,000	46,434	45,000
Expenditures						
Expenses						
501560	Event Funding	35,000	40,728	35,000	25,645	45,000
	Total Expenses	35,000	40,728	35,000	25,645	45,000
Total Expenditures		35,000	40,728	35,000	25,645	45,000
Total Revenue Over(Under) Expenditures		0	7,001	0	20,789	0
Beginning Fund Balance			62,845	69,846	69,846	90,635
Ending Fund Balance			69,846	69,846	90,635	90,635

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 05/31/15 \$ 68,284				Approved Budget
		Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Budget 2015-2016
Revenue						
<u>Revenue</u>						
40408	Municipal Court Security Fund Fees	6,000	7,804	7,000	5,500	7,000
Total Revenue		6,000	7,804	7,000	5,500	7,000
Expenditures						
<u>Expenses</u>						
504565	Municipal Court Security Exp	6,000	4,446	6,000	3,000	6,000
504915	Build out of clerks' windows	0	0	20,000		
504638	Harris County Contract-Radio	0	0	2,763		
Total Expenditures		6,000	4,446	28,763	3,000	6,000
Total Revenue Over(Under) Expenditures		0	3,358	(21,763)	2,500	1,000
Beginning Fund Balance			63,288	66,646	66,646	69,146
Ending Fund Balance		0	66,646	44,883	69,146	70,146

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 05/31/15 \$ 3,491			
	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenue					
<u>Revenue</u>					
40422 Credit Card Convenience Fee	500	6,253	6,000	2,200	2,000
41906 Municipal Court Tech Fund Fee	10,000	10,151	10,000	7,000	7,000
41907 Equipment Fund	0	0	0	0	0
Total Revenue	10,500	16,404	16,000	9,200	9,000
Total Revenue	10,500	16,404	16,000	9,200	9,000
Expenditures					
<u>Expenses</u>					
519570 Municipal Court Tech Fund Exp	10,000	14,878	17,920	11,000	10,325
519571 Computer Server	0	0	0	0	0
Total Expenses	10,000	14,878	17,920	11,000	10,325
Total Expenditures	10,000	14,878	17,920	11,000	10,325
Total Revenue Over(Under) Expenditures	500	1,526	(1,920)	(1,800)	(1,325)
Beginning Fund Balance		3,216	4,742	4,742	2,942
Ending Fund Balance		4,742	2,822	2,942	1,617

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	2,000		
41906	Muni Court Tech Fund Fee	7,000		
41907	Equipment Fund			
Expenses:				
519570	Muni Court Tech Fund Exp.	10,325	Lexis Nexis Risk Mgt	1,150
			Lexis Nexis CourtLink	650
			Credit card fees	1,800
			DeLage Landen lease	2,725
			Extra copies	1,000
			Language translation service	500
			IT Services/Computer equip.	2,500

City of Magnolia

In Kind Fees - 27

Bank Balance as of 05/31/15 \$ 11,937

Approved Budget	Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenue					
<u>Revenue</u>					
40120 In Kind Franchise Fee	0	3,796	0	3,550	0
Total Revenue	0	3,796	0	3,550	0
Total Revenue	0	3,796	0	3,550	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	3,796	0	3,550	0

COMPONENT UNIT FUNDS



City of Magnolia

Component Unit Funds

Fund Description

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

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

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

Fund narrative

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

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

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			600,000		300,000	900,000
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					31,800	31,800
Total Revenues			600,300	85	331,900	932,285
TRANSFERS:						
Intra-Fund Transfer (06)4B						-
Intra-Fund Transfer (07)4A				298,925		298,925
Intra-Fund Trfr (10)Red Lt Camera(TC)						-
Intra-Fund Trfr (28)2014 GO Bonds						
Total Intra-Fund Transfers			-	298,925	-	298,925
Total Revenues/Transfers			600,300	299,010	331,900	1,231,210
EXPENDITURES:						
Personnel Services			21,995		22,500	44,495
Contractual Expenses			23,650		22,520	46,170
Miscellaneous Expenses			3,200		1,700	4,900
Other Expenses			5,700		51,500	57,200
Capital Expenses					6,000	6,000
Bond/Loan Principal Payments			63,161	205,000		268,161
Bond/Loan Interest Payments			17,737	93,925		111,662
Intra-Fund Trfrs Out			396,629		165,652	562,281
Total Expenditures/Transfers			532,072	298,925	269,872	1,100,869
Total Revenue Over/(Under)			68,228	85	62,028	130,341
Expenditures						
Projected Beginning Fund Balance			(91,300)	2,139,420	575,386	2,623,507
Projected Ending Fund Balance			(23,072)	2,139,505	637,415	2,753,848

City of Magnolia

Economic Development Corporation (4A)

Mission

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

Vision

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

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

Methods Used:

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

2015 4A EDC Board of Directors:

President - Jonny Williams
Vice President - Phyllis Stegen
Secretary/Treasurer – Basil Tate
Pat Zaiontz
Anne Sundquist

Staff Contacts:

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

City of Magnolia

4A- Economic Development Corporation - 07

Bank Balance as of 05/31/15 \$ 395,750

Approved Budget		Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenue						
40011	4A 1/2 Sales Tax Revenue	450,000	599,859	575,000	633,637	600,000
40021	Trfr from Fund 21	0	190,000	0	0	0
40022	4A Interest Earned	100	359	300	365	300
40124	Misc Revenue	0	0	0	0	0
40126	Grant Proceeds	0	0	0	0	0
40127	Inclusive Park Income	0	0	0	1,096	0
Total Revenue		450,100	790,219	575,300	635,099	600,300
Expenses						
Personnel Services						
500501	Salary & Benefit Reimbursement	41,700	19,848	20,000	20,495	20,495
500543	Training & Travel	1,000	205	1,000	460	1,000
500550	Dues & Membership	500	250	500	141	500
Total Personnel Services		43,200	20,303	21,500	21,097	21,995
Contractual Expenses						
500632	Contract/consultant Services	17,690	15,000	15,450	15,386	16,000
500640	Legal	2,000	5,273	2,000	4,779	5,000
500641	Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,500
500643	Engineering	0	4,145	0	0	0
500674	Posting/Advertising	0	145	150	0	150
Total Contractual Expenses		22,190	27,063	20,100	22,665	23,650
Miscellaneous Expenses						
500742	Magazines, Maps & Books	2,000	0	2,000	0	2,000
500743	Copies/Admin.	200	0	200	0	200
500745	Hospitality,Refreshments	500	48	500	0	500
500746	Magnolia Tomorrow/Grow Magnolia	0	0	0	0	0
500766	Office Supplies	500	90	500	0	500
Total Miscellaneous Expenses		3,200	138	3,200	0	3,200
Expenses (continued)						
500551	Interest Expense	0	0	0	0	0
500824	Error & Omissions Insurance	1,565	1,081	1,700	1,321	1,700
500825	Liability Insurance	2,000	2,260	3,000	2,848	3,000
500833	Postage	0	0	0	0	0
500836	Printing	500	0	500	0	500
500838	Promotional Expense	0	0	0	480	500
500843	Business Recruitment Package	0	0	0	0	0
500858	Depreciation Expense	0	164,773	0	0	0
Total Expenses (continued)		4,065	168,114	5,200	4,649	5,700
Capital Expenses						
500909	Trfr to Fund 12-R/Bond I&S	300,500	300,660	302,425	302,425	298,925
500961	Unity Park Road Construction	23,490	23,490	0	0	0
500964	Land Purchase	0	4,761	0	243,050	0
500902	2014 Loan Principal	0	0	61,132	61,132	63,161
500903	2014 Loan Interest	0	0	19,766	19,766	17,737
500906	Trfr to EDC Promissory Note	0	0	0	0	97,704
500970	Computer Equipment	0	0	0	0	0
Total Capital Expenses		323,990	328,912	383,323	626,373	477,527
Total 4A Economic Development Expenditures		396,645	544,529	433,323	674,784	532,072
Revenue Over(Under) Expenditures		53,455	245,689	141,977	(39,686)	68,228

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 –Gari Lynn Hessong
Treasurer – Barbara Gardner
David Arevalo
Clyde Hunt
Jonny Williams

Staff Contacts:

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

City of Magnolia

4B- Community Development Corporation - 06

		Bank Balance as of 05/31/15 \$ 180,067				
Approved Budget		Approved 2013-2014	Actual 2013-2014	Approved 2014-2015	Projected 2014-2015	Approved Budget 2015-2016
Revenue						
40011	4B 1/4 Sales Tax Revenue	255,000	299,929	287,500	316,819	300,000
40022	4B Interest Earned	100	95	100	132	100
Total Revenue		255,100	300,025	287,600	316,950	300,100
Misc. Revenue						
40124	Misc. Revenues	0	0	0	0	0
40127	Park Rental Fees	5,200	9,005	10,000	10,000	10,000
40128	Yellow House-Rental Fees	37,200	2,750	33,000	0	19,800
40133	The Stroll	0	2,967	2,000	15,538	2,000
Total Misc. Revenue		42,400	14,722	45,000	25,538	31,800
Project Fund						
40126	Project Fund/Reserve	0	0	0	0	0
Total Project Fund		0	0	0	0	0
Total Revenue		297,500	314,747	332,600	342,488	331,900
Expenses						
Personnel Services						
500501	Salary & Benefit Reimbursement	41,700	19,926	41,700	20,812	21,000
500543	Training & Travel	1,000	135	1,000	460	1,000
500550	Dues & Membership	2,000	250	500	141	500
Total Personnel Services		44,700	20,311	43,200	21,414	22,500
Contractual Expenses						
500632	Contract/consultant Services	17,690	15,000	18,220	15,386	18,220
500640	Legal	500	296	500	1,110	500
500641	Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,500
500674	Posting/Advertising	0	145	300	0	300
500675	Promotions	0	490	1,000	0	1,000
Total Contractual Expenses		20,690	18,431	22,520	18,996	22,520
Miscellaneous Expenses						
500742	Magazines, Maps & Books	500	0	500	0	500
500743	Copies/Admin.	200	0	200	0	200
500745	Hospitality Refreshments	500	8	500	0	500
500746	Magnolia Tomorrow/Grow Magnolia	0	75	0	34	0
500766	Office Supplies	500	232	500	395	500
Total Miscellaneous Expenses		1,700	315	1,700	429	1,700
Expenses (continued)						
500824	Error & Omissions Insurance	2,000	2,260	2,500	2,848	2,500
500825	Liability Insurance	1,500	1,081	1,500	1,321	1,500
500836	Printing	2,000	0	2,000	0	2,000
500850	Other Expenses	500	0	500	196	500
500840	Econ Dev Business Impr Grant	0	2,500	0	0	0
500841	Farmers Market, Market Park	275	425	0	0	0
500848	Park Maintenance	30,000	35,670	32,000	44,660	45,000
500858	Depreciation Expense	0	6,472	0	0	0
500851	Downtown Revitalization	0	974	0	16,386	0
Total Other Expenses		36,275	49,382	38,500	65,411	51,500
Capital Expenses						
500971	Yellow House	5,000	4,446	5,000	34	6,000
500924	SIB Loan transfer out for pmt	165,705	165,705	165,652	165,700	165,652
Total Capital Expenses		170,705	170,151	170,652	165,734	171,652
Total 4B Community Dev. Expenditures		274,070	258,590	276,572	271,983	269,872
Revenue Over(Under) Expenditures		23,430	56,156	56,028	70,505	62,028

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
2015-2016	\$185,538,070

Property Tax Rate Per \$100 Valuation

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

For Fiscal Year 2015-16 (2015 Tax Year):

Taxable Assessed Valuation	\$ 185,538,070
Adopted Tax Rate	0.4629
Estimated Levy	\$ 858,856

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

Assessment Roll Grand Totals Report

MONTGOMERY CENTRAL APPRAISAL DISTRICT

Tax Year: 2015 As of: Certification

CMA - City Of Magnolia (ARB Approved Totals)

Number of Properties: 1508

Land Totals

Land - Homesite	(+)	\$12,723,840		
Land - Non Homesite	(+)	\$34,811,954		
Land - Ag Market	(+)	\$3,027,430		
Land - Timber Market	(+)	\$6,360,840		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$56,924,064	(+)	\$56,924,064

Improvement Totals

Improvements - Homesite	(+)	\$50,847,520		
Improvements - Non Homesite	(+)	\$122,637,300		
Total Improvements	(=)	\$173,484,820	(+)	\$173,484,820

Other Totals

Personal Property (297)		\$72,000,207	(+)	\$72,000,207
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$302,409,091		\$302,409,091
Total Homestead Cap Adjustment (211)			(-)	\$5,091,306
Total Exempt Property (95)			(-)	\$89,331,566

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$9,388,270		
Ag Use (5)	(-)	\$22,130		
Timber Use (16)	(-)	\$108,370		
Total Productivity Loss	(=)	\$9,257,770	(-)	\$9,257,770
Total Assessed			(=)	\$198,728,449

Exemptions

(HS Assd 38,956,409)

(HS) Homestead Local (307)	(+)	\$1,447,510		
(HS) Homestead State (307)	(+)	\$0		
(O65) Over 65 Local (120)	(+)	\$2,822,380		
(O65) Over 65 State (120)	(+)	\$0		
(DP) Disabled Persons Local (11)	(+)	\$0		
(DP) Disabled Persons State (11)	(+)	\$0		
(DV) Disabled Vet (14)	(+)	\$140,500		
(DVX/MAS) Disabled Vet 100% (4)	(+)	\$684,700		
(AUTO) Lease Vehicles Ex (4)	(+)	\$137,226		
(FP) Freeport (2)	(+)	\$10,552,886		
(HB366) House Bill 366 (9)	(+)	\$2,172		
Total Exemptions	(=)	\$15,787,374	(-)	\$15,787,374
Net Taxable (Before Freeze)			(=)	\$182,941,075

Assessment Roll Grand Totals Report

MONTGOMERY CENTRAL APPRAISAL DISTRICT

Tax Year: 2015 As of: Certification

CMA - City Of Magnolia (Under ARB Review Totals)

Number of Properties: 32

Land Totals

Land - Homesite	(+)	\$590,355		
Land - Non Homesite	(+)	\$289,550		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$879,905	(+)	\$879,905

Improvement Totals

Improvements - Homesite	(+)	\$2,881,840		
Improvements - Non Homesite	(+)	\$38,540		
Total Improvements	(=)	\$2,920,380	(+)	\$2,920,380

Other Totals

Personal Property (0)		\$0	(+)	\$0
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$3,800,285		\$3,800,285
Total Homestead Cap Adjustment (15)			(-)	\$324,920
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			(=)	\$3,475,365

Exemptions

(HS Assd 2,455,540)

(HS) Homestead Local (18)	(+)	\$90,000		
(HS) Homestead State (18)	(+)	\$0		
(O65) Over 65 Local (5)	(+)	\$125,000		
(O65) Over 65 State (5)	(+)	\$0		
Total Exemptions	(=)	\$215,000	(-)	\$215,000
Net Taxable (Before Freeze)			(=)	\$3,260,365

X

Assessment Roll Grand Totals Report

MONTGOMERY CENTRAL APPRAISAL DISTRICT

Tax Year: 2014 As of: Supplement 8

CMA - City Of Magnolia (WithheldProperty2015@2014Values)

Number of Properties: 32

Land Totals

Land - Homesite	(+)	\$285,275		
Land - Non Homesite	(+)	\$289,550		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$574,825	(+)	\$574,825

Improvement Totals

Improvements - Homesite	(+)	\$2,414,830		
Improvements - Non Homesite	(+)	\$38,540		
Total Improvements	(=)	\$2,453,370	(+)	\$2,453,370

Other Totals

Personal Property (0)		\$0	(+)	\$0
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$3,028,195		\$3,028,195
Total Homestead Cap Adjustment (10)			(-)	\$221,200
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			(=)	\$2,806,995

Exemptions

(HS Assd 2,094,450)

(HS) Homestead Local (17)	(+)	\$85,000		
(HS) Homestead State (17)	(+)	\$0		
(O65) Over 65 Local (5)	(+)	\$125,000		
(O65) Over 65 State (5)	(+)	\$0		
Total Exemptions	(=)	\$210,000	(-)	\$210,000
Net Taxable (Before Freeze)			(=)	\$2,596,995

Effective Tax Rate Report

Tax Year: 2015

Taxing Units: CMA - City Of Magnolia

MONTGOMERY CENTRAL APPRAISAL DISTRICT

NEW EXEMPTIONS:

	COUNT	2014 ABSOLUTE EX VALUES	2015 PARTIAL EX VALUES
NEW EXEMPT PROPERTY	0	\$0	
NEW HS EXEMPTIONS	25		\$114,810
NEW PRO EXEMPTIONS	0		\$0
NEW OA EXEMPTIONS	10		\$182,600
NEW DP EXEMPTIONS	1		\$0
NEW DV1 EXEMPTIONS	0		\$0
NEW DV2 EXEMPTIONS	0		\$0
NEW DV3 EXEMPTIONS	0		\$0
NEW DV4 EXEMPTIONS	2		\$12,000
NEW DVX EXEMPTIONS	0		\$0
NEW HB366 EXEMPTIONS	0		\$0
NEW PC EXEMPTIONS	0		\$0

ABSOLUTE EX TOTAL		\$0
PARTIAL EX TOTAL	(+)	\$309,410
2014 TAXABLE VALUE LOST DUE TO PROPERTY BECOMING EXEMPT IN 2015	(=)	\$309,410

NEW ANNEXED PROPERTY:

	COUNT	APPRAISED VALUE	TAXABLE VALUE
NEWLY ANNEXED PROPERTY	10	\$5,172,970	\$5,172,970
IMPROVEMENT SEGMENTS	11	\$0	
LAND SEGMENTS	15	\$0	
MINERAL	0	\$0	
OTHER	0	\$0	
TAXABLE VALUE ON NEWLY ANNEXED PROPERTY:			\$5,172,970

Effective Tax Rate Report

TaxYear: 2015

Taxing Units: CMA - City Of Magnolia

MONTGOMERY CENTRAL APPRAISAL DISTRICT

NEW AG APPLICATIONS:

NEW AG APPLICATIONS COUNT	0
2014 MARKET	\$0
2015 USE	\$0
VALUE LOST DUE TO AG APPLICATIONS:	(-)
	(=)
	\$0
	(\$0 Taxable)

NEW IMPROVEMENTS:

	COUNT	TOTAL APPRAISED VALUE 1	NEW CURRENT TAXABLE 2
NEW IMPROVEMENTS	15	\$3,719,990	\$2,196,573
RESIDENTIAL	11	\$2,035,240	\$1,534,027
COMMERCIAL	4	\$1,684,750	\$662,546
OTHER	0	\$0	\$0
NEW ADDITIONS	2	\$773,550	\$223,933
RESIDENTIAL	1	\$246,690	\$216,620
COMMERCIAL	1	\$526,860	\$7,313
OTHER	0	\$0	\$0
PERCENT COMPLETION CHANGED	2	\$353,720	\$192,912
TOTAL NEW PERSONAL VALUE	0	\$0	\$0
SECTION 52 & 59	0	\$0	\$0
REDUCED/EXPIRING ABATEMENTS	0	\$0	\$0
TOTALS:		\$4,847,260	\$2,613,418

2015 Effective Tax Rate Worksheet

City of Magnolia

Date: 07/24/2015 02:07 PM

1. 2014 total taxable value. Enter the amount of 2014 taxable value on the 2014 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).	\$162,725,100
2. 2014 tax ceilings. Counties, cities and junior college districts. 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 in 2014 or a prior year for homeowners age 65 or older or disabled, use this step.	\$0
3. Preliminary 2014 adjusted taxable value. Subtract Line 2 from Line 1.	\$162,725,100
4. 2014 total adopted tax rate.	\$0.4629/\$100
5. 2014 taxable value lost because court appeals of ARB decisions reduced 2014 appraised value. A. Original 2014 ARB Values.	\$0
B. 2014 values resulting from final court decisions.	\$0
C. 2014 value loss. Subtract B from A.	\$0
6. 2014 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$162,725,100
7. 2014 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2014. Enter the 2014 value of property in deannexed territory.	\$0
8. 2014 taxable value lost because property first qualified for an exemption in 2015. 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 2014 market value:	\$0
B. Partial exemptions. 2015 exemption amount or 2015 percentage exemption times 2014 value:	\$309,410
C. Value loss. Add A and B.	\$309,410
9. 2014 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 2015. Use only properties that qualified in 2015 for the first time; do not use properties that qualified in 2014.	
A. 2014 market value:	\$0
B. 2015 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.	\$309,410
11. 2014 adjusted taxable value. Subtract Line 10 from Line 6.	\$162,415,690
12. Adjusted 2014 taxes. Multiply Line 4 by line 11 and divide by \$100.	\$751,822
13. Taxes refunded for years preceding tax year 2014. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2014. 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 2014. This line applies only to tax years preceding tax year 2014.	\$2,548
14. Taxes in tax increment financing (TIF) for tax year 2014. 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 2015 captured appraised value in Line 16D, enter 0.	\$0
15. Adjusted 2014 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14.	\$754,370
16. Total 2015 taxable value on the 2015 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 2015 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2015 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 2015 value. Add A and B, then subtract C and D.	\$182,941,075 \$0 \$0 \$0 \$182,941,075
17. Total value of properties under protest or not included on certified appraisal roll. A. 2015 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. 2015 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.	\$2,596,995 \$0 \$2,596,995

18. 2015 tax ceilings. Counties, cities and junior colleges enter 2015 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2014 or a prior year for homeowners age 65 or older or disabled, use this step.	\$0
19. 2015 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$185,538,070
20. Total 2015 taxable value of properties in territory annexed after Jan. 1, 2014. Include both real and personal property. Enter the 2015 value of property in territory annexed.	\$5,172,970
21. Total 2015 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2014. 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, 2014, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2015.	\$2,613,418
22. Total adjustments to the 2015 taxable value. Add Lines 20 and 21.	\$7,786,388
23. 2015 adjusted taxable value. Subtract Line 22 from Line 19.	\$177,751,682
24. 2015 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100.	\$0.4243/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2015 county effective tax rate.	

A county, city or hospital district that adopted the additional sales tax in November 2014 or in May 2015 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.

2015 Rollback Tax Rate Worksheet City of Magnolia

Date: 07/24/2015

26. 2014 maintenance and operations (M&O) tax rate.	\$0.2426/\$100
27. 2014 adjusted taxable value. Enter the amount from Line 11.	\$162,415,690
28. 2014 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$394,020
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2014. Enter amount from full year's sales tax revenue spent for M&O in 2014 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 2014: 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 2014. This line applies only to tax years preceding tax year 2014.	\$1,312
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 2015 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.	\$395,332
29. 2015 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$177,751,682
30. 2015 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$0.2224/\$100
31. 2015 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$0.2401/\$100

ORDINANCE NO. O-2015-014

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 2015-2016; 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 3rd day of August 2015, the Mayor filed with the City Secretary a proposed budget of expenditures for the City of Magnolia for the fiscal year 2015-2016, 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 18th day of August 2015, and the 25th day of August 2015, 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 2015-2016"

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.

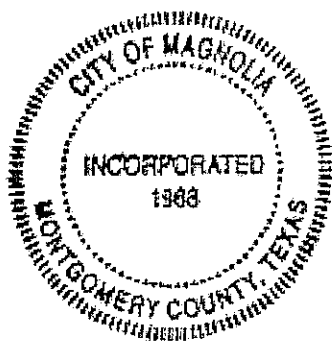
City Council Members Present Were:

	Aye	Nay	Absent
Mayor Todd Kana			✓
Council member Anne Sundquist Position 1	✓	—	—
Council member John Bramlett 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:

_____	—	—	—
_____	—	—	—

DULY PASSED BY THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS on this the 28th day of August 2015.



THE CITY OF MAGNOLIA, TEXAS

By: Todd Kana
Todd Kana, Mayor

ATTEST:

Lynne George
Lynne George, TRMC, CPM, City Secretary

ORDINANCE NO. O-2015-015

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 2015 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 six and fifty seven hundredths cents (0.2657)** for debt service and a tax rate of **nineteen and seventy two hundredths cents (0.1972)** to fund maintenance and operations expenditures; and

WHEREAS, by separate motions heretofore adopted by the City Council of the City of Magnolia, Texas, at a meeting of said City Council held on this 28th day of August 2015, 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 2015 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.

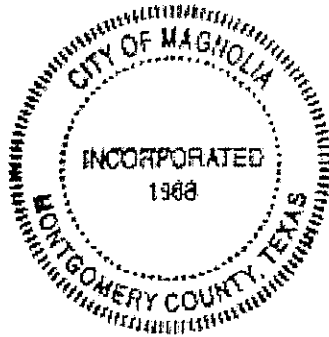
Section 3. There is hereby levied for general purposes and use by the City of Magnolia, Texas, for the year 2015, and for each year thereafter until otherwise provided, and ad valorem tax at the rate of **nineteen and seventy two hundredths cents (0.1972)** on each One Hundred Dollars (\$100.00) of assessed 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 2015-2016, 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 2015 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 six and fifty seven hundredths cents (0.2657)** 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, 2016. All ad valorem taxes due the City of Magnolia, Texas, and not paid on or before January 31, 2016 following the year for which they were levied shall bear penalty and interest as prescribed in the Property Tax Code of the State of Texas.

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

PASSED AND APPROVED this 28th day of August 2015.



THE CITY OF MAGNOLIA, TEXAS

By: Todd Kana
Todd Kana, Mayor

ATTEST:

Lynne George
Lynne George, TRMC, CPM, City Secretary

City of Magnolia

Budgeting Process

The City of Magnolia 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 2015-2016

March 13, 2015

March	10	Regular City Council Meeting – Request for Council Goals/Update Council Goals
April	1-30 th	Directors & supervisors develop short-& long-term goals, Capital Improvement/Replacement Programs, & employment recommendations; Finance Dept. works on initial budget documents
May	1 st	Departmental Budget worksheets to Directors and Supervisors; deadline to turn in Dept. goals & objectives
May	18-29 th	Directors and Supervisors review Departmental Budgets with Finance Dept.
May	29 th	Deadline for completion of Departmental Budgets
June	12 th	Deadline for first internal draft of Proposed Budget
July	1 st	First Draft of Proposed Budget to City Council
July	25	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	7 th	POST NOTICE of July 11 Budget Workshop
July	11 th	Budget Workshop – 8:00 a.m. to ?
July	10 th	POST NOTICE of July 14 th <u>REGULAR</u> City Council Meeting
July	24 th	POST NOTICE of July 28 <u>SPECIAL</u> City Council meeting, <u>if needed</u>
July	28 th	<u>SPECIAL</u> City Council Meeting – <u>if needed</u>
July	31 st	POST NOTICE of August 4 th <u>SPECIAL</u> City Council Meeting
August	3 rd	Budget Filed w/City Secretary (must be 15 days before 1 st public hearing)
August	4 th	<u>SPECIAL</u> 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	5 th	Publish 1 st Notice of Public Hearings on Tax Increase & Budget in Potpourri, including Record Vote on Proposed Tax Increase & on website (has to be published at least 7 days before public hearing & budget notice 10-30 days before public hearing)
August	11 th	<u>REGULAR</u> City Council meeting
August	14 th	POST NOTICE of Aug. 18 th <u>SPECIAL</u> City Council Meeting
August	18 th	<u>SPECIAL</u> City Council Meeting - <u>1st PUBLIC HEARING ON TAX RATE (RESTRICTED)</u>
August	19 th	Publish 2nd Notice of Public Hearings on Tax Increase and Budget in Potpourri, including Record Vote on Proposed Tax Increase
August	21 st	Notice of Tax Revenue Increase in Potpourri (<u>must be published at least 7 days before meeting to adopt</u>)
August	21 st	POST NOTICE of August 25 th <u>SPECIAL</u> City Council Meeting
August	25 th	<u>SPECIAL</u> City Council Meeting – <u>2nd PUBLIC HEARING ON TAX RATE & BUDGET ITEMS ONLY</u>
August	25 th	POST NOTICE of August 28 th <u>SPECIAL</u> City Council Meeting
August	28 th	<u>SPECIAL</u> City Council Meeting – <u>Adopt: 1. Operating Budget, & 2. M&O Tax Rate (must be 3-14 days after 2nd public hearing)</u>
August	31 st	File copy of Tax Rate w/Montgomery County Appraisal District; file copy of Budget w/City Secretary, County Clerk
September	8 th	<u>REGULAR</u> City Council Meeting
October	1 st	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.

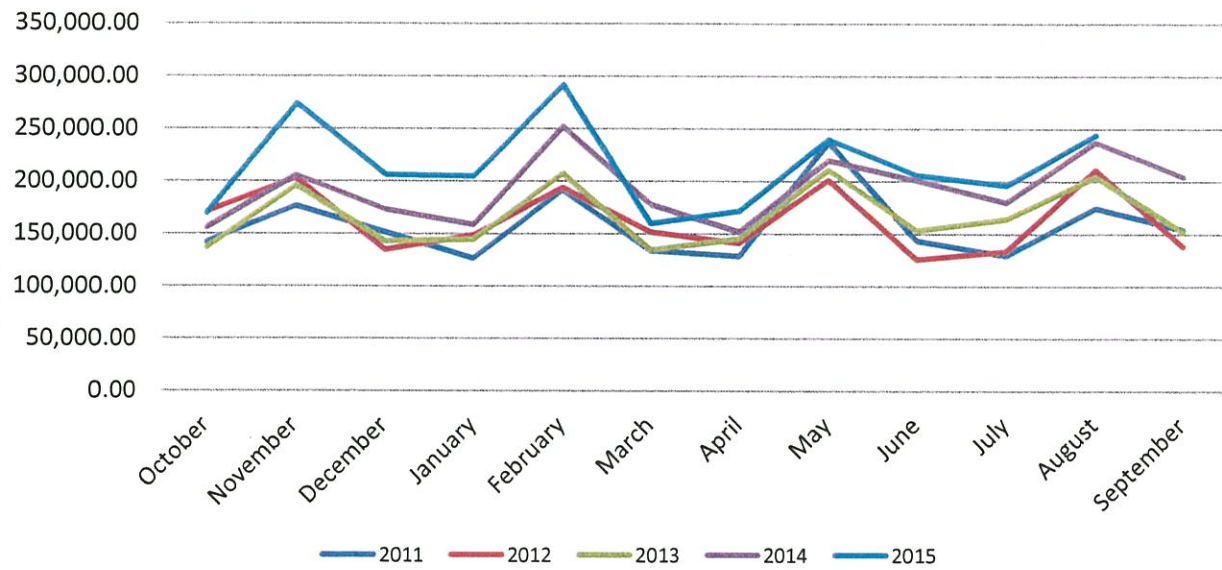
Revenues

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.

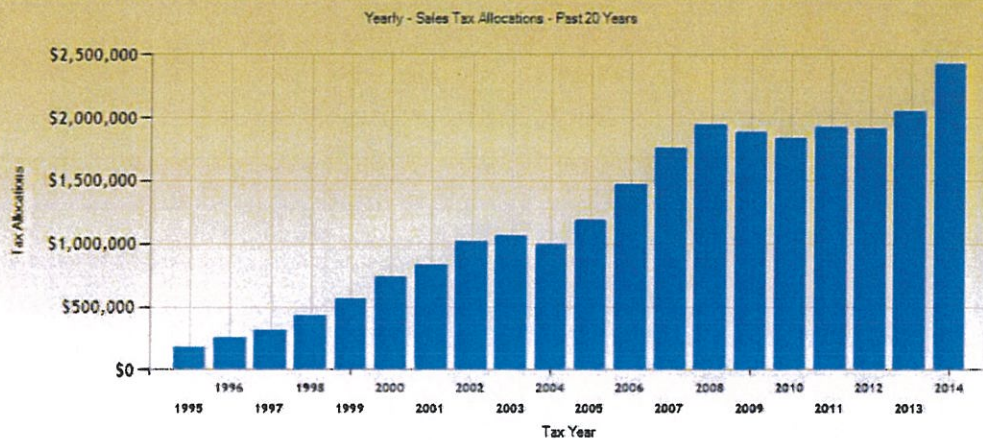
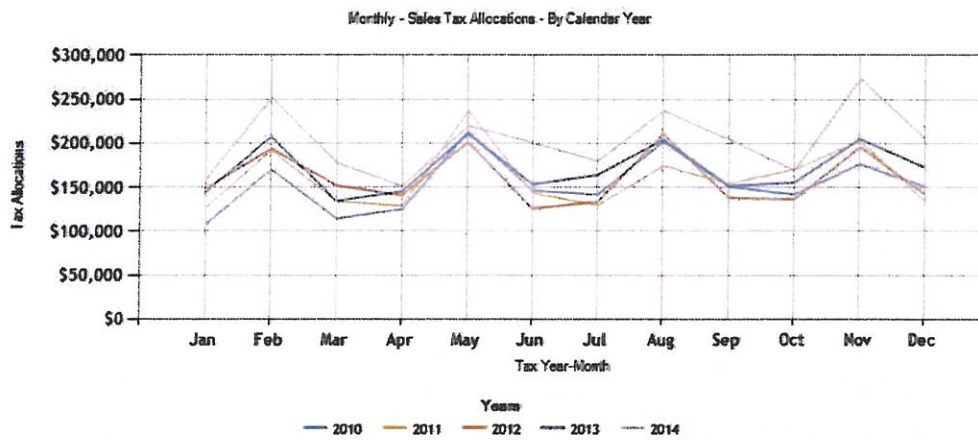
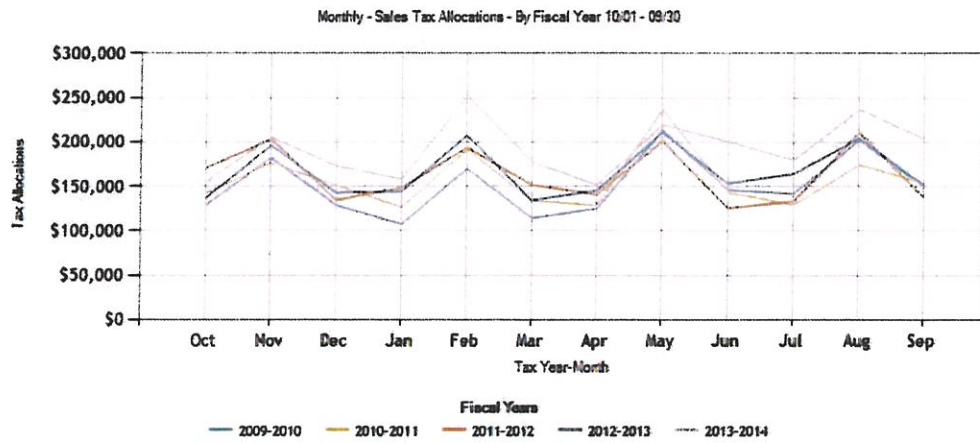
Capital Equipment

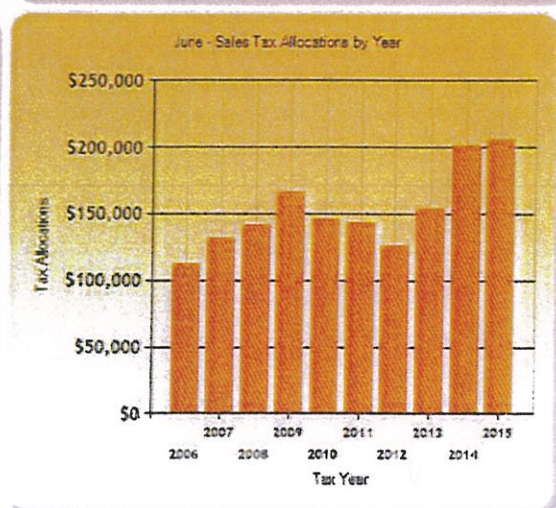
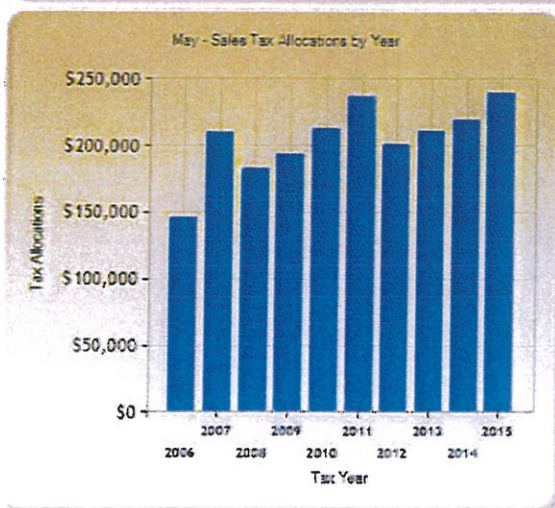
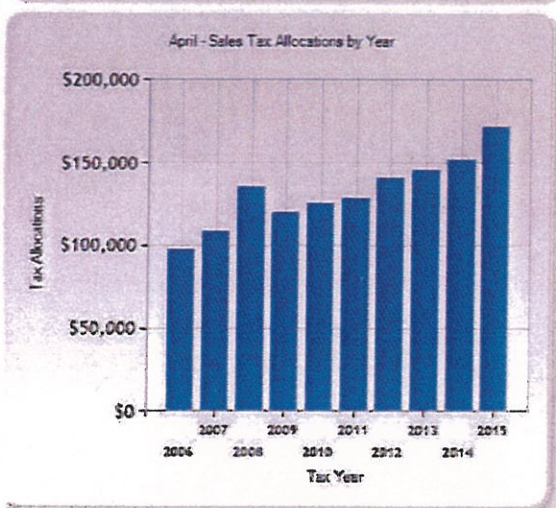
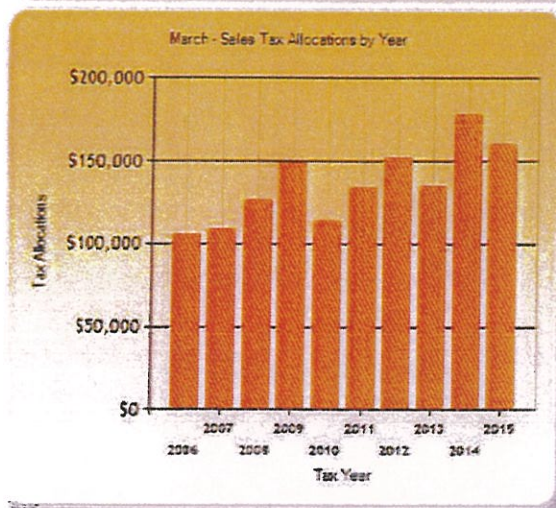
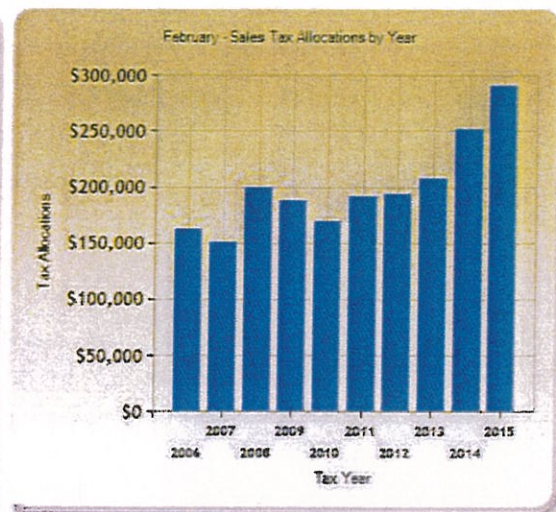
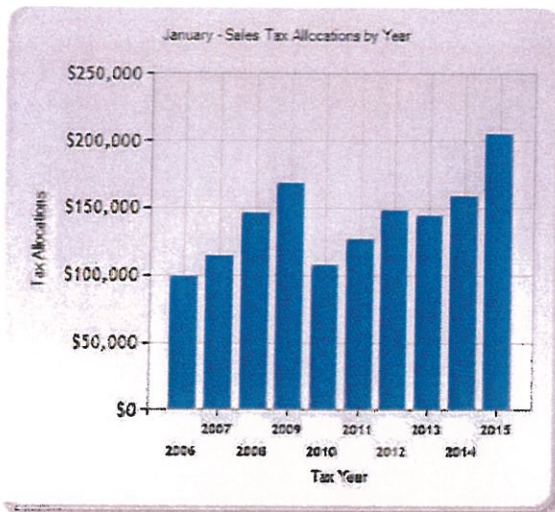
The City maintains all its assets at a level such that it protects the City's capital investment and minimizes future maintenance and replacement costs. The City determines the least costly financing method for all new projects.

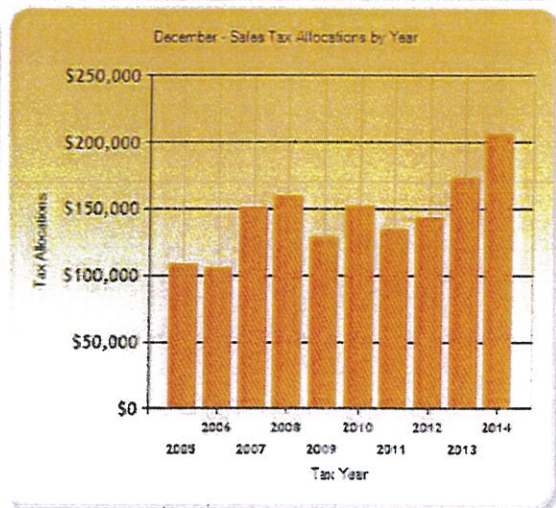
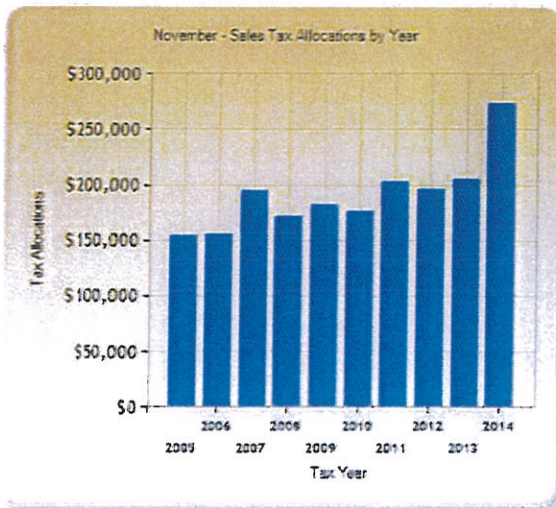
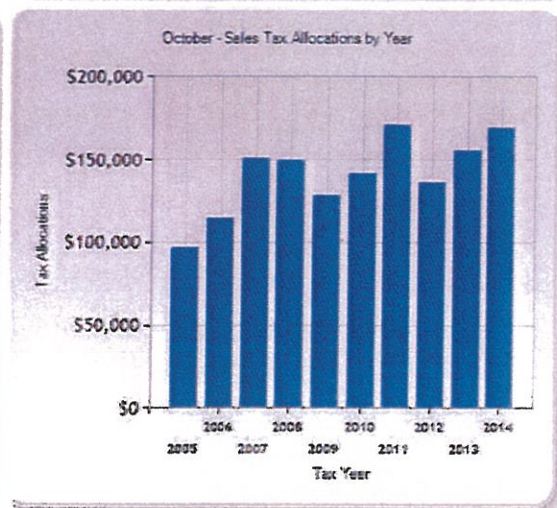
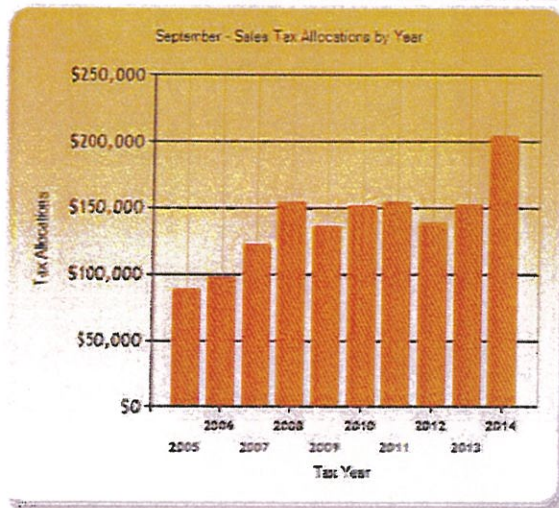
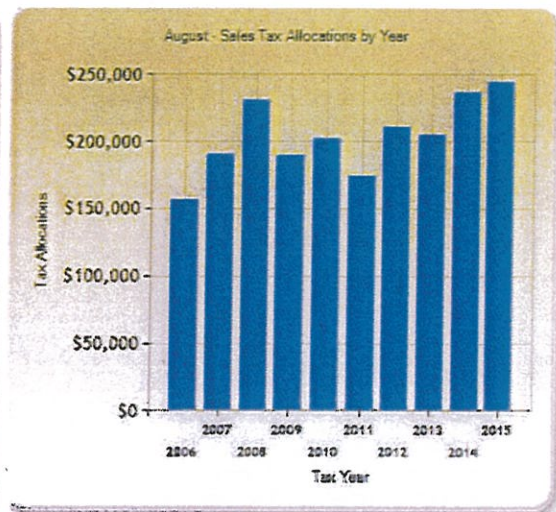
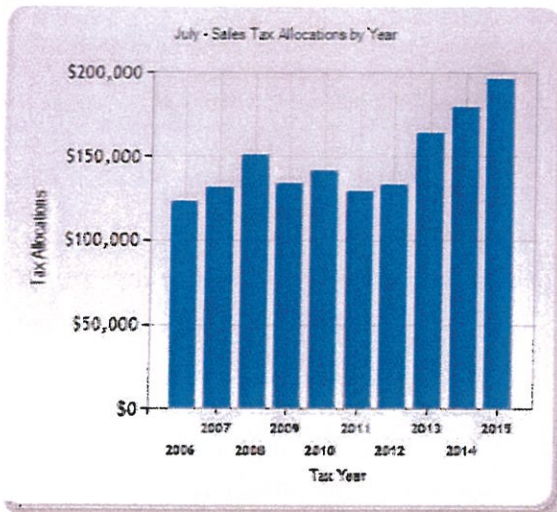
Sales Tax Revenue



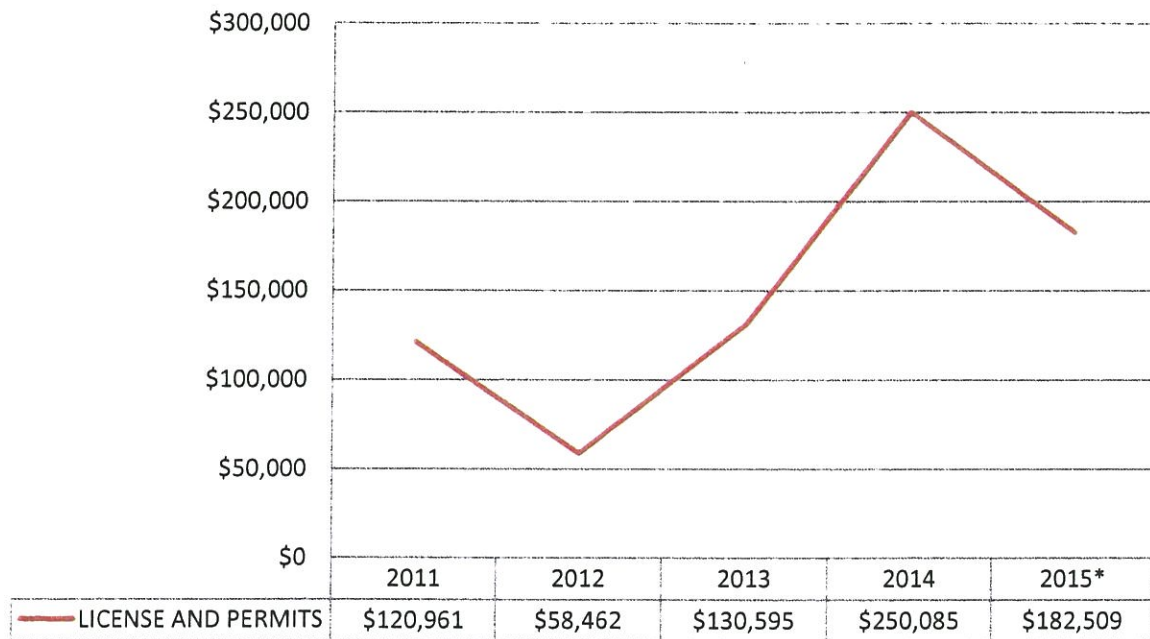
*2015 is through August 2015







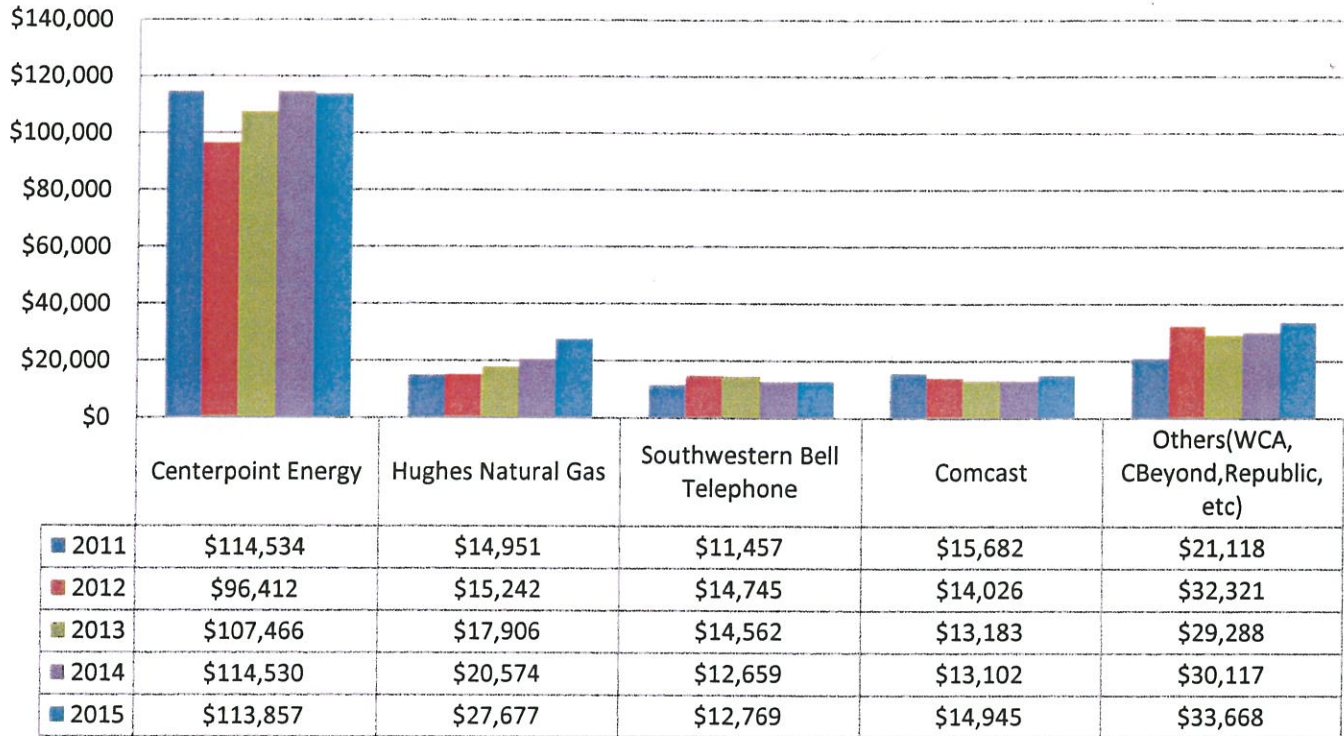
LICENSE AND PERMIT FEES



*2015 is through the end of August 2015.

	2014	2015*
Building Permits		
Residential	\$190,401	\$127,437
M/H-Modular	\$6,625	\$7,000
Commerical	\$18,308	\$6,806
Electrical, Plumbing, Sign, Alarm, Licenses, HVAC	\$34,750	\$41,266

Franchise Fee Revenue



2015* is through the end of August 2015.

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 three 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.

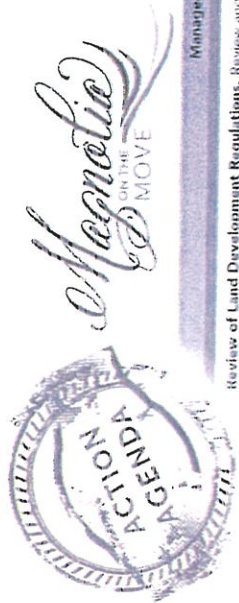
Respectfully submitted,

Bret C. Keast, AICP
President

Performance Concepts in Planning
www.kendigkeast.com



MAGNOLIA ON THE MOVE															
	Planning and Programming Strategies										Community Themes				
	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	AMENITIES	HOUSING AND NEIGHBORHOODS			
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														
	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														
	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														
	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														
SECOND PRIORITY	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														
	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.														
	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														
	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).														
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.														
	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.														
	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.														
	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.														
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.														
	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.														
	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)														
	Preservation of Natural Areas. Consider amending the development ordinances to establish resource protection standards (e.g., preservation of wetlands, wetlands, and riparian areas along floodplains)														



ACTION AGENDA ON THE MOVE																
Management Strategies (continued)																
	Primary	Secondary	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		
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																
SECOND PRIORITY	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.															
	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.															
	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.															
	Dead 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.															
THIRD PRIORITY	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															
	Gateways and Landmarks. Enhance or re-construct signature gateway and streetscape treatments at high-profile entry points, as well as at key intersections and locations within the community															
	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.															
	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															
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.															
	Facade Grant Program. Consider funding a pilot grant program for existing commercial businesses to help finance building facade improvements, enhance facades, 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.															
	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)															
	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.															
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.															
	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.															
	Beautification and Screening Investments. Use street and drainage improvements as an opportunity to install landscaping and screening that can address nearby conspicuity concerns.															

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.

Mixture of Housing Types. Apply management strategies to guide the location, character, quality, lot size, and pattern of development in Magnolia. This includes:

- 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.

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.

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.

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.

Public Investment and Funding Strategies

Magnolia Loop. Construct an outer "loop" of secondary arterials and collectors that accommodates continuous travel around the City.

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.

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.

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.

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.

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 Free Program that is funded by foundations or charitable organizations.

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).

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.

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.

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.

Beautification and Screening Investments. Use street and drainage improvements as an opportunity to install landscaping and screening that can address nearby compatibility concerns.

City of Magnolia

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