



ANNUAL OPERATING BUDGET

**OCTOBER 1, 2017
TO
SEPTEMBER 30, 2018**

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 \$20,907 which is a 2.3% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$23,090.

A record vote was conducted of the City Council on August 30, 2017 for approval of an ordinance adopting the City of Magnolia 2017-2018 Fiscal Year Annual Budget as follows:

City Council	Aye	Nay	Absent
Matthew "Doc" Dantzer, Position 1	X		
John Bramlett, Position 2	X		
Rick Carby, Position 3	X		
Brenda Hoppe, Position 4	X		
Jonny Williams, Mayor Pro Tem/Position 5	X		

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

Tax Year	2017	2016
Fiscal Year	2017-2018	2016-2017
Proposed Rate	\$ 0.4709	\$ 0.4629
Total Adopted Rate	\$ 0.4709	\$ 0.4629
Adopted Operating Rate	\$ 0.1739	\$ 0.1751
Adopted Debt Rate	\$ 0.2970	\$ 0.2878
Effective Tax Rate	\$ 0.4709	\$ 0.4953
Effective Operating Rate (M&O)	\$ 0.1739	\$ 0.2111
Maximum Operating Rate (M&O)	\$ 0.1924	\$ 0.2279
Debt Rate (I&S)	\$ 0.2970	\$ 0.2878
Rollback Rate	\$ 0.4894	\$ 0.5157

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	\$16,019,360	\$ 775,075
Self-Supporting	\$ 4,121,301	\$ 587,456
Total Debt	\$20,140,661	\$1,362,531

Welcome!

This City of Magnolia, Texas annual budget is for the fiscal year beginning October 1, 2017, and ending September 30, 2018. 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 2017-2018 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 2017 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 2016 actual. The ending balance of the actual year becomes the beginning balance of the projected current fiscal year, FY 2017. 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 2018 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular fund. Within each fund there may be one or more departments which further describe a component of the City's organization. Each department's presentation includes a mission statement, accomplishments for the previous fiscal year, and operational objectives for the upcoming year. Selected service levels for each department are presented graphically. The funding for each department, as well as the unit's staffing, is summarized over a number of years.

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

MAGNOLIA CITY COUNCIL



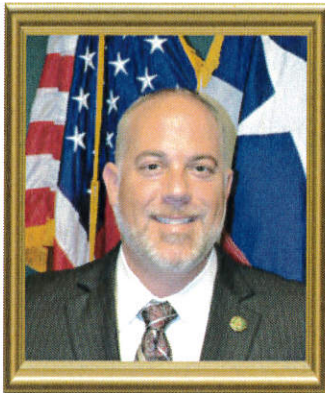
Todd Kana

Mayor

Re-elected May 2016-2018

Serving 4th term

tkana@cityofmagnolia.com



Matthew "Doc" Dantzer
Position 1

Elected May 2017-2019

mdantzer@cityofmagnolia.com



John Bramlett

Position 2

Re-elected May 2017-2019

jbramlett@cityofmagnolia.com

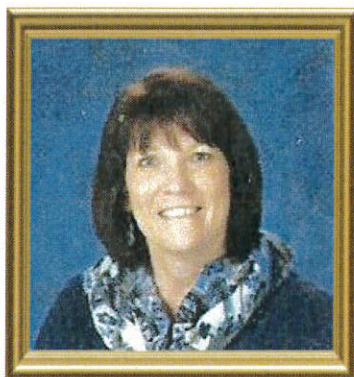


Rick Carby

Mayor Pro Tem/Position 3

Re-elected May 2017-2019

rcarby@cityofmagnolia.com

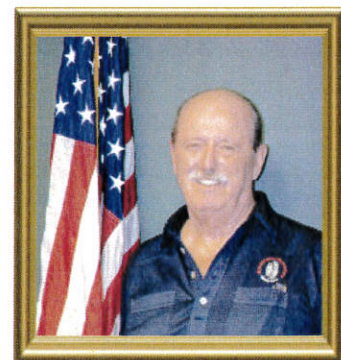


Brenda Hoppe

Position 4

Re-Elected May 2016-2018

bhoppe@cityofmagnolia.com



Jonny Williams

Position 5

Re-elected May 2016-2018

jwilliams@cityofmagnolia.com

**CITY OF MAGNOLIA
APPROVED BUDGET
FISCAL YEAR 2017-2018**

TABLE OF CONTENTS

1. INTRODUCTION

Mayor's Letter	1
Fast Facts for City of Magnolia	2
History and General Statement	3
Staffing	5
Summary of Major Budget Items	6
Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds	7

2. GENERAL FUND

Fund Narrative	8
Summary of General Fund Revenues and Expenditures	9
Revenue Summary	10
Revenue Detail	11
Expenditure Summary	14
Department Budgets	
City Council	15
City Hall/Administration	18
City Secretary	24
Finance	28
Police	32
Municipal Court	40
Public Works/Facilities	46
Parks	54

3. PROPRIETARY (ENTERPRISE) FUND

Fund Narrative	57
Statement of Revenues, Expenditures, and Changes in Net Position	58
Water/Sewer Department Narrative	59
Utility Billing Narrative	60
Department Budgets	
Water/Sewer Department	61

4. DEBT SERVICE FUNDS/CAPITAL EQUIPMENT	
Fund Narrative	69
Summary Schedule of Debt Service Funds	70
Individual Debt Service Fund Budgets/Payment Schedules	
2014 Tax Revenue C/O	71
2014 General Obligation Refunding Bonds	74
2012 Sales Tax Revenue Bond I & S Fund/Reserve Fund	77
State Infrastructure Bank Loan Debt Service Fund	79
2014 EDC (4A) Property Purchase Bank Loan	81
2017 State Infrastructure Bank Loan Debt Service	82
 5. MAGNOLIA RIDGE PUBLIC IMPROVEMENT DISTRICT	
Magnolia Ridge PID Debt Service	84
 6. SPECIAL REVENUE FUNDS	
Fund Narrative	85
ATS-Red Light Camera Fund	86
HB445 Road Repair Fund	87
Hotel/Motel Occupancy Tax Fund	88
 7. COMPONENT UNIT FUNDS	
Fund Narrative	89
Statement of Revenues, Expenditures, and Changes in Fund Balance	90
4A-Economic Development Corporation	91
4B-Community Development Corporation	93
 8. SUPPLEMENTAL INFORMATION	
Budget and Tax Rate Calendar	95
Property Tax Information	96
Tax Year 2017 Assessment Roll Grand Totals Report	97
Tax Year 2017 Effective Tax Rate Report (MCAD)	100
Tax Year 2017 Effective Tax Rate Worksheet (MC Tax Assessor)	103
Tax Year 2017 Rollback Tax Rate Worksheet (MC Tax Assessor)	106
Ordinance Adopting the Budget 2017-2018	108
Ordinance Adopting the Ad Valorem Tax Rate for 2017	111
Budgeting Process	114
Financial Policies	115
Comprehensive Plan	117
Glossary	118

INTRODUCTION



To Our Magnolia Residents:

As I begin the eighth budget for our City, again I want to thank the citizens of Magnolia for placing your confidence in me as your Mayor. This is going to be a monumental year for the City.

The SH 249 (the “Aggie Freeway”) has been approved and will start next month (October of 2017); completion from Spring Creek to the Todd Mission area of 1774 is projected by early 2020. SH 249 has sparked a chain of events that will have a positive and lasting impact on Magnolia. Our FM 1774 railroad flyover has begun and should be completed in eighteen months; the FM 149 railroad flyover will have traffic flowing over the bridge by November of this year and will be finished by early 2018. We have been working with Montgomery County and our developers to implement a transportation plan that ties all of the roads together in a comprehensive plan which improves movement throughout western Montgomery County. With the increased lines of communication, we are expecting substantial growth in and around our community.

Your City Council has been working hard to position the City to be ready for the changes that we know are coming. We have extended the water and sewer lines to FM 149 Spur to support the commercial development in that area; we have completed the plans for a new 2,000,000 gallons a day state-of-the-art and more efficient sewer treatment plant; we have relocated water and sewer lines on FM 1774 to make room for the new TxDot construction; and we have extended water and sewer to FM 1486.

The City Council has adopted zoning to protect the Magnolia we love during future growth. We have developed our own Planning Department to refine and polish our zoning regulations, as well as assist our new developments. With all this going on, we have still managed to stabilize your taxes and send approximately a quarter of a million dollars to your reserve fund.

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

Mayor Todd Kana

City of Magnolia

Fast Facts

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

Demographics:

Population/Income -

2017 Population – 1,665 inside city limits/138,000 in trade area

2022 Population projection – 1,952 inside city limits/3.23% growth rate

Median age: 38.4

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

City Size & Taxes -

City size in square miles: approx. 4.5 square miles

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

Property tax rate (2017): \$0.4709 per \$100 valuation

Sales tax collected for FY 2016-17: approximately \$2.4 million

Housing -

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

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

Residential \$4.3 million

Non-residential \$2.9 million

Public Use/School \$25.9 million

Education/Labor Force -

Bachelor's Degree or higher 21.7%

High school diploma or higher 95.2%

White collar workers 72.4%

Blue collar workers 27.7%

Job growth rate 2.40%

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

2016 Local Tax Rates /\$100 Valuation

Magnolia ISD	1.3795
City of Magnolia	0.4629
Mont Co Hospital Dist	0.0665
Lone Star College	0.1078
Montgomery County	0.4667
Mont Co ESD 10	0.1000

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. Located in southwest Montgomery County, the Magnolia area is poised for even more expansion with the arrival of the SH 249 Toll Way and major corporations like ExxonMobil moving into the area. 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.

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 two fund categories to maintain its financial records: governmental and proprietary. The City has presented the following major governmental funds:

General Fund – The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

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

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

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted or designated for specified activities. The City has two such major funds – the HB445 fund and the Red Light Camera fund. The HB455 fund is used to account for the receipt and expenditure of funds received from additional sales tax within the City. The Red Light Camera fund is used to account for the receipt and expenditure of funds received from the red light camera violations.

City of Magnolia

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 proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise fund:

Water and Sewer Fund - This 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 water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt principal and interest. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

City of Magnolia

Authorized Positions by Department

		Approved 2014-2015	Amended 2015-2016	Approved 2016-2017	Approved 2017-2018
CITY COUNCIL	Mayor and Council	6	6	6	6
	Total	6	6	6	6
ADMINISTRATION	City Manager/Administrator	1	1	1	1
	Executive Assistant	1	0	0	0
	Code Enforcement Officer	0	0	0	1
	Total	2	1	1	2
POLICE	Chief of Police	1	1	1	1
	Lieutenant	0	0	1	1
	Captain	0	0	0	0
	Sergeant	3	3	3	3
	Detective	1	1	1	1
	Investigator	0	0	0	1
	Patrol Officers	7	9	9	9
	Reserve Officers	9	9	9	9
	Administrative Asst/Dispatch	2	1	1	1
	Code Compliance Officer	0	1	1	0
	Executive Officer	1	0	0	0
	Evidence Clerk	0	1	1	1
	Total	24	26	27	27
PUBLIC WORKS	Director	0	0	1	1
	Water/Wastewater Plant Operator	0	0	1	1
	Utility/Maintenance Worker	0	0	4	4
	Laborers	2	1	1	1
	Mechanic	0.5	0.5	1	1
	Total	2.5	1.5	8	8
MUNICIPAL COURT	Judge	1	1	1	1
	Associate Judge	1	1	1	1
	Municipal Court Administrator	1	1	1	1
	Municipal Court Clerk	1	1	1	1
	Total	4	4	4	4
FINANCE	Finance Administrator	1	1	1	1
	Finance Clerk	0.5	0.5	0.5	0.5
	Total	1.5	1.5	1.5	1.5
CITY SECRETARY	City Secretary	1	1	1	1
	Total	1	1	1	1
WATER/SEWER	Utility Maintenance Worker	1.5	3	0	0
	Water/Wastewater Plant Operator	1	2	0	0
	Mechanic		0.5	0	0
	Utility/Permit Technician	1	1	1	1
	Total	3.5	6.5	1	1
Grand Total (Excl. Council)		38.5	41.5	43.5	44.5

City of Magnolia

2018 Approved Budget Major Items

Revenue

Total property tax M&O calculated at \$.1739 on valuation of \$193,646,183 (effective rate)	\$	336,751
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Overall

Pay increases/adjustments for staff (except P/D)	\$	22,505
9% increase in health insurance rates	\$	21,807

Police Dept

Increase of \$2,400 per employee to salary structure implemented in 2016 & incremental salary increases per salary grid	\$	44,031
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Public Works

Maintenance truck w/ boom for lifting pumps, welder,compressor	\$	30,000
Dump truck	\$	36,000
Pickup (1 new or 2 used)	\$	30,000

Facilities

New phone system for City Hall	\$	13,000
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Water/Sewer

Sewer jetter machine	\$	47,000
Boring machine	\$	7,500
Increase in SJRA fees from previous year's budget	\$	100,000

Capital Projects

Sewer plant		
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Governmental Funds Budgeted Statement of Revenues, Expenditures, and Changes in Fund Balance

	General Fund	HB445 Fund	Red Light Camera Fund	Hotel /Motel Occupancy Tax Fund	Debt Svc Funds	Total of Governmental Funds
REVENUES:						
Property Taxes	336,751				575,200	911,951
Sales Taxes	1,200,000	300,000				1,500,000
Other Taxes	15,000					15,000
Franchise Fees	245,000					245,000
Licenses & Permits	109,300					109,300
Fines & Forfeitures	421,600					421,600
Hotel Occupancy Tax				45,000		45,000
Interest Income	-	700	3,570		200	4,470
Water User Fees						-
Sewer User Fees						-
Police Dept Revenue	10,000					10,000
Other Revenue	3,000		581,690			584,690
Miscellaneous	5,000					5,000
State Comptroller Fees			(171,875)			(171,875)
Total Revenues	2,345,651	300,700	413,384	45,000	575,400	3,680,135
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)	175,571					175,571
Intra-Fund Transfer (02) Water/Sewer Fund	451,464				150,000	601,464
Total Intra-Fund Transfers	668,034	-	-	-	150,000	818,034
Total Revenues/Transfers	3,013,685	300,700	413,384	45,000	725,400	4,498,170
EXPENDITURES:						
Personnel Services	2,081,635					2,081,635
Contractual Expenses	513,300		65,938			579,238
Miscellaneous Expenses	283,485		48,995		500	332,980
Capital Expenses/Road Repair	122,851	300,000				422,851
Tourism				45,000		45,000
Bond/Loan Principal Payments					81,000	81,000
Bond/Loan Interest Payments					49,500	49,500
Intra-Fund Trfrs Out			175,571		589,700	765,271
Total Expenditures/Transfers	3,001,271	300,000	290,504	45,000	720,700	4,357,475
Total Revenue Over/(Under)	12,414	700	122,881	-	4,700	140,695
Expenditures						
Projected Beginning Fund Balance/ Retained Earnings	702,116	1,184,887	486,408	69,667	464,763	2,907,841
Projected Ending Fund Balance/ Retained Earnings	714,530	1,185,587	609,289	69,667	469,463	3,048,536
*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.

2017/2018 Budget

Revenues

Revenues including transfers from other funds are budgeted at \$3,013,685 which is approximately 1.7% more than last year. This increase is mainly due to increases in court revenue and transfers in from other funds. The revenue from licenses and permits was decreased due to improbability of new construction. The sales tax budget remains the same as last year's budget because of the uncertain economy.

Expenditures

The budget for operating expenditures for FY 2018 is \$3,001,271 or 3.4% more than the adopted budget for FY 2017. Included in the budget are 3% salary adjustments for most employees except those in the Police Department, who received an additional \$2,400 each annually to make their wages more comparable with other area municipalities. One new position was added in this budget, an investigator position in the Police Department. Total personnel costs in the General Fund increased by approximately 5%.

City of Magnolia

SUMMARY-Approved Budget 2017-2018

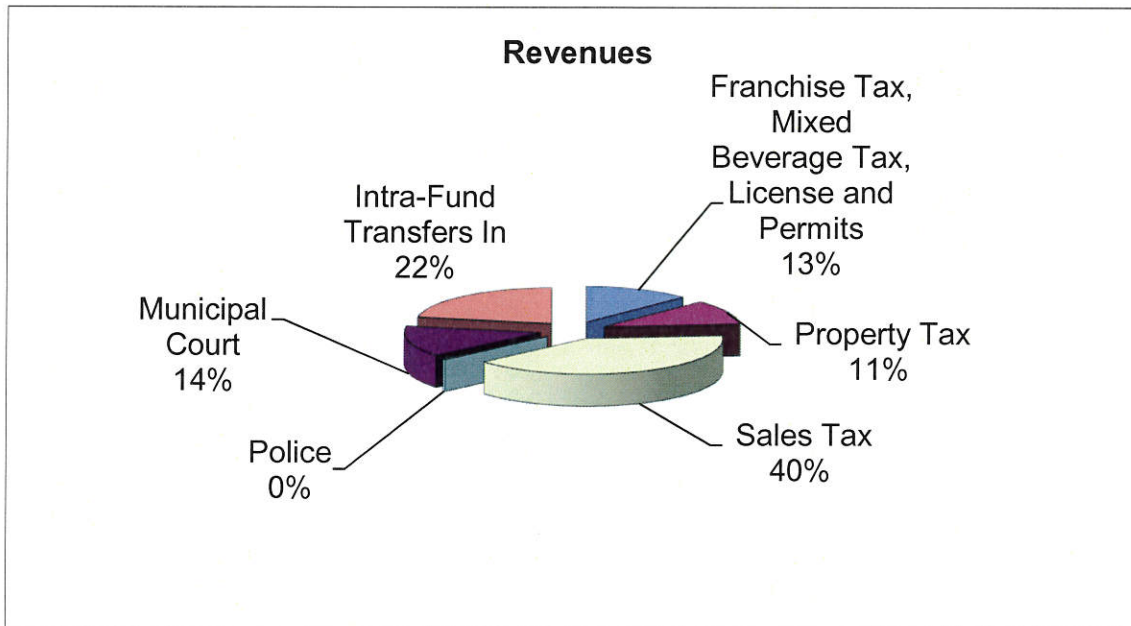
GENERAL FUND

REVENUE SUMMARY	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	-/+ % Change
City Hall / Administration	\$2,044,831	\$2,014,863	\$1,914,051	-5.00%
Police Department	\$2,000	\$2,000	\$10,000	400.00%
Municipal Court	\$463,050	\$313,000	\$421,600	34.70%
Intra-Fund Transfers In	\$200,273	\$634,040	\$668,034	5.36%
TOTAL REVENUE	\$2,710,153	\$2,963,902	\$3,013,685	1.68%
EXPENDITURE SUMMARY				
City Hall / Administration	\$512,433	\$505,134	\$451,551	-10.61%
Police Department	\$1,223,342	\$1,377,122	\$1,400,585	1.70%
Public Works	\$162,999	\$528,075	\$648,714	22.85%
Municipal Court	\$351,906	\$154,282	\$170,784	10.70%
Finance	\$89,482	\$96,208	\$106,363	10.56%
City Secretary	\$100,013	\$103,420	\$105,767	2.27%
Facilities	\$68,000	\$106,500	\$82,000	-23.00%
City Council	\$22,500	\$24,461	\$23,007	-5.94%
Parks	\$13,500	\$8,000	\$12,500	56.25%
TOTAL EXPENDITURES	\$2,544,176	\$2,903,202	\$3,001,271	3.38%
REVENUE OVER (UNDER) EXPENDITURES	\$165,978	\$60,700	\$12,414	-79.55%

City of Magnolia

Revenue Summary - General Fund

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
General Fund				
Franchise, Beverage, Permits	\$472,300	\$479,100	\$477,300	\$377,300
Property Tax	\$394,849	\$365,731	\$337,563	\$336,751
Sales Tax	\$1,150,000	\$1,200,000	\$1,200,000	\$1,200,000
Police	\$8,250	\$2,000	\$2,000	\$10,000
Municipal Court	\$563,750	\$463,050	\$313,000	\$421,600
Intra-Fund Transfers In	\$147,951	\$200,273	\$634,040	\$668,034
Total	\$2,737,101	\$2,710,153	\$2,963,902	\$3,013,685



City of Magnolia

General Fund - 01

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenues					
General and Administrative					
40102 Gen/Admin Donations	0	3,989	0	750	0
40104 Liquor License Fee	1,500	2,118	1,500	221	1,500
40105 Ad Valorem Tax Revenue	365,731	387,754	337,563	340,000	336,751
40105.01 Magnolia Ridge PID Assessments				0	0
40107 Mix Beverage Tax Revenue	13,000	15,144	13,000	15,294	15,000
40110 Wrecker Permit Fees	1,300	25	1,300	1,000	1,300
40116 Sales Tax Revenue	1,200,000	1,213,219	1,200,000	1,192,552	1,200,000
40117 Misc. Income	5,000	34,788	5,000	3,483	5,000
40118 License and Permits	225,000	328,842	225,000	103,612	100,000
40119 Sign Permit Revenue	6,500	6,290	6,500	22,711	6,500
40120 Franchise Tax Revenue	220,000	246,332	220,000	242,921	240,000
40120.01 In Kind Franchise Income				6,317	5,000
40122 Interest Income/Gen Fund	0	9	0	45	0
40127 Rendition Penalty/Montgomery Co.	300	0	0	0	0
40128 Vehicle & Equip. Sales	6,000	2,896	2,000	0	0
40133 Plat Fee Revenue	500	346	3,000	4,990	3,000
Total General and Administrative	2,044,831	2,241,752	2,014,863	1,933,896	1,914,051
Police					
40203 Police Department Donations	0	50	0	0	0
40204 Police Department Grants	0	3,500	0	10,367	5,000
40207 Officer Safety Equipment Program Rev	2,000	0	2,000	0	0
40208 Crime Stoppers Revenue	0	7,000	0	0	0
40209 Police Grant - TAPEIT	0	0	0	500	0
40223 Police Forfeited Prop Revenue	0	2,607	0	3,658	2,000
40224 Police-Asset Forfeiture	0	580	0	5,085	3,000
40233 S.T.E.P. Revenue	0	0	0	2,862	0
Total Police	2,000	13,737	2,000	22,472	10,000
Courts					
40401 Summoning Jury Fee	0	5	0	0	0
40402 Indigent Defense Fee	3,500	0	0	0	0
40403 Judicial Fee / City	1,200	0	0	0	0
40404 Judicial Fee / County	10,000	0	0	0	0
40405 State Jury Fee	8,000	0	0	0	0
40407 OMNI Revenue	15,000	1,952	2,000	3,002	2,000
40409 Warrant Fee Revenue	30,000	25,460	30,000	40,800	35,000
40410 Court Fine Revenue	300,000	229,224	235,000	323,265	300,000
40411 OverPay Refunds (Court Fines)	200	0	0	0	0
40413 Bond Escrow/Bond Refund	35,000	31,948	0	32,712	25,000
40414 C.O.L.A.G.Y.	32,000	17,928	32,000	52,457	40,000
40416 Child Safety Seat Fee	1,000	0	0	1,959	0
40417 Civil Justice Fee	150	0	0	0	0
40418 Arrest Fee	9,000	0	0	0	0
40419 Jury Fee	0	0	0	0	0
40421 Trial Conviction Fee	0	0	0	0	0
40423 Bond	0	(767)	0	6,276	3,000
40424 Truancy Prevention Fund	2,000	130	0	0	0
41100 TP-JE (Time Pmt Plan-Local)	0	508	0	3,144	600
41180 Security Fund Revenue	7,000	5,551	5,000	7,759	6,000
41190 Tech Fund Revenue	9,000	9,823	9,000	13,535	10,000
Total Courts	463,050	321,762	313,000	484,909	421,600
Intra-Fund Transfers					
40005 Transfer to/from Fund 5		(188,675)			
49902 Intra-Fund Transfer (02) Water	0	0	430,711	430,711	451,464
49906 Intra-Fund Transfer (06)4B	21,000	22,308	21,000	21,187	21,000
49907 Intra-Fund Transfer (07)4A	20,000	21,509	20,000	21,003	20,000
49910 Intra-Fund Trfr (10)Red Lt Camera(TC	159,273	176,587	162,329	151,072	175,571
Total Intra-Fund Transfers	200,273	31,729	634,040	623,973	668,034
Total Revenue	2,710,153	2,608,980	2,963,902	3,065,250	3,013,685

City of Magnolia

Revenues

Account	Account Name	Approved Budget	Description
40104	Liquor License Fee	1,500	Fees paid in order to sell alcohol within City limits
40105	Ad Valorem Tax Revenue	336,751	Est. M&O tax rate of \$.1739 based on actual valuation of \$ 193,646,183
40105.01	Magnolia Ridge PID Assessments	-	PID fees collected for developer on Magnolia Ridge properties-moved to separate fund per auditor
40107	Mixed Beverage Tax Revenue	15,000	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	100,000	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	240,000	Fees paid for the privilege of operating in the City, based on gross revenues and percent established by contract
40120.01	In Kind Franchise Income	5,000	
40127	Rendition Penalty/Montgomery Co.	-	Penalties applied to businesses in noncompliance with personal property rendition laws
40128	Vehicle & Equip. Sales	-	Income from sale of surplus property
40133	Plat Fee Revenue	3,000	
40204	Police Department Grants	5,000	
40208	Crime Stoppers Revenue	-	
40223	Police/Forfeited Prop Rev	2,000	
40224	Asset Forfeitures	3,000	

City of Magnolia

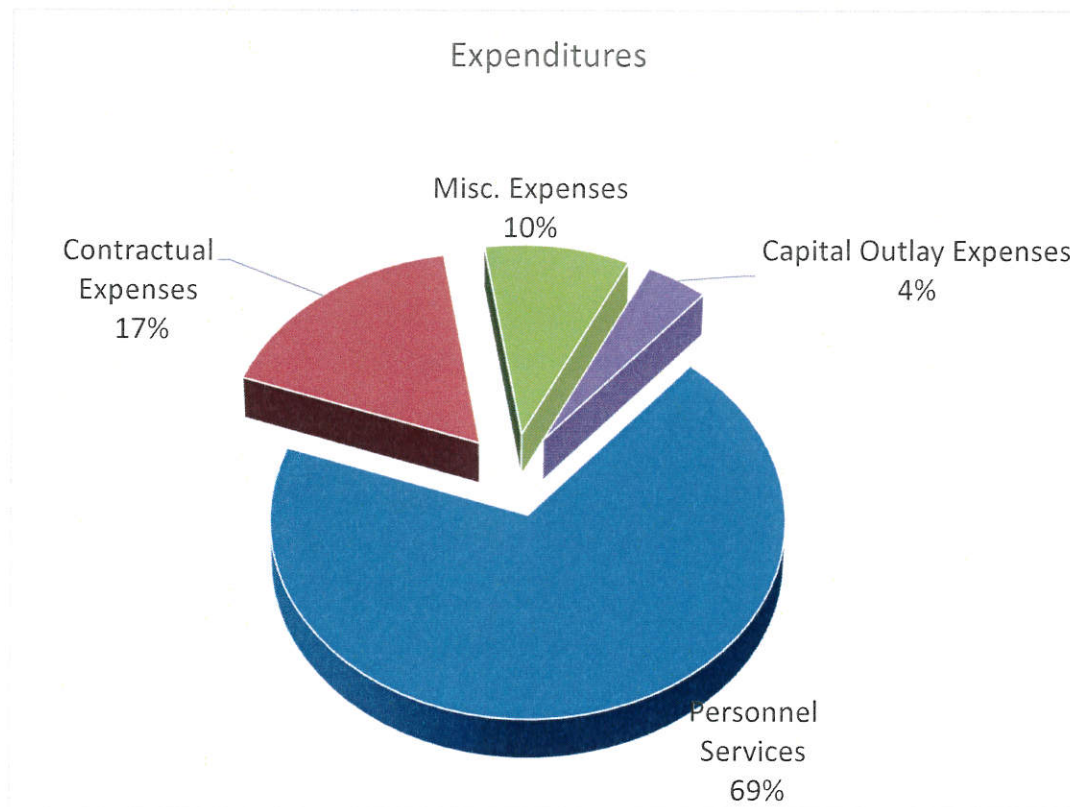
Revenues

Account	Account Name	Approved Budget	Description
Court Fees and Fines, as limited by State law:			
40407	OMNI Revenue	2,000	
40409	Warrant Fee Revenue	35,000	
40410	Court Fines	300,000	
40413	Bond Escrow/Bond Refund	25,000	
40414	C.O.L.A.G.Y.	40,000	Collection agency fees
40416	Child Safety Seat Fee	-	
40423	Bond	3,000	
41100	TP-JE (Time Pay't Plan-Local)	600	
41180	Security Fund	6,000	
41190	Tech Fund	10,000	
49902	Intra-Fund Transfer (02) Water	451,464	Funds transferred in from Water/Sewer Fund
49906	Intra-Fund Transfer (06) 4B	21,000	Funds transferred in from Community Development Fund
49907	Intra-Fund Transfer (07) 4A	20,000	Funds transferred in from Economic Development Fund
49910	Intra-Fund Trfr (10) Red Lt Camera	175,571	Funds transferred in from Red Light Camera Fund
		3,013,685	

City of Magnolia

Expenditure Summary - General Fund

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
General Fund				
Personnel Services	\$1,563,019	\$1,515,862	\$1,974,900	\$2,081,635
Contractual Expenses	\$595,019	\$555,389	\$578,389	\$513,300
Miscellaneous Expenses	\$474,233	\$419,375	\$267,025	\$283,485
Capital Outlay Expenses	\$11,000	\$53,550	\$82,888	\$122,851
Total	\$2,643,271	\$2,544,176	\$2,903,202	\$3,001,271



CITY COUNCIL

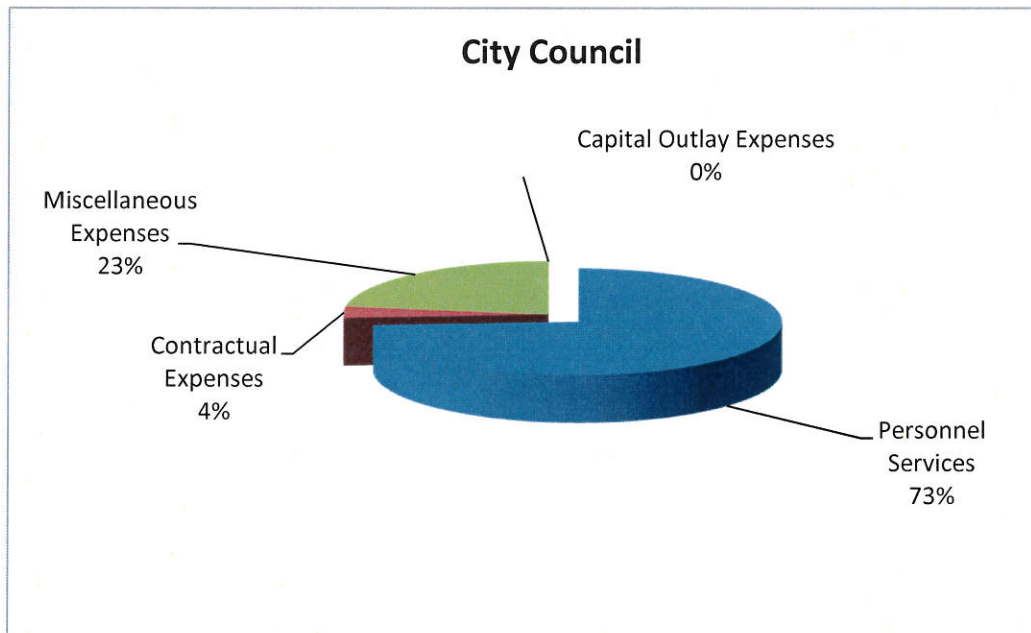


City of Magnolia

City Council Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$58,903	\$6,500	\$8,461	\$17,007
Contractual Expenses	\$800	\$800	\$800	\$800
Miscellaneous Expenses	\$3,700	\$5,200	\$5,200	\$5,200
Capital Outlay Expenses	\$1,000	\$10,000	\$10,000	\$0
Total	\$64,403	\$22,500	\$24,461	\$23,007

Staffing	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Mayor and Council	6	6	6	6
Total	6	6	6	6



City of Magnolia

City Council	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
<u>Personnel Services</u>					
510526 Insurance(Med,Dental,Vision)	6,000	7,282	7,961	10,731	16,507
510543 Education, Travel, & Certification	500	5	500	500	500
Total Personnel Services	6,500	7,288	8,461	11,231	17,007
<u>Contractual Expenses</u>					
510642 Dues & Memberships	800	200	800	300	800
Total Contractual Expenses	800	200	800	300	800
<u>Miscellaneous Expenses</u>					
510744 Minor Equipment	2,000	2,056	2,000	2,000	2,000
510766 Office Supplies	700	221	700	407	700
510775 Ref. Books, Reports, Subscriptions	0	0	0	0	0
510879 Elected Officials-Errors/Omissions Ins.	2,500	1,759	2,500	1,952	2,500
Total Miscellaneous Expenses	5,200	4,036	5,200	4,359	5,200
<u>Capital Expenses</u>					
510920 Computers & Equipment	10,000	12,553	10,000	10,000	0
Total Capital Expenses	10,000	12,553	10,000	10,000	0
Total City Council Expenditures	22,500	24,076	24,461	25,890	23,007

City of Magnolia

City Council

Account	Account Name	Approved Budget	Description
510526	Employee Insurance	16,507	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	Tablets for Council or other small equipment items
510766	Office Supplies	700	Business cards, name plates, etc.
510879	Elected Officials-Errors & Omissions Ins.	2,500	
510920	Computers & Equipment	-	
		23,007	

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 2016-2017

- Continued to increase the size of the City by adding parcels of land through annexation
- Oversaw preparation of FY 2017-18 Annual Budget
- Continued the improvement of City's reserve funds
- Prepared the State of the City presentation for the Mayor
- Refined and polished zoning map and Unified Development Code

Objectives for FY 2017-2018

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

Goals for FY 2017-2018

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

Permit Department (Administration)

Department Mission

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

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. The department also works with City Planner for zoning and Unified Development Code compliance.

Accomplishments for FY 2016-2017

- Completed inspections within one business day
- Successfully enforced annual sign renewal fees
- Successfully enforced annual alarm renewal fees

Objectives for FY 2017-2018

- Ongoing training on International Building Codes for our inspector
- Ongoing communication with Code Enforcement Officer for issues/complaints
- Ensure that all work done within the city limits has proper permitting

Goals for FY 2017-2018

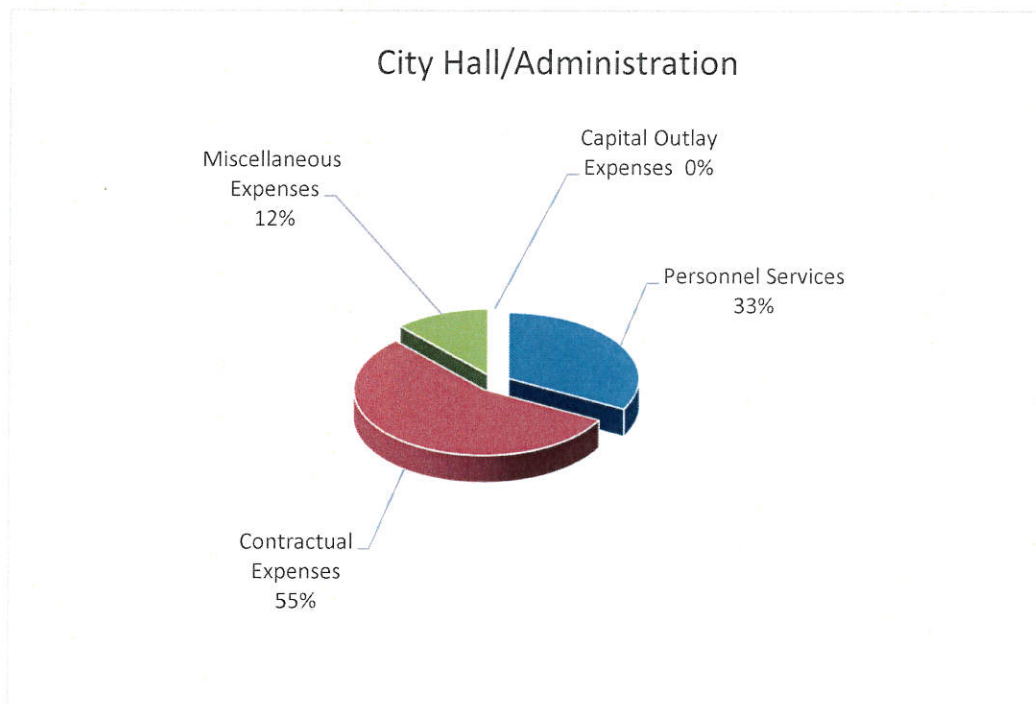
- Maintain inspection turnarounds
- Continue to provide excellent customer service
- Continue to enforce and adapt the City on our Unified Development Code
- Ensure the construction and maintenance of safe residential and commercial structures

City of Magnolia

City Hall/Administration Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$203,793	\$156,583	\$144,784	\$147,691
Contractual Expenses	\$378,610	\$311,500	\$315,500	\$250,500
Miscellaneous Expenses	\$35,600	\$42,350	\$44,850	\$53,360
Capital Outlay Expenses	\$2,000	\$2,000	\$0	\$0
Total	\$620,003	\$512,433	\$505,134	\$451,551

Staffing	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
City Manager/Administrator	1	1	1	1
City Secretary	0	0	0	0
Permit Technician	0	0.5	0	0
Receptionist	0	0	0	0
Finance	0	0	0	0
Executive Assistant	1	0	0	0
Code Enforcement Officer (Contract)	0	0	0	1
Total	2	1.5	1	2



City of Magnolia

Department Expenditures City Hall/Administration

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Personnel Services					
501501 Salaries	89,026	81,777	77,354	77,228	79,674
501502 Car Allowance	8,400	7,754	8,400	8,400	8,400
501503 Overtime	0	31	0	0	0
501505 Cell Phone Allowance	840	840	840	840	840
501506 Salary 4B	16,487	16,707	16,487	16,487	16,487
501507 Salary 4A	16,487	16,581	16,487	16,487	16,487
501515 Longevity	320	325	385	385	445
501516 T.E.C.(Unemployment)	135	348	342	114	180
501517 TMRS	2,144	1,768	2,471	2,183	2,679
501518 Worker's Compensation	441	2,164	282	5,174	288
501526 Insurance (Med./Dental/Vision/Life)	10,331	7,205	7,961	7,531	8,253
501536 Payroll Tax (F.I.C.A/Medicare)	7,542	9,018	9,176	9,185	9,358
501543 Education, Travel, & Certifications	3,000	2,849	3,000	4,153	3,000
501547 Drug Test	30	0	200	0	200
501550 Dues and Memberships	1,400	801	1,400	1,761	1,400
Total Personnel Services	156,583	148,168	144,784	149,928	147,691
Contractual Expenses					
501625 Maint & Repair Vehicle	0	0	0	60	0
501629 Inspection Services	140,000	217,703	120,000	74,291	70,000
501632 Consultant/Contract Services	60,000	118,386	60,000	26,725	50,000
501640 Legal	50,000	85,576	60,000	64,276	60,000
501641 Accounting	12,000	12,000	16,000	16,000	16,000
501643 Engineering	10,000	20,723	10,000	24,806	10,000
501670 Rental of Office Equipment/copier	6,000	5,893	6,000	5,507	6,000
501673 Computer Software (S/W)	30,000	35,030	40,000	43,308	35,000
501677 Computer Assistance (IT Services)	3,500	4,038	3,500	12,000	3,500
Total Contractual Expenses	311,500	499,349	315,500	266,973	250,500
Miscellaneous Expenses					
501744 Minor Equipment	2,000	200	4,000	408	4,000
501751 Prior Year Adj-2009	0	641	0	170	0
501760 Fuel	0	42	0	0	0
501766 Office Supplies	5,000	4,687	5,000	4,271	5,000
501768 Planning Commission Expenses	500	218	500	2,152	9,010
501774 Phones/Comm. Equipmen	0	0	0	3,064	0
501775 Ref. Books, Reports, Subscriptions	5,000	64	5,000	5,000	5,000
501778 Flower Fund	600	325	600	329	600
501779 Morale/Welfare	1,500	1,769	1,500	1,743	1,500
501800 Bank Fees	0	246	500	128	500
501801 Mayor/Council Christmas Reception	0	0	0	37	0
501806 City Administrators Fund	4,000	2,431	4,000	2,500	4,000
501807 Community Special Events	20,000	18,766	20,000	20,000	20,000
501833 Postage	3,750	2,951	3,750	3,164	3,750
Pay'ts to Magnolia Ridge PID Dev.	0	0	0	0	0
Total Miscellaneous Expenses	42,350	32,341	44,850	42,966	53,360
Capital Expenses					
501920 Computer Equipment	2,000	0	0	0	0
Total Capital Expenses	2,000	0	0	0	0
Total City Hall/Administration Expenditures	512,433	679,857	505,134	459,867	451,551

City of Magnolia

City Hall/Administration

Account	Account Name	Approved Budget	Description
501501	Salaries	79,674	City Administrator
501502	Car Allowance	8,400	Annual car allowance for City Administrator
501505	Cell Phone Allowance	840	Allowance for use of personal cell phone for business purposes
501503	Overtime	-	Authorized overtime for non-exempt employees
501506	Salary 4B	16,487	Transfer amount of payroll expenses for 4B portion of City Administrator's salary
501507	Salary 4A	16,487	Transfer amount of payroll expenses for 4A portion of City Administrator's salary
501515	Longevity	445	\$5 per month per year of service with City
501516	T.E.C. (Unemployment)	180	Unemployment taxes- 1.0% rate
501517	TMRS	2,679	Retirement cost-2.19%
501518	Worker's Compensation	288	Premiums paid to TML for W/C ins.
501526	Employee Insurance	8,253	Medical, dental, vision
501536	Payroll Tax	9,358	Social Security & Medicare-7.65% rate
501543	Education, Travel, Certifications	3,000	Training, travel & certifications
501547	Drug Test	200	Pre-employment & post-accident testing
501550	Dues, Memberships & Promotions	1,400	<div> <div>Tx City Mgt Ass'n</div> <div>50</div> <div>TFMA</div> <div>90</div> <div>Amex</div> <div>110</div> <div>TML</div> <div>540</div> <div>Tx Social Security Admin Fee</div> <div>35</div> <div>International Code Council</div> <div>125</div> <div>Sam's Club</div> <div>100</div> <div>Misc.</div> <div>350</div> </div>
501629	Inspection Services	70,000	Inspections and reviews of construction
501632	Consultant/Contract Services	50,000	<div> <div>Consultants, i.e. Kendig Keast,</div> <div>16,000</div> <div>Municode, website hosting,</div> <div>fogging, bonding, on-site shredding</div> <div>Contract-planning,development</div> <div>10,000</div> <div>Code enforcement</div> <div>24,000</div> </div>

City of Magnolia

City Hall/Administration

Account	Account Name	Approved Budget	Description
501640	Legal	60,000	Attorney fees
501641	Accounting	16,000	Fees for annual audit, accounting support
501643	Engineering	10,000	General engineering fees
501670	Rental of Office Equipment/Copier	6,000	Rental expense of copier, extra costs for b/w and color copies
501673	Computer Software (S/W)	35,000	Tyler (Incode) annual maint. 18,000 McAfee support 990 Domain renewal 75 Gov.office annual svc pkg 550 enCodePlus annual s/w licensing 4,500 Constant Contact 250 Google Earth Professional 300 Additional software purchase & maintenance & support 10,335
501677	Computer Assistance (IT Services)	3,500	Technical services for admin
501744	Minor Equipment	4,000	2 computers 3,000 Miscellaneous 1,000
501766	Office Supplies	5,000	Paper, pens, staples, clips, toner, file folders, note pads, etc.
501768	Planning Commission Expenses	9,010	Consulting 4,800 Memberships 265 Conference 445 Comprehensive Plan Update 3,500
501774	Cell Phones	-	Cost of cell phones and usage
501775	Ref. Books, Reports, Subscriptions	5,000	Periodicals, manuals, updates to Local Gov't Code
501778	Flower Fund	600	Cost of sending flowers for bereavement/ sickness of employees, Council, board members and their families
501779	Morale/Welfare	1,500	Employee luncheons, birthday cakes, etc.
501801	Mayor/Council Christmas Reception	-	Christmas expenses, expenses that are not office supplies
501806	City Administrator's Fund	4,000	Misc. expenses incurred by City Administrator, including business lunches
501800	Bank Fees	500	Cost of printed deposit slips, late fees
501807	Community Special Events	20,000	Fireworks for July 4th, other events
501833	Postage	3,750	Admin mailing costs including Pitney Bowes mail machine lease, mail permits, Fedex charges
	Pay'ts to Magnolia Ridge PID Dev.	-	Transferred to separate fund per auditor
		451,551	

CITY SECRETARY



City Secretary

Department Mission

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

Description

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

Accomplishments

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

Goals

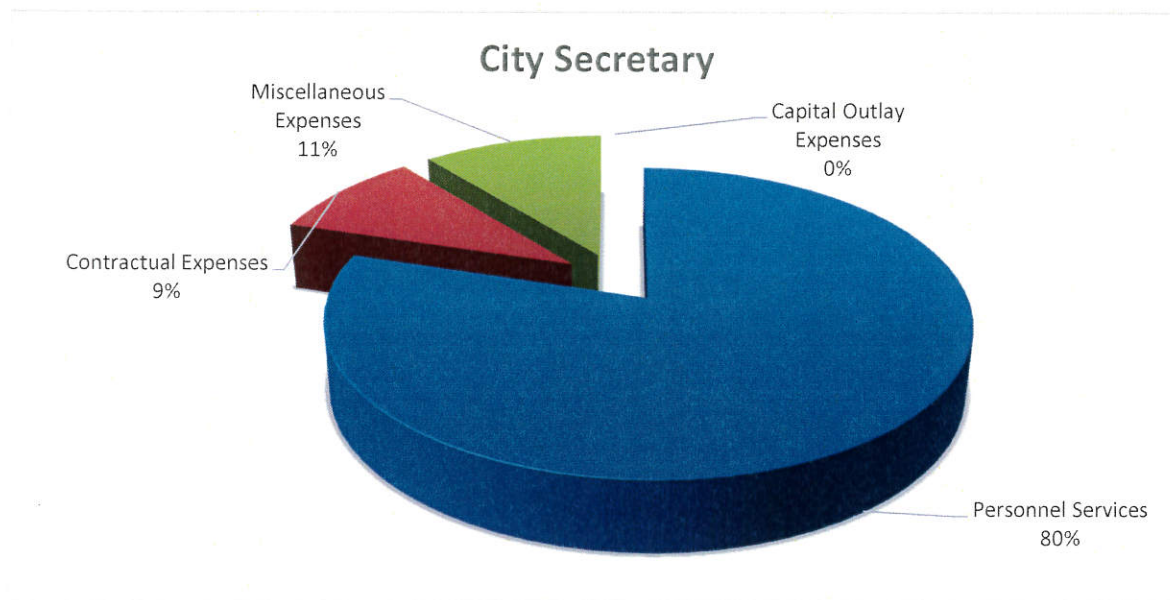
- Continue to organize/improve maintenance and retention of administrative records.
- Continue to coordinate an index for all City ordinances and resolutions.
- Continue to assist other departments with records retention program.

City of Magnolia

City Secretary Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$74,008	\$78,513	\$81,920	\$84,267
Contractual Expenses	\$10,000	\$10,000	\$10,000	\$10,000
Miscellaneous Expenses	\$10,900	\$11,500	\$11,500	\$11,500
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$94,908	\$100,013	\$103,420	\$105,767

Staffing	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
City Secretary	1	1	1	1
Deputy City Secretary	0	0	0	0
Total	1	1	1	1



City of Magnolia

City Secretary	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
<u>Personnel Services</u>					
506501 Salaries	58,339	58,274	60,090	59,992	61,892
506506 Salary 4B	2,541	2,443	2,541	2,541	2,541
506507 Salary 4A	2,466	2,372	2,466	2,466	2,466
506515 Longevity	315	320	380	380	440
506516 T.E.C.	90	171	171	57	90
506517 T.M.R.S.	1,038	947	1,349	1,254	1,475
506518 Worker's Comp	166	172	154	162	158
506526 Insurance (Med/Dental/Life/Vision)	6,888	7,277	7,961	7,544	8,253
506536 Payroll Tax (F.I.C.A./Medicare)	4,870	4,851	5,009	5,016	5,151
506543 Education, Travel, Certification	1,500	0	1,500	1,500	1,500
506550 Dues and Memberships	300	100	300	100	300
Total Personnel Services	78,513	76,927	81,920	81,012	84,267
<u>Contractual Expenses</u>					
506674 Posting and Advertising	10,000	8,032	10,000	10,000	10,000
Total Contractual Expenses	10,000	8,032	10,000	10,000	10,000
<u>Miscellaneous Expenses</u>					
506769 Office Equipment	200	0	200	639	200
506773 Cost of Election	10,000	12,524	10,000	0	10,000
506775 Magazines, Maps & Books	300	48	300	100	300
506834 Recording Fees	1,000	191	1,000	789	1,000
Total Miscellaneous Expenses	11,500	12,763	11,500	1,528	11,500
Total City Secretary Expenditures	100,013	97,722	103,420	92,540	105,767

City of Magnolia

City Secretary

Account	Account Name	Approved Budget	Description
506501	Salaries	61,892	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	440	\$5 per month per year of service with City
506516	T.E.C. (Unemployment)	90	Unemployment taxes- 1.0% rate
506517	TMRs	1,475	Retirement cost-2.19%
506518	Worker's Compensation	158	Cost of W/C insurance
506526	Employee Insurance	8,253	Medical, dental, vision
506536	Payroll Tax	5,151	Social Security & Medicare-7.65% rate
506543	Education, Travel, Certifications	1,500	Training, travel & certifications
506547	Drug Test	-	Pre-employment & post-accident testing
506550	Dues & Memberships	300	TMCA 95 Misc 205
506674	Posting & Advertising	10,000	Posting legal notices, ordinances, election information
505766	Office Supplies	-	Pens, note pads, staples, clips, etc.
506769	Office Equipment	200	Misc. equipment
506773	Cost of Election	10,000	Paid to the County for elections
506775	Magazines, Maps & Books	300	Updates of TX Local Gov't Code, etc.
506833	Postage	-	
506834	Recording Fees	1,000	Costs for recording items with County or State
		105,767	

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 2016-2017

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

Objectives for FY 2017-2018

- 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 2017-2018

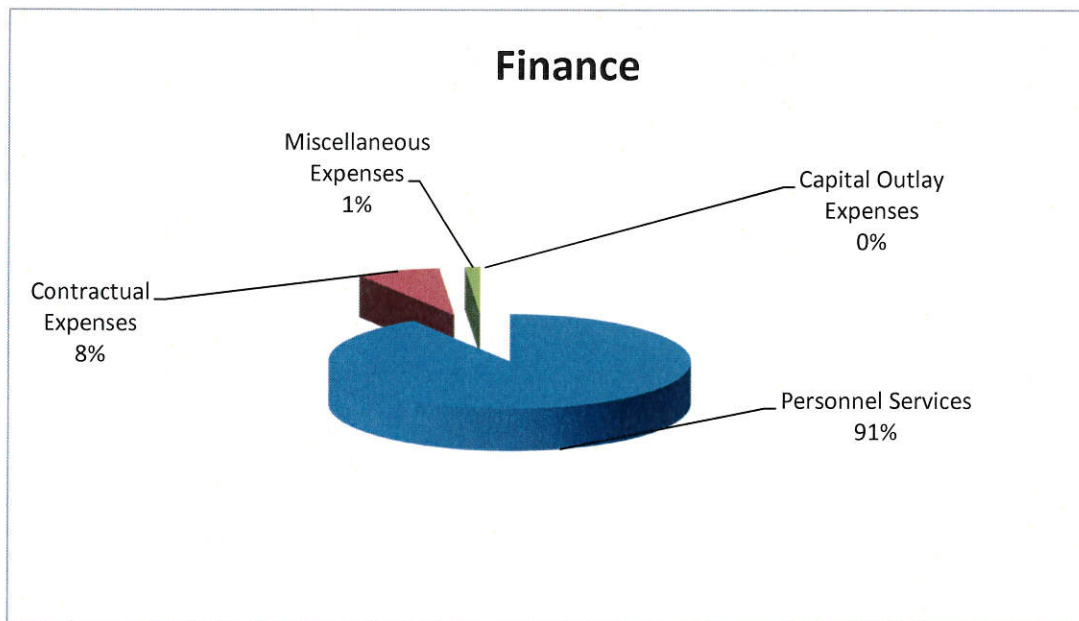
- Become a more efficient finance department by reducing/eliminating some of the paper-based processes
- Focus on storage and retention of records for easy accessibility
- Ensure that financial and personnel policies are current and reviewed annually
- Develop additional financial policies as needed

City of Magnolia

Finance Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$82,610	\$81,182	\$86,908	\$96,913
Contractual Expenses	\$5,500	\$7,000	\$8,000	\$8,000
Miscellaneous Expenses	\$1,600	\$1,300	\$1,300	\$1,450
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$89,710	\$89,482	\$96,208	\$106,363

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Staffing				
Finance Administrator	1	1	1	1
Finance Clerk	0.5	0.5	0.5	0.5
Total	1.5	1.5	1.5	1.5



City of Magnolia

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Finance					
<u>Personnel Services</u>					
505501 Salaries	64,754	65,227	66,698	74,195	71,624
505503 Overtime	2,000	4,467	3,000	6,614	7,000
505515 Longevity	535	540	600	600	660
505516 T.E.C.	180	320	342	114	180
505517 T.M.R.S.	809	800	1,074	1,218	1,262
505518 Worker's Comp	184	188	170	238	183
505526 Insurance (Med/Dental/Life/Vision)	6,888	7,282	7,961	7,575	8,253
505536 Payroll Tax (F.I.C.A./Medicare)	5,148	5,338	5,378	6,016	6,065
505543 Education, Travel, Certification	500	1,177	1,500	920	1,500
505547 Drug Test	0	0	0	0	0
505550 Dues and Memberships	185	0	185	0	185
Total Personnel Services	81,182	85,339	86,908	97,490	96,913
<u>Contractual Expenses</u>					
505632 Contract/Outside Services	0	0	0	4,383	0
505644 Appraisal District Fee	7,000	9,215	8,000	7,896	8,000
Total Contractual Expenses	7,000	9,215	8,000	12,279	8,000
<u>Miscellaneous Expenses</u>					
505766 Office Supplies	600	563	600	677	800
505775 Ref Books, Reports, Subscriptions	200	31	200	0	200
505800 Bank Fees	300	352	300	300	300
505820 Surety&Fidelity Bonds	200	150	200	150	150
Total Miscellaneous Expenses	1,300	1,095	1,300	1,127	1,450
Total Finance Expenditures	89,482	95,649	96,208	110,896	106,363

City of Magnolia

Finance

Account	Account Name	Approved Budget	Description
505501	Salaries	71,624	1 administrator, 1 part time clerk
505503	Overtime	7,000	Authorized overtime for non-exempt employees
505515	Longevity	660	\$5 per month per year of service with City
505516	T.E.C. (Unemployment)	180	Unemployment taxes- 1.0% rate
505517	TMRS	1,262	Retirement cost-2.19%
505518	Worker's Compensation	183	Cost of W/C insurance
505526	Employee Insurance	8,253	Medical, dental, vision
505536	Payroll Tax	6,065	Social Security & Medicare-7.65% rate
505543	Education, Travel, Certifications	1,500	Training, travel & certifications
505547	Drug Test	-	Pre-employment & post-accident testing
505550	Dues, Memberships & Promotions	185	GFOAT dues
505644	Appraisal District Fee	8,000	Qtrly fee paid to Montgomery Co. Central Appraisal District
505766	Office Supplies	800	Tax forms, laser printer checks, toner for printers
505775	Ref. Books, Reports, Subscriptions	200	Updates to personnel manuals
505800	Bank Fees	300	Stop pay fees, cost of checks & deposit slips
505820	Surety & Fidelity Bonds	150	Bonding for Finance Dept.
		106,363	

POLICE





MAGNOLIA POLICE DEPARTMENT

Budget Narrative FY 2017 - 2018

VISION

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

MISSION

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

VALUES

Quality Service

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

Respect

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

Integrity

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

Teamwork

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

Creativity

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

Accountability

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

Leadership

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

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

Accomplishments for FY 2016 - 2017

- Participated with the Greater Magnolia Chamber of Commerce in recognizing first responders for their hard work and dedication to public safety.
- Received a matching grant from the TX DOT DWI Regional Task Force Initiative.
- Received a Click it or Ticket Grant
- Increased advanced Officer training
- Trained and certified the Evidence Technician
- Trained 3 new Patrol Officers
- Train, and place in service, a K-9 Unit
- Completed a Police Rifle Course
- Seized two vehicles
- Served and closed two dope houses via Narcotic Search Warrants
- Replaced ballistic vests that were out dated
- Expanded Evidence/Property Room security
- Implemented Body Cameras for all Officers
- Created a Special Investigators position
- Purged/Archived old Police Records
- Added an Administrative Lieutenants position
- Replaced 3 outdated Police Radios

- Montgomery County District Attorney's Office award for Agency of the Year
- Award from the Montgomery County District Attorney's Office to Officer Landrum for Officer of the year
- Award from Harris County MADD as Agency of the year
- Award from Harris County MADD to Officer Landrum as Officer of the year

In-Progress Goals 2016-2017

- Adding and rebuilding Evidence/Records Archives external storage
- Enhancing security on Evidence/Records Archives external storage
- Training new Patrol Officers
- Maintaining the Police fleet up to safety standards
- Establishing, and maintaining, a preventive maintenance schedule for all Police vehicles
- Training and certifying 2 Firearms Instructors
- Advanced training for **ALL** Patrol Officers
- Implement Body worn cameras via receiving a grant for the majority of the cost and Magnolia Police Department policies to monitor and establish procedures for Body cameras
- Actively pursuing Narcotics violators/dealers
- Actively pursuing DWI cases/arrests
- Establishing, and bringing on line, the Special Investigations Unit
- Actively pursuing illegal electric gambling devices
- Identifying the Police Radios that will be outdated in the near future and slowly phase new ones in the inventory over the next 3 Budget years
- Seeking and replacement of on board video cameras that are outdated and high maintenance
- Replace aging Patrol vehicles

Goals for 2017 -2018

- Replace ballistic vests that will expire during the Budget year
- Increase public awareness of distracted driving
- Expand indoor Evidence storage
- Advanced training for **ALL** Magnolia Police Officers. The training will consist of, but not limited to:
 - # Certify through TCLEO, and State certify, a Crime Prevention Officer
 - # Train 2 Officers as TCLEO Firearms Instructors
 - # Provide TCLEO training in all classes necessary for TCLEO Intermediate, Advanced, and Master Peace Officer license
 - # Certify and train all Officers in TCLEO High Speed pursuit driving

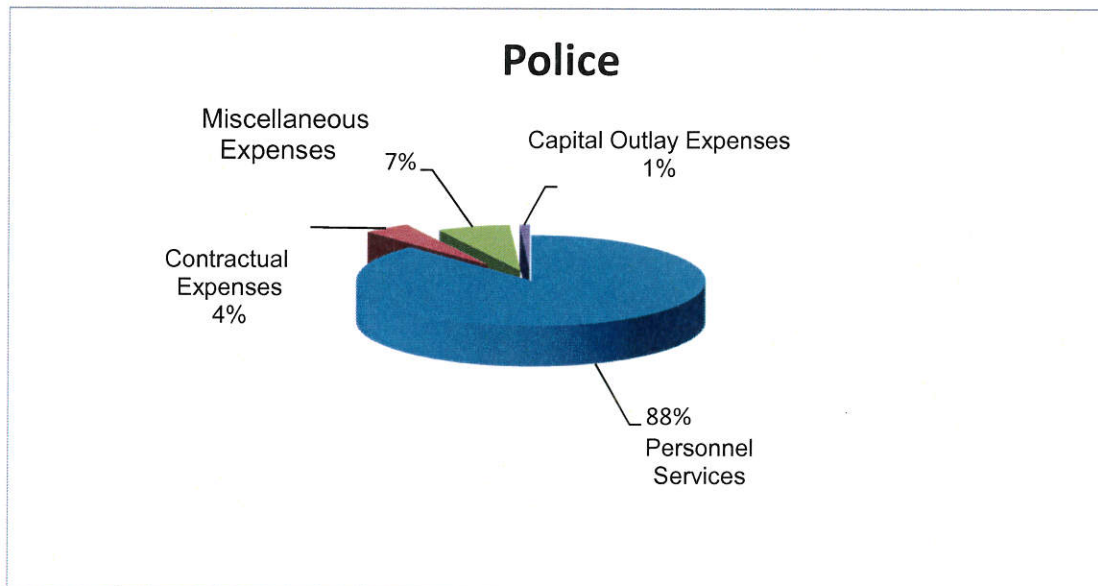
- # TCLEO Advanced Leadership/Supervisors Course
- # TCLEO Basic First Line Supervisors Course
- # TCLEO Violent Death Investigations
- # TCLEO Basic Accident Investigation
- # TCLEO Advanced Accident Investigation
- Replace aging Patrol vehicles
- Begin negotiations with the HEB developers for a Store Front location at FM 1488 and FM149
- Replace on board dash Video Cameras as necessary
- Send the Detective and Special Investigator to Violent Death Investigations and Evidence Recovery Class
- Apply, and receive, a grant from the Texas Governor's Office for upgrading ballistic vests for Officers
- Updating the Salary step schedule to recruit and maintain personnel
- Explore implementing a TIP hotline for Magnolia Police Department
- Establish a "hands on" building entry/search class for all Officers
- Qualify each Officer 4 times a year in all weapons they carry, on and off duty
- Explore community interest in a Citizens Police Academy Class
- Train all Officers on High Risk Vehicle stops
- Recertify all Officers on the Taser
- Recertify all Officers on use of Chemical Defense Weapons

City of Magnolia

Police Department Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$938,922	\$1,028,303	\$1,174,745	\$1,230,734
Contractual Expenses	\$67,939	\$71,089	\$79,089	\$61,800
Miscellaneous Expenses	\$89,950	\$90,400	\$93,900	\$94,200
Capital Outlay Expenses	\$0	\$33,550	\$29,388	\$13,851
Total	\$1,096,810	\$1,223,342	\$1,377,122	\$1,400,585

Staffing	Approved 2014-2015	Amended 2015-2016	Approved 2016-2017	Approved 2017-2018
Chief of Police	1	1	1	1
Captain	0	0	0	0
Lieutenant	0	0	1	1
Sergeant	3	3	3	3
Detective	1	1	1	1
Investigator	0	0	0	1
Patrol Officers	7	9	9	9
Reserve Officers	9	9	9	9
Dispatch	0	0	0	0
Administrative Asst/Dispatch	2	1	1	1
Code Compliance Officer	0	1	1	0
Executive Officer	1	0	0	0
Evidence Clerk	0	1	1	1
Total	24	26	27	27



City of Magnolia

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Police Department					
<u>Personnel Services</u>					
502501 Salaries	636,950	629,740	728,876	700,660	762,454
502503 Overtime	20,000	20,629	20,000	24,009	24,500
502504 S.T.E.P. Overtime	2,000	4,160	2,000	672	2,000
502510 Salary and Benefit Reimbursement(TC)	159,273	150,909	162,329	137,259	175,571
502515 Longevity	2,035	2,635	2,530	3,280	2,360
502516 T.E.C.(Unemployment)	1,440	2,841	3,078	1,026	1,620
502517 TMRS	13,370	11,906	18,864	16,606	21,175
502518 Worker's Compensation	17,670	15,201	19,333	20,493	20,256
502526 Insurance (Med./Dental/Vision/Life)	110,200	98,056	143,300	121,713	148,563
502536 Payroll Tax (F.I.C.A/Medicare)	50,565	60,677	57,636	65,934	60,536
502543 Education, Travel, & Certifications	13,325	15,304	15,000	15,000	10,000
502544 State P. D. Education	0	1,008	0	(1,388)	0
502547 Drug Test	500	1,246	500	725	700
502550 Dues, Memberships, & Promotions	1,300	737	1,300	555	1,000
Total Personnel Services	1,028,628	1,015,050	1,174,745	1,106,544	1,230,734
<u>Contractual Expenses</u>					
502604 Police Dept Cell Phones	8,000	12,388	11,000	11,130	11,000
502605 Utilities/Telephone	0	2,373	0	0	0
502625 Maintenance & Repair Vehicle	24,000	32,123	29,000	22,395	29,000
502630 Outside Services	5,000	5,048	5,000	4,000	4,000
502634 Maintenance & Repair Office Equip.	800	0	800	0	800
502637 Radios	15,526	3,503	15,526	2,620	2,000
502638 Harris County Contract-Radio	2,763	0	2,763	0	0
502670 Copy Machine/Lease of Office Equip.	5,000	3,789	5,000	4,908	5,000
502673 Computer Software	7,000	5,848	7,000	7,640	7,000
502677 Computer Assistance (IT Services)	3,000	1,975	3,000	3,000	3,000
Total Contractual Expenses	71,089	67,048	79,089	55,693	61,800
<u>Miscellaneous Expenses</u>					
502744 Minor Equipment	1,200	1,826	1,200	81	1,000
502760 Fuel	45,000	52,117	45,000	50,373	45,000
502762 Uniforms & Badges	9,500	7,265	10,500	8,397	8,500
502766 Office Supplies	6,000	6,645	7,500	7,500	8,000
502769 Evidence Supplies	1,200	1,644	2,200	2,200	2,500
502770 K-9 Expense	3,000	3,113	3,000	3,000	3,000
502771 Citizens Police Academy	675	0	1,000	0	0
502772 Officer Safety Equipment Assistance Progr	2,000	0	2,000	0	0
502827 Fleet Insurance - TML	10,500	17,042	10,500	15,947	15,000
502828 Law Enforcement Liability	11,000	7,914	11,000	12,600	11,000
502833 Postage	0	0	0	0	200
Total Miscellaneous Expenses	90,075	97,566	93,900	100,098	94,200
<u>Capital Expenses</u>					
502920 Computer Equipment	2,000	0	9,278	9,278	0
502921 Radios	0	0	10,292	10,363	7,800
502922 Tasers	0	0	5,962	5,962	3,400
502924 Safety Vests	0	0	3,856	3,856	2,651
502951 Motor Vehicles	31,550	35,735	0	0	0
Total Capital Expenses	33,550	35,735	29,388	29,459	13,851
Total Police Department Expenditures	1,223,342	1,215,399	1,377,122	1,291,794	1,400,585

City of Magnolia

Police Department

Account	Account Name	Approved Budget	Description	
502501	Salaries	762,454	15 employees	
502503	Overtime	24,500	Authorized overtime for non-exempt employees	
502504	S.T.E.P. Overtime	2,000	State funds	
502510	Salary & Benefit Reimb (TC)	175,571	Salary/payroll tax costs for 3 employees-red light camera	
502515	Longevity	2,360	\$5 per month per year of service with City	
502516	T.E.C. (Unemployment)	1,620	Unemployment taxes- 1.0% rate	
502517	TMRS	21,175	Retirement cost-2.19%	
502518	Worker's Compensation	20,256	Premiums paid to TML for W/C ins.	
502526	Employee Insurance	148,563	Medical, dental, vision for 18 empl.	
502536	Payroll Tax	60,536	Social Security & Medicare-7.65% rate	
502543	Education, Travel, Certifications	10,000	Misc education, travel expense	
502547	Drug Test	700	Pre-employment & post-accident testing	
502550	Dues, Memberships & Promotions	1,000	IACP	120
			TPCA	230
			Misc	650
502587	Tx Best Practices	-	Application fee and fee for assessors to conduct site visits	
502604	Cell Phones	11,000	Cost of cell phones & usage (Includes notebook computer usage)	
502625	Maintenance & Repair Vehicles	29,000	Oil changes, inspection, repairs, maintenance of police vehicles	
502630	Outside Services	4,000	Contracted expenses	
502634	Maint/Repair of Office Equipment	800	Routine maintenance or repair costs of office equipment	
502637	Mont. Co.Sheriff's Office/Radio	2,000	Annual contract with Montgomery County	
502638	Harris County Contract-Radio	-	Hand-held radio & annual fees for Police Reserve Program	
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	Approved Budget	Description
502673	Computer Software	7,000	Annual renewal of TCLEDDS Pay'ts for Ejustice service
502677	Computer Assistance (IT Services)	3,000	Technical services for P/D
502744	Minor Equipment (Ammo)	1,000	Ammunition for training, etc.
502760	Fuel	45,000	Fuel for police vehicles
502762	Uniforms & Badges	8,500	Uniforms & badges, new or replacement
502766	Office Supplies	8,000	Copy paper, pens, file folders, toner, coffee supplies, etc.
502769	Evidence Supplies	2,500	Expense associated with the collection of evidence in crime scenes, drug test kits, flex cuffs, personal protection search gloves
502770	K-9 Expense	3,000	Expenses for the maintenance of the drug detection dog
502771	Citizens Police Academy	-	Expenses for volunteer citizens to learn about police work (graduation program, food, etc.)
502772	Officer Safety Equipment Assistance Program	-	Program to assist officers with purchase of duty-related firearms (payroll deduction-no cost to City)
502827	Fleet Insurance-TML	15,000	Vehicle insurance
502828	Law Enforcement Liability	11,000	Police officers' liability insurance
502833	Postage	200	Cost to send certified letters
502920	Computer Equipment	-	New in-car computers
502921	Radios	7,800	APX6000 Motorola 700/800 Model 2.5 portable radios w/chargers, batteries, audio jacks, svc agreement, etc.
502922	Tasers (Holsters & Cartridges)	3,400	Class III tasers w/holsters, battery packs, cartridges, dataport download kits
502924	Personal Ballistic Armor	2,651	To replace outdated body armor for officers
502951	Motor Vehicles	-	Patrol vehicles Additional equipment
		1,400,585	

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 2016-2017:

- The Magnolia Municipal Court won the 2017 TMCEC Traffic Safety Initiative Award for low volume Courts; this is the 4th consecutive award received;
- The Deputy Court Clerk received a Level Two Municipal Court Clerk Certification;

- The Magnolia Municipal Court along with Texas Children's Hospital hosted a Child Safety Seat Inspection to inspect seats and educate the community on proper installation; safety seats were donated to those who did not have one.

Goals for FY 2017-2018:

- Continue to implement traffic safety programs in the community;
- Improve on Court collections; collect on current warrants, implement a program that will help with collections before cases get to warrant status;
- The Court will place traffic safety signs throughout the City of Magnolia to deter drivers from driving distracted;
- Clerks will continue their education to stay abreast of the latest updated laws and Court procedures; Court Administrator will begin studies to receive a Level Three Municipal Court Clerk Certification.

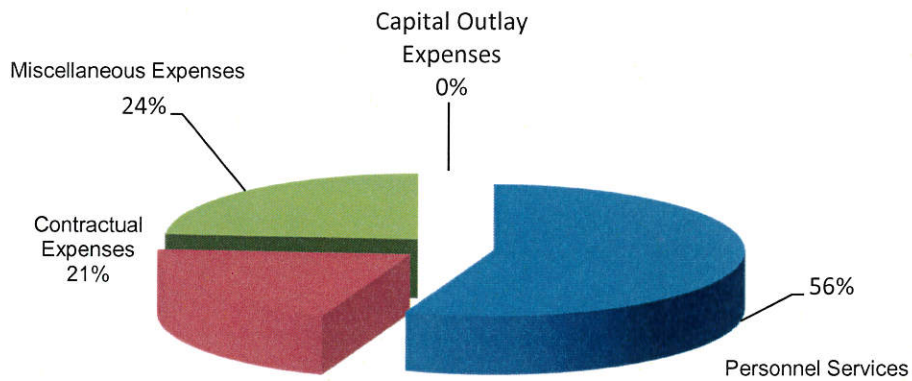
City of Magnolia

Municipal Court Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$95,519	\$104,781	\$91,507	\$95,009
Contractual Expenses	\$29,000	\$29,000	\$30,000	\$35,000
Miscellaneous Expenses	\$288,483	\$218,125	\$32,775	\$40,775
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$413,002	\$351,906	\$154,282	\$170,784

Staffing	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Judge	1	1	1	1
Associate Judge	1	1	1	1
Municipal Court Administrator	1	1	1	1
Municipal Court Clerk	1	1	1	1
Total	4	4	4	4

Municipal Court



City of Magnolia

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Municipal Court					
<u>Personnel Services</u>					
504501 Salaries	77,216	64,934	65,806	66,443	68,405
504503 Overtime	0	0	0	0	0
504515 Longevity	170	180	300	300	420
504516 T.E.C.	225	351	342	114	180
504517 T.M.R.S.	1,261	964	1,362	1,279	1,507
504518 Worker's Comp	220	197	168	165	175
504526 Insurance (Med/Dental/Life/Vision)	17,219	14,564	15,922	15,149	16,507
504536 Payroll Tax (F.I.C.A./Medicare)	5,920	4,939	5,057	5,117	5,265
504543 Education, Travel, Certification	2,000	1,295	2,000	1,451	2,000
504547 Drug Test	50	0	50	0	50
504550 Dues and Memberships	500	80	500	100	500
Total Personnel Services	104,781	87,504	91,507	90,118	95,009
<u>Contractual Expenses</u>					
504632 Contract/Outside Services	17,000	12,000	18,000	12,000	18,000
504640 Legal	12,000	9,900	12,000	9,000	12,000
504673 Incode Software & Support	0	0	0	0	5,000
504677 Computer Assistance/IT Services	0	0	0	0	0
Total Contractual Expenses	29,000	21,900	30,000	21,000	35,000
<u>Miscellaneous Expenses</u>					
504766 Office Supplies	3,000	3,393	3,000	2,347	3,000
504775 Ref. Books, Rpts, Subscriptions	300	0	300	0	300
504803 Over/Short Cash	0	0	0	18	0
504810 Court Jurors	500	72	500	0	500
504812 O.M.N.I.	3,000	0	0	0	0
504814 C.O.L.A.G.Y.	12,000	17,928	12,000	45,097	20,000
504815 State Comptroller Fees	180,000	0	0	0	0
504833 Postage	3,000	1,142	3,000	1,578	3,000
504850 Security Fund Expense	6,000	23,628	5,000	2,184	5,000
504855 Tech Fund Expense	10,325	9,022	8,975	11,406	8,975
Total Miscellaneous Expenses	218,125	55,185	32,775	62,630	40,775
Total Municipal Court Expenditures	351,906	164,589	154,282	173,748	170,784

City of Magnolia

Municipal Court

Account	Account Name	Approved Budget	Description
504501	Salaries	68,405	1 administrator, 1 clerk
504503	Overtime	-	Authorized overtime for non-exempt employees
504515	Longevity	420	\$5 per month per year of service with City
504516	T.E.C. (Unemployment)	180	Unemployment taxes- 1.0% rate
504517	TMRS	1,507	Retirement cost-2.19%
504518	Worker's Compensation	175	Cost of W/C insurance
504526	Employee Insurance	16,507	Medical, dental, vision
504536	Payroll Tax	5,265	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	18,000	Fees paid to judge 12,000 Certified court interpreter fees 1,000 Other court contractual services 5,000
504640	Legal	12,000	Fees paid to prosecutor
504673	Incode Software & Support	5,000	Tyler (Incode) annual maint.
504766	Office Supplies	3,000	Copy paper, pens, file folders, toner, etc.
504775	Ref. Books, Reports, Subscriptions	300	Updated law manuals
504810	Court Jurors	500	Money paid to jurors for their service

City of Magnolia

Municipal Court

Account	Account Name	Approved Budget	Description
504812	O.M.N.I.	-	Quarterly cost to send information to DPS
504814	C.O.L.A.G.Y.	20,000	Collection agency fees
504815	State Comptroller Fees	-	State's portion of all tickets and fines
504833	Postage	3,000	Costs for court mailings
504850	Security Fund Expense	5,000	Bailiff charges for court nights 2,500 Misc. court security expense 2,500
504855	Tech Fund Expense	8,975	Lexis Nexis Risk Mgt 1,125 Lexis Nexis CourtLink 675 Credit card fees 1,200 DeLage Landen lease 2,725 Extra copies 1,750 IT Services/computer equipment 1,500
		170,784	

PUBLIC WORKS



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 2016-2017

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

Objectives for FY 2017-2018

- 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

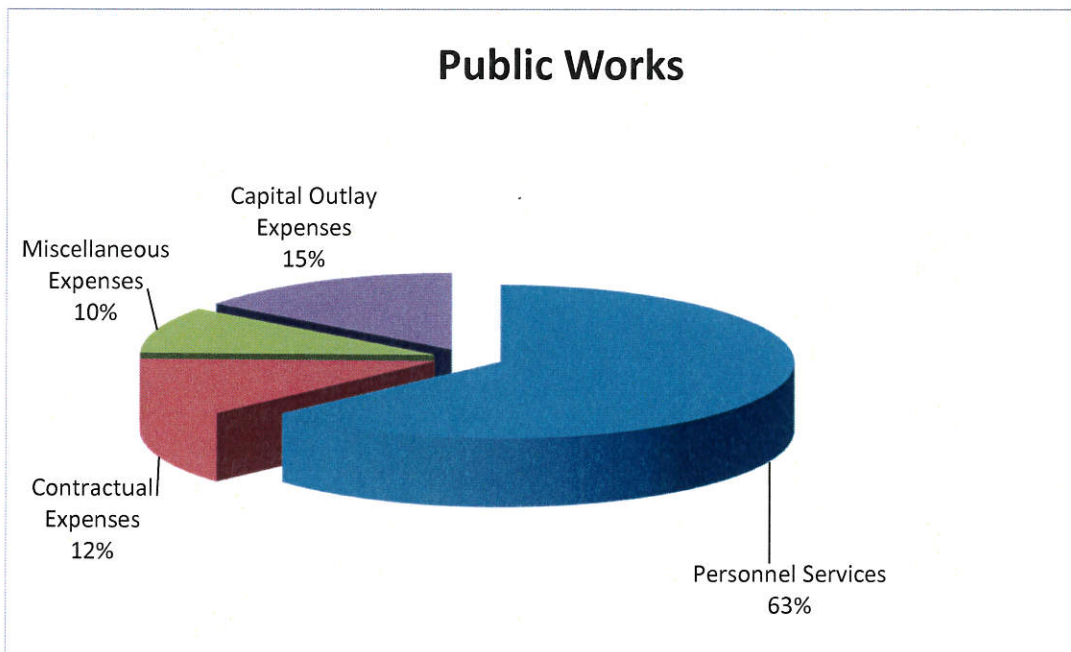
Goals for FY 2017-2018

- Continue to conduct quarterly operational and safety training seminars to increase employee safety awareness and proper working knowledge of select tools and practices
- Complete maintenance requests on city vehicles in timely manner
- Maintain mowing of vegetation along right-of-ways in scheduled manner
- Complete maintenance for City Hall as requested

Public Works Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$109,266	\$59,999	\$386,575	\$410,014
Contractual Expenses	\$32,000	\$64,000	\$72,000	\$79,200
Miscellaneous Expenses	\$23,500	\$31,000	\$63,500	\$63,500
Capital Outlay Expenses	\$8,000	\$8,000	\$6,000	\$96,000
Total	\$172,766	\$162,999	\$528,075	\$648,714

Staffing	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Public Works Director	0	0	1	1
Water/Sewer Plant Operator	0	0	1	1
Utility Maintenance Worker	0	0	4	4
Laborers	2	1	1	1
Mechanic	0.5	0.5	1	1
Total	2.5	1.5	8	8



City of Magnolia

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Public Works					
<u>Personnel Services</u>					
503501 Salaries	42,330	42,263	267,848	255,091	285,490
503503 Overtime	1,693	1,116	20,791	27,668	15,000
503505 Cell Phone Allowance	600	163	1,400	1,119	1,400
503515 Longevity	155	148	1,325	1,295	1,525
503516 T.E.C.	135	536	1,197	399	720
503517 T.M.R.S.	730	670	6,002	5,938	6,645
503518 Worker's Comp	0	0	5,795	5,863	5,795
503526 Insurance (Med/Dental/Life/Vision)	10,331	11,525	55,728	59,800	66,028
503536 Payroll Tax (F.I.C.A./Medicare)	3,426	3,429	22,289	21,591	23,211
503543 Education, Travel, Certification	400	300	3,600	1,233	3,600
503547 Drug Test	200	0	600	1,408	600
Total Personnel Services	59,999	60,149	386,575	381,405	410,014
<u>Contractual Expenses</u>					
503604 Electric (Street Lights)	15,000	20,459	18,000	21,160	18,000
503625 Maint/Repair-Vehicle(parts,inspection)	10,000	8,776	15,000	12,386	15,000
503632 Contract/Consulting Services	0	2,550	0	1,800	7,200
503633 Maint. & Repair Equip-Heavy	6,000	3,973	6,000	5,000	6,000
503650 Mowing	25,000	3,036	25,000	25,000	25,000
503653 Ditch Renovations	2,000	1,200	2,000	2,000	2,000
503655 Street Signs & Flags	3,000	1,922	3,000	2,423	3,000
503663 Rental of Equipment	3,000	243	3,000	1,626	3,000
Total Contractual Expenses	64,000	42,158	72,000	71,395	79,200
<u>Miscellaneous Expenses</u>					
503700 General Supplies	6,000	6,141	6,000	7,827	6,000
503744 Minor Tools and Equipment	6,000	7,954	8,000	3,878	8,000
503749 Street Supplies	1,000	87	1,000	0	1,000
503760 Fuel	14,000	14,605	31,000	43,488	31,000
503761 Tires and Tubes	4,000	4,042	8,000	2,965	8,000
503762 Uniforms and Badges	0	0	5,000	5,940	5,000
503827 Fleet Insurance - TML	0	0	4,500	6,438	4,500
Total Miscellaneous Expenses	31,000	32,829	63,500	70,536	63,500
<u>Capital Expenses</u>					
503940 Mowers & Edgers	2,000	5,500	0	0	0
503945 Other Equipment	6,000	6,387	6,000	6,000	0
503951 Motor Vehicles	0	0	0	0	96,000
Total Capital Expenses	8,000	11,887	6,000	6,000	96,000
Total Public Works Expenditures	162,999	147,023	528,075	529,336	648,714

City of Magnolia

Public Works

Account	Account Name	Approved Budget	Description
503501	Salaries	285,490	8 employees
503503	Overtime	15,000	Authorized overtime for non-exempt employees
503505	Cell Phone Allowance	1,400	Allowance for use of personal cell phones for business purposes
503515	Longevity	1,525	\$5 per month per year of service with City
503516	T.E.C. (Unemployment)	720	Unemployment taxes- 1.0% rate
503517	TMRS	6,645	Retirement cost-2.19%
503518	Worker's Compensation	5,795	Cost of W/C insurance
503526	Employee Insurance	66,028	Medical, dental, vision for 8 employees
503536	Payroll Tax	23,211	Social Security & Medicare-7.65% rate
503543	Education, Travel, Certifications	3,600	Training, travel & certifications
503547	Drug Test	600	Pre-employment & post-accident testing
503604	Electric (Street Lights)	18,000	Expense for all street lights in the City
503625	Maintenance & Repair Vehicles	15,000	Oil changes, inspection, repairs, maintenance of P W vehicles
503632	Contract/Consulting Services	7,200	Contract services for water/sewer operator
503633	Maint & Repair Equipment-Heavy	6,000	Costs to repair backhoe, tractor, & other equipment
503650	Mowing	25,000	Contracted work for mowing right-of-ways
503653	Ditch Renovations	2,000	Expenses for repairing ditches
503655	Street Signs & Flags	3,000	Expenses to replace street signs and flags
503663	Rental of Equipment	3,000	Cost to rent work equipment

City of Magnolia

Public Works

Account	Account Name	Approved Budget	Description	
503700	General Supplies	6,000	Misc supplies-marking paint, gloves, safety equipment, insect repellent, batteries, ragsinabox, shop supplies	
503744	Minor Tools & Equipment	8,000	Flashlights, generators, rakes, shovels, saws, drills/drill bits, lawn mowers, edgers, misc small tools	
503749	Street Supplies	1,000	Street supply costs that aren't HB445 fund repairs	
503760	Fuel	31,000	Cost of fuel for P/W vehicles	
503761	Tires and Tubes	8,000	Cost of tires for P/W vehicles, tractors & mowers	
503762	Uniforms & Badges	5,000	Supply uniforms & cleaning	
503827	Fleet Insurance-TML	4,500	Vehicle insurance	
503940	Mowers & Edgers	-	Included with minor equipment	
503945	Other Equipment	-		
503951	Motor Vehicles	96,000	Maintenance truck w/ boom for lifting pumps,welder,compressor	30,000
			Dump truck	36,000
			Pickup (1 new or 2 used)	30,000
		648,714		

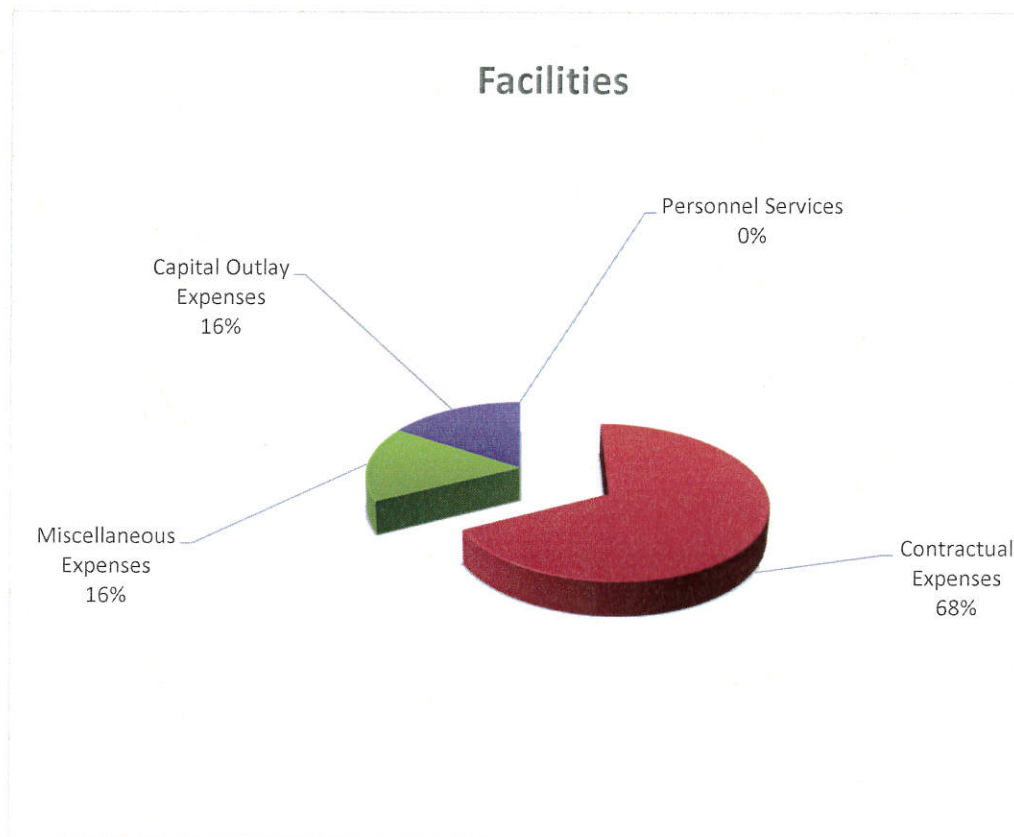
FACILITIES



City of Magnolia

Facilities Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$0	\$0	\$0	\$0
Contractual Expenses	\$64,670	\$54,500	\$55,500	\$55,500
Miscellaneous Expenses	\$14,000	\$13,500	\$13,500	\$13,500
Capital Outlay Expenses	\$23,500	\$0	\$37,500	\$13,000
Total	\$102,170	\$68,000	\$106,500	\$82,000



City of Magnolia

Facilities	Approved 2015-2016	Actual 2015-2016	Approved 2015-2016	Projected 2016-2017	Approved Budget 2017-2018
<u>Contractual Expenses</u>					
509603 Utilities / Electric	18,000	19,746	19,000	17,408	19,000
509605 Telephone & Internet	17,000	15,828	17,000	15,812	17,000
509632 Contractual Services	1,000	5,122	1,000	3,295	1,000
509633 Bldg Lease & Grounds Maint	5,000	12,395	5,000	3,377	5,000
509634 Heat/A/C	0	248	0	0	0
509671 Janitorial Services / Cleaning	13,500	11,989	13,500	13,553	13,500
Total Contractual Expenses	54,500	65,328	55,500	53,445	55,500
<u>Miscellaneous Expenses</u>					
509700 Supplies (Misc.)	10,000	8,055	10,000	7,919	10,000
509826 Building Insurance - TML	3,500	4,182	3,500	3,164	3,500
Total Miscellaneous Expenses	13,500	12,237	13,500	11,083	13,500
<u>Capital Expenses</u>					
509974 Capital Outlay	0	0	37,500	37,500	13,000
Total Capital Expenses	0	0	37,500	37,500	13,000
Total Facilities Expenditures	68,000	77,565	106,500	102,028	82,000

City of Magnolia

Facilities

Account	Account Name	Approved Budget	Description	
509603	Utilities/Electric	19,000	Electricity for City Hall, some stations	
509605	Telephone & Internet	17,000	Stationary phone usage for facilities	
509632	Contractual Services	1,000	ADT security services, etc.	
509633	Building Lease & Grounds Maint.	5,000	Fire extinguisher service, lock svc., misc. building/grounds maint. costs	
509634	Heat & A/C	-	Costs to repair a/c & heating equipment	
509671	Janitorial Services/Cleaning	13,500	Costs for cleaning the building	
509673	Computer Software License/Upgrade	-	Renewal of licenses & software	
509677	Computer Assistance (IT Services)	-	Technical services for Facilities	
509700	Supplies (Misc.)	10,000	Rug service, kitchen/bathroom supplies, trash bags, coffee, etc.	
509826	Building Insurance-TML	3,500	Property insurance	
509974	Capital Outlay	13,000	New phone system for City Hall	13,000
		82,000		

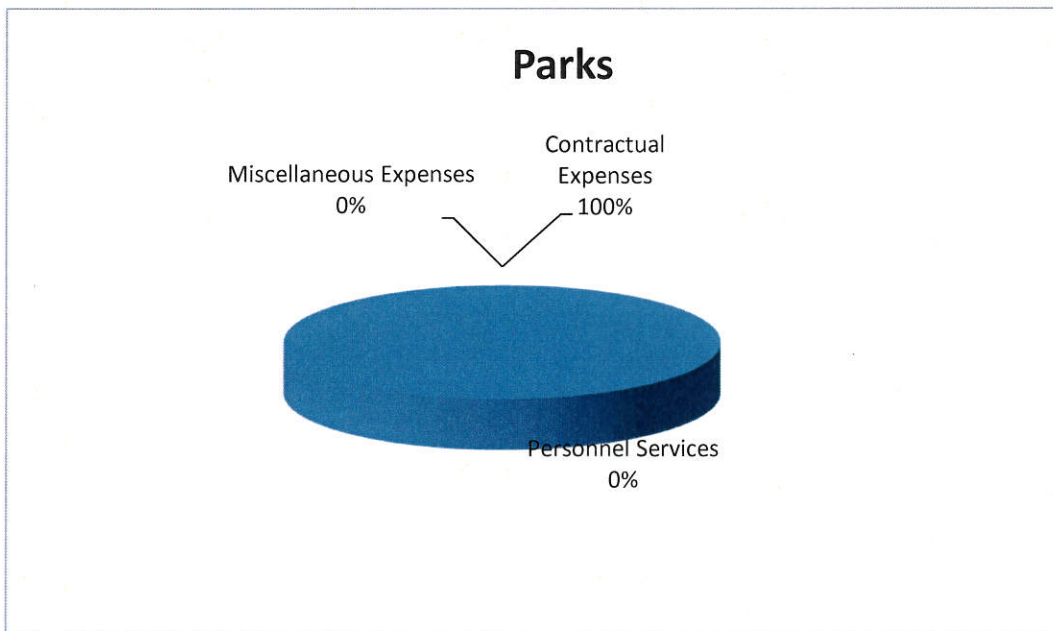
PARKS



Parks Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Contractual Expenses	\$6,500	\$7,500	\$7,500	\$12,500
Miscellaneous Expenses	\$6,500	\$6,000	\$500	\$0
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$13,000	\$13,500	\$8,000	\$12,500

Staffing	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Laborers	0	0	0	0
Total	0	0	0	0



City of Magnolia

Parks	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
<u>Contractual Expenses</u>					
511603 Utilities / Electric	6,500	6,345	6,500	5,144	6,500
511632 Contractual Services / Parks	0	203	0	0	0
511633 Grounds Maintenance/Mulch	0	0	0	2,480	0
511634 Building Maintenance	1,000	0	1,000	987	6,000
511671 Janitorial Services / Cleaning	0	0	0	0	0
Total Contractual Expenses	7,500	6,548	7,500	8,611	12,500
<u>Miscellaneous Expenses</u>					
511700 Supplies	0	0	0	0	0
511744 Minor Equipment	0	1,371	0	0	0
511760 Gas/Oil	500	0	500	0	0
511826 Property Insurance - TML	2,500	0	0	0	0
511940 Equipment	3,000	0	0	0	0
Total Miscellaneous Expenses	6,000	1,371	500	0	0
Total Parks Expenditures	13,500	7,919	8,000	8,611	12,500

City of Magnolia

Parks

Account	Account Name	Approved Budget	Description
511603	Utilities/Electric	6,500	Electricity for parks, stroll
511633	Grounds Maintenance/Mulch	-	Costs for maintaining the park grounds
511634	Building Maintenance	6,000	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	-	Gas & oil for mowers, park equipment
511826	Property Insurance - TML	-	Insurance for park buildings
511940	Equipment	-	Batteries, misc equipment
		12,500	

ENTERPRISE FUND



City of Magnolia

Proprietary (Enterprise) Fund

Fund Description

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determination of net income, financial position, and cash flows. The proprietary fund types used by the City include enterprise funds.

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 enterprise fund:

Water/Sewer Fund: The Water/Sewer Fund is used to account for the provision of water, wastewater collection and treatment operations, and sanitation services. 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. The fund also accounts for the accumulation of resources for and the payment of long-term debt principal and interest.

2017/2018 Budget

Per our auditor's recommendation, the Water, Sewer and Impact Funds were combined into one fund beginning last year.

Revenue

Revenue for the Water/Sewer Department is budgeted conservatively at \$2,103,100, which is \$41,500 or 2.0% more than last year's budget. Budget increases were for fees collected for the San Jacinto River Authority, water fund revenue and sewer fund revenue. Impact fee revenues were budgeted lower, and other revenues were budgeted fairly consistent with last year's budget numbers.

Expenditures/Transfers Out

Expenditures/transfers out for the Water/Sewer Fund are budgeted at \$2,025,550 or \$216,333 more than the previous year's budget. Largest increases were for San Jacinto River Authority fees, sludge hauling and garbage collection. Transfers to debt service increased by \$70,825 from the previous year and transfers from the Water/Sewer Fund to the General Fund increased by \$20,753 for a combined increase of 5% in total transfers out.

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

Enterprise Funds Budgeted Statement of Revenues, Expenditures, and Changes in Net Position			
	Water/Sewer Fund	Enterprise Debt Svc Funds	Total of Enterprise Funds
REVENUES:			
Property Taxes			0
Sales Taxes			0
Other Taxes			0
Franchise Fees			0
Licenses & Permits			0
Fines & Forfeitures			0
Interest Income	4,100		4,100
Water User Fees	1,432,000		1,432,000
Sewer User Fees	597,000		597,000
Impact Fees	70,000		70,000
Other Revenue			0
Miscellaneous			0
Total Revenues	2,103,100	0	2,103,100
TRANSFERS:			
Intra-Fund Transfer (06)4B		205,483	205,483
Intra-Fund Transfer (07)4A			0
Intra-Fund Trfr (10)Red Lt Camera(TC)			0
Intra-Fund Trfr (02) Water/Sewer Fund		66,875	66,875
Intra-Fund Trfr (05)Gov't Debt Svc		589,700	589,700
Total Intra-Fund Transfers	0	862,058	862,058
Total Revenues/Transfers	2,103,100	862,058	2,965,158
EXPENDITURES:			
Personnel Services	50,841		50,841
Contractual Expenses	537,000		537,000
Miscellaneous Expenses	714,870	750	715,620
Capital Expenses	54,500		54,500
Bond/C O Principal Payments		497,898	497,898
Bond/C O Interest Payments		367,910	367,910
Intra-Fund Trfrs Out	668,339		668,339
Total Expenditures/Transfers	2,025,550	866,558	2,892,108
Total Revenue Over/(Under) Expenditures	77,550	(4,500)	73,050
Projected Beginning Fund Balance/ Retained Earnings	4,297,720	695,173	4,992,893
Projected Ending Fund Balance/ Retained Earnings	4,375,270	690,673	5,065,943

Water/Sewer Department

Department Mission

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

Program Narrative

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

Accomplishments for FY 2016-2017

- Maintained Superior Water Rating from TCEQ
- Worked with the TxDot contractor to finish relocating all lines which hampered the widening of FM 1774
- Changed out approximately 800 additional water meters with self-reading meters
- Continued to detect and repair major infiltration points throughout the sewer system
- Used camera equipment to check sewer lines on Nichols Sawmill
- Maintained excellent reporting criteria on all lab samples/tests for sewer plant
- Maintained excellent record keeping and reporting for all state requirements to TCEQ
- Completed lift stations at newly annexed area at FM 1488 and FM 149

Objectives for FY 2017-2018

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

Goals for FY 2017-2018

- Consult with contractor and Incode software support regarding self-reading meters to increase accuracy to the customer and cut down man hours required to reread 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
- Begin work on all emergency work orders within 2 working hours

Utility Department

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 department is responsible for the accurate billing and collection of all City of Magnolia water, sewer and sanitation accounts. 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. The department also works with Public Works for all service orders.

Accomplishments for FY 2016-2017

- Bills were mailed by the 5th day of the month 100% of the time
- Cut offs were highly enforced for non-payment accounts
- Implemented electronic meter read system
- Sent out information for our emergency alert system Nixle
- Implemented online bill pay
- Started Public Works council information spreadsheet and service order completion data spreadsheet
- Created Magnolia Ridge PID spreadsheet for Montgomery County

Objectives for FY 2017-2018

- 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 new fees for certain service orders. Example: re-read charge \$15

Goals for FY 2017-2018

- Research how to get all the water use data from a single meter to help with billing or leak problems
- Have all meters in the city changed to electronic meters

Water/Sewer Fund Revenue Summary

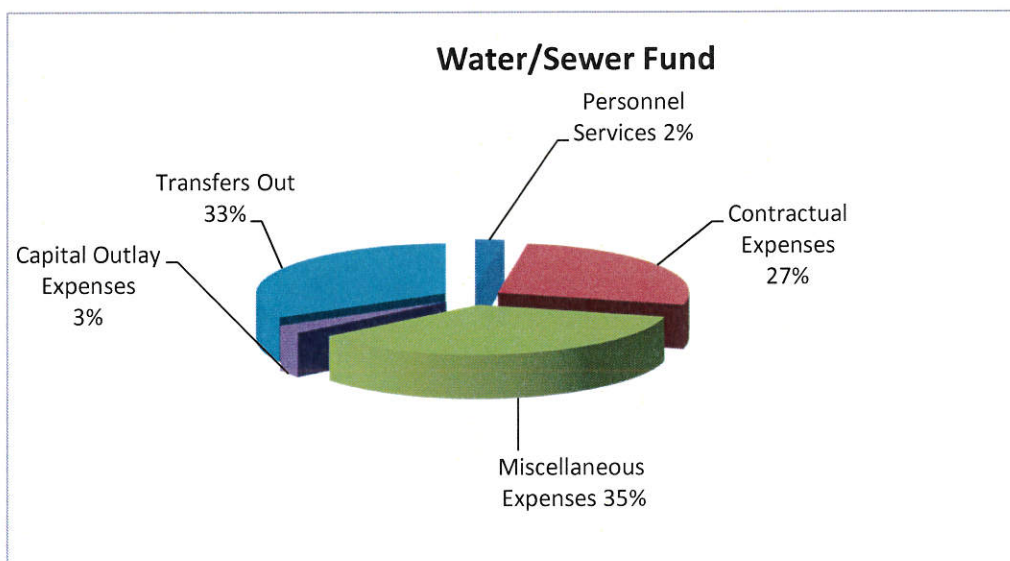
	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Revenue and Fees	\$2,090,201	\$1,976,600	\$2,061,600	\$2,103,100

Water/Sewer Fund Expenditure Summary

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Personnel Services	\$192,909	\$302,094	\$49,286	\$50,841
Contractual Expenses	\$473,400	\$482,300	\$526,300	\$537,000
Miscellaneous Expenses	\$553,102	\$579,570	\$594,870	\$714,870
Capital Outlay Expenses	\$66,000	\$66,000	\$62,000	\$54,500
Transfers Out	\$210,500	\$104,450	\$576,761	\$668,339
Total	\$1,495,911	\$1,534,414	\$1,809,217	\$2,025,550

Staffing

	Approved 2014-2015	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018
Utility Maintenance Worker	2	2	0	0
Water Plant Operator	0.5	0.5	0	0
Mechanic	0.5	0.5	0	0
Utility/Permit Technician	0.67	0.67	1	1
Total	3.67	3.67	1	1



City of Magnolia

WATER/SEWER FUND - 02

		Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenues						
<u>Revenue</u>						
40001	Water Fund Revenue	950,000	1,215,252	950,000	986,194	990,000
40002.09	Water Impact Revenue	50,000	55,500	50,000	31,500	30,000
40003.09	Sewer Impact Revenue	60,000	102,000	60,000	63,000	40,000
40004	Water Tap Fees	10,000	10,369	10,000	11,900	10,000
40005	Reconnect Fees	8,000	7,420	8,000	6,304	8,000
40006	Credit Card Fees	4,000	7,115	4,000	5,393	4,000
40012	Misc. Revenues-Water	0	0	0	0	0
40015	Cash Collections/Misc.	0	-	0	0	0
40016	Late Fees-Water	10,000	10,654	10,000	7,905	10,000
40018	Disconnect Fees	20,000	20,020	20,000	20,843	20,000
40020	Interest Income	100	0	100	29	100
40020.09	Impact Fund Interest	500	2,766	500	5,055	4,000
40024	Lone Star Groundwater	20,000	21,044	20,000	22,351	20,000
40025	San Jacinto River Authority	300,000	322,985	350,000	371,901	370,000
40001.03	Sewer Fund Revenue	400,000	419,201	420,000	445,375	440,000
40003.03	Road Bore Fee	2,000	0	2,000	0	0
40004.03	Sewer Tap Fees	12,000	8,350	12,000	2,850	12,000
40010.03	Garbage Collection Fees	1,000	1,231	1,000	1,495	1,000
40011.03	Garbage Revenue	125,000	129,128	140,000	144,974	140,000
40012.03	Misc. Revenues-Sewer	0	0	0	0	0
40016.03	Late Fees-Sewer	4,000	4,943	4,000	3,504	4,000
40033	Transfers In		0			
	Total Revenue	1,976,600	2,337,979	2,061,600	2,130,573	2,103,100
Total Revenue		1,976,600	2,337,979	2,061,600	2,130,573	2,103,100

Department Expenditures

<u>Personnel Services</u>						
500501	Salaries	214,022	221,812	37,235	40,539	38,351
500503	Overtime	11,000	21,849	0	0	0
500505	Cell Phone Allowance	1,100	963	0	0	0
500515	Longevity	945	983	190	190	250
500516	T.E.C.	585	828	171	57	90
500517	T.M.R.S.	3,701	3,622	771	922	845
500518	Worker's Comp	5,301	6,702	95	2,139	98
500526	Insurance (Med/Dental/Life/Vision)	44,769	46,172	7,961	7,575	8,253
500536	Payroll Tax (F.I.C.A./Medicare)	17,371	18,371	2,863	3,113	2,953
500543	Education, Travel, Certification	3,200	721	0	0	0
500547	Drug Test	100	147	0	0	0
	Total Personnel Services	302,094	322,170	49,286	54,535	50,841

City of Magnolia

WATER/SEWER FUND - 02

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Contractual Expenses					
500603 Utilities / Electric-Water	55,000	62,020	55,000	65,108	65,000
500603.03 Utilities / Electric-Sewer	95,000	63,337	75,000	64,021	65,000
500605 Utilities / Telephone-Water	2,800	4,907	2,800	4,997	4,000
500605.03 Utilities / Telephone-Sewer	3,000	2,009	3,000	1,969	2,500
500625 Maintenance & Repair / Vehicles	7,000	1,069	0	0	0
500627 Maintenance/ Bldg & Plant-Water	15,000	71,181	50,000	29,811	50,000
500627.03 Maintenance & Repair-Lift Station	85,000	70,068	85,000	63,543	85,000
500631 Contract Svc Utilities (TNG)	0	39	0	0	0
500632 Contract/Consultant Svcs-Water	2,500	19,821	22,500	12,169	22,500
500632.03 Contract/Consultant Svcs-Sewer	6,000	7,070	6,000	11,620	6,000
500633 Maint & Repair Water Equipment	2,000	5,913	6,000	2,662	6,000
500633.03 Maint & Repair Sewer Equipment	25,000	23,893	25,000	10,113	25,000
500643 Engineering-Water	10,000	557	10,000	1,067	10,000
500643.03 Engineering-Sewer	10,000	1,288	10,000	1,067	10,000
500652 Permits, Fees, Sample Test-Water	35,000	26,686	35,000	33,704	35,000
500652.03 Permits & Testing-Sewer	8,000	4,778	10,000	10,000	10,000
500663 Rental of Equipment-Water	5,000	1,304	5,000	511	5,000
500663.03 Rental of Equipment-Sewer	2,000	0	2,000	0	2,000
500672.03 Garbage Service	110,000	121,551	120,000	133,771	130,000
500673 Computer Update	4,000	0	4,000	4,934	4,000
Total Contractual Expenses	482,300	487,490	526,300	451,067	537,000
Miscellaneous Expenses					
500677 Minor Equipment-Water	2,000	2,832	2,000	1,465	7,000
500700 General Supplies-Water	50,000	55,816	50,000	53,487	50,000
500700.03 General Supplies-Sewer	20,000	10,135	20,000	4,356	20,000
500744.03 Minor Tools & Equip.-Sewer	0	789	5,000	21	5,000
500760 Fuel	7,000	12,335	0	0	0
500761 Tires & Tubes	14,000	514	0	0	0
500762 Uniforms & Badges	5,000	5,566	0	0	0
500766 Office Supplies	1,500	2,334	1,000	37	1,000
500780 Chemicals/ Water Treatment-Water	16,000	18,680	16,000	14,891	16,000
500780.03 Chemicals/ Water Treatment-Sewer	14,000	7,454	15,000	6,614	15,000
500800 Bank Fees	2,900	4,315	2,500	3,337	2,500
500802.09 Water Impact Expense	0	0	0	0	0
500803.09 Sewer Impact Expense	0	0	0	0	0
500804 San Jacinto River Authority	360,000	435,805	400,000	461,635	500,000
500805 Lone Star Water Conservation	15,420	12,796	15,420	15,975	15,420
500825.03 Sewer Liability Insurance - TML	1,500	816	1,500	1,044	1,500
500826 Water Plant Insurance - TML	7,000	6,417	7,500	8,721	7,500
500826.03 Sewer Plant Insurance - TML	3,000	2,373	3,000	972	3,000
500827 Fleet Insurance	3,500	4,279	0	0	0
500830.03 Personal Property Ins.-TML	550	585	700	675	700
500831.03 Damage Claims	1,000	0	1,000	0	1,000
500833 Postage	5,200	4,465	4,250	3,425	4,250
500855 Bad Debts-Water	0	8,183	0	0	0
500855.03 Bad Debts-Sewer	0	5,086	0	0	0
500857.03 Sludge Hauling	50,000	64,405	50,000	84,728	65,000
500858 Depreciation	0	238,452	0	0	0
500550 Interest Expense	0	0	0	0	0
500099 Amortization of Premium	0	(11,807)	0	0	0
510900 Pension Expense		3,093			
Total Miscellaneous Expenses	579,570	895,714	594,870	661,383	714,870

City of Magnolia

WATER/SEWER FUND - 02

		Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
<u>Capital Expenses</u>						
500920	Computer Equipment	1,000	0	0	0	0
500960	Capital Equipment-Water	55,000	482	55,000	90,000	7,500
500960.03	Capital Equipment & Tools-Sewer	10,000	0	7,000	0	47,000
	Total Capital Expenses	66,000	482	62,000	90,000	54,500
<u>Transfers Out</u>						
500859	Transfer to General Fund	0	0	430,711	430,711	451,464
500861	Transfer to/from Debt Service	104,450	0	146,050	146,050	150,000
	Transfer to 2017 SIB Loan	0	0	0	0	66,875
500863	Transfer Exp (to Cap Projects Fund)	0	0	0	405,048	0
	Total Transfers Out	104,450	0	576,761	981,809	668,339
Total Expenditures/Transfers Out		1,534,414	1,705,856	1,809,217	2,238,794	2,025,550
Total Revenue Over(Under) Expenditures/Transfers		442,186	632,123	252,383	(108,221)	77,550

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description
Revenues:			
40001	Water Fund Revenue	990,000	Estimated water revenue per current fee schedule
40002.09	Water Impact Revenue	30,000	Chgs against new development to pay for off-site construction or expansion of water infrastructure facilities that are necessitated by and benefit the new development
40003.09	Sewer Impact Revenue	40,000	Chgs against new development to pay for off-site construction or expansion of sewer infrastructure facilities that are necessitated by and benefit the new development
40004	Water Tap Fees	10,000	\$650/water tap
40005	Application/Connection Fees	8,000	\$35/account
40006	Credit Card Fees	4,000	Credit card fees
40016	Late Fees-Water	10,000	5% of customer's balance
40018	Disconnect Fees	20,000	\$35/disconnect
40020	Interest Income	100	Interest earned
40020.09	Impact Fund Interest	4,000	Interest earned
40024	Lone Star Groundwater Conservation	20,000	\$.15/1000 gal pumped
40025	San Jacinto River Authority	370,000	\$2.75/1000 gal pumped
40051.03	Sewer Fund Revenue	440,000	Estimated sewer revenue per current fee schedule
40053.03	Road Bore Fee	-	Road bore costs
40054.03	Sewer Tap Fees	12,000	\$925/sewer tap
40060.03	Garbage Collection Fees/Taxes	1,000	Sales tax on garbage sales
40061.03	Garbage Revenue	140,000	Residential garbage fees
40066.03	Late Fees-Sewer	4,000	5% of customer's balance
		2,103,100	

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description
Expenditures			
500501	Salaries	38,351	1 employee
500503	Overtime	-	Authorized overtime for non-exempt employees
500505	Cell Phone Allowance	-	Allowance for use of personal cell phones for business purposes
500515	Longevity	250	\$5 per month per year of service with City
500516	T.E.C. (Unemployment)	90	Unemployment taxes- 1.0% rate
500517	TMRS	845	Retirement cost-2.19%
500518	Worker's Compensation	98	Cost of W/C insurance
500526	Employee Insurance	8,253	Medical, dental, vision
500536	Payroll Tax	2,953	Social Security & Medicare-7.65% rate
500543	Education, Travel, Certifications	-	Training, travel & certifications
500547	Drug Test	-	Pre-employment & post-accident testing
500602	Utilities/Water-Montgomery County	-	
500603	Utilities/Electric-Water	65,000	Electricity for water plants
500603.03	Utilities/Electric-Sewer	65,000	Electricity for sewer plants, lift stations
500605	Utilities/Telephone-Water	4,000	Telephone service at water plants
500605.03	Utilities/Telephone-Sewer	2,500	Telephone service at sewer plant(s)
500625	Maintenance & Repair/Vehicles	-	Oil changes, inspection, repairs, maintenance of vehicles
500627	Maintenance & Repair-Water	50,000	Repairs to buildings, plant and water lines
500627.03	Maintenance & Repair-Sewer	85,000	Repairs to lift stations, sewer plant and sewer lines
500632	Contract/Consultant Svcs-Water	22,500	TCEQ inspections 2,000 Answering service, etc. 2,500 Misc. consulting/contract work 18,000
500632.03	Contract/Consultant Svcs-Sewer	6,000	Answering service, etc. 2,500 Misc. consulting/contract work 3,500
500633	Maint & Repair Water Equipment	6,000	Costs to repair water equipment
500633.03	Maint & Repair Sewer Equipment	25,000	Costs to repair sewer equipment

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description
Expenditures			
500643	Engineering-Water	10,000	Costs for engineering services related to water construction
500643.03	Engineering-Sewer	10,000	Costs for engineering services related to sewer construction
500652	Permits, Fees, Sample Test-Water	35,000	Water permits and water sample testing
500652.03	Permits and Testing-Sewer	10,000	Sewer permit renewal
500663	Rental of Equipment-Water	5,000	Cost to rent work equipment-Water
500663.03	Rental of Equipment-Sewer	2,000	Cost to rent work equipment-Sewer
500672	Garbage Service	130,000	Dumpster at plant/garbage residential
500673	Computer Update	4,000	Costs to update and maintain current software
500674	Posting & Advertising	-	Consumer Quality Report Notice
500677	Minor Equipment-Water	7,000	Water meters 5,000 Other minor equipment 2,000
500700	General Supplies-Water	50,000	Misc operating supplies-Water
500700.03	General Supplies-Sewer	20,000	Misc operating supplies-Sewer
500744.03	Minor Tools & Equipment-Sewer	5,000	Boring equipment,sewer hose, misc. small tools
500760	Fuel	-	Fuel for Water Dept. vehicles and equipment
500761.03	Tires & Tubes	-	Replacement of tires for equipment
500762	Uniforms & Badges	-	Cost of uniforms and cleaning
500766	Office Supplies	1,000	Office supplies designated for water/sewer department
500780	Chemicals/Water Treatment-Water	16,000	Cost of chemicals for water treatment
500780.03	Chemicals/Water Treatment-Sewer	15,000	Cost of chemicals to treat wastewater
500800	Bank Fees	2,500	Credit card processing fees
500802.09	Water Impact Expense	-	Cost for construction or expansion of water infrastructure facilities
500803.09	Sewer Impact Expense	-	Cost for construction or expansion of sewer infrastructure facilities

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description	
500804	San Jacinto River Authority	500,000	Cost to participate in WRAP \$2.83/1000 gal. pumped	
500805	Lone Star Water Conservation	15,420	Cost for historical & operating permit renewals @ \$.06/1000 gal.	
500825.03	Sewer Liability Insurance-TML	1,500	Liability insurance-sewer	
500826	Water Plant Insurance-TML	7,500	Property insurance for water plants	
500826.03	Sewer Plant Insurance-TML	3,000	Property insurance for sewer plant	
500827	Fleet Insurance-TML	-	Vehicle insurance	
500830.03	Personal Property Insurance-TML	700	Personal property insurance	
500831.03	Damage Claims	1,000	Amounts paid to settle damage claims	
500833	Postage	4,250	Mailing cost for water bills, etc.	
500857.03	Sludge Hauling	65,000	Cost to haul sludge	
500859	Transfer to General Fund	451,464	Transfers to cover Public Works employees & related expense, including vehicle maintenance,fuel,insurance, etc.	
500859	Additional transfer to General Fund	-	Additional transfer to General Fund	
500861	Transfer to 2014 G/O Bond	150,000	Transfer to cover bond debt service payments	
	Transfer to 2017 SIB Loan	66,875	Transfer to cover payment for SIB Loan	
500960	Capital Equipment-Water	7,500	Boring Machine	
500960.03	Capital Equipment & Tools-Sewer	47,000	Sewer Jetter Machine	47,000
		2,025,550		

DEBT SERVICE



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.

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

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 2017-2018 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.

FUND		BOND ISSUED	BOND INFORMATION				2017-2018 DEBT SERVICE		
			ISSUE AMOUNT	MATURITY	OUTSTANDING PRINCIPAL BALANCE 9/2017	FISCAL PAY Principal	FISCAL PAY Interest	FISCAL PAY TOTAL P&I	
GENERAL/ENT		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	\$5,090,000.00	\$270,000.00	\$165,000.00	\$435,000.00	
(30% Gen)									
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	\$1,790,000.00	\$225,000.00	\$76,075.00	\$301,075.00	
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. *48-CDC has agreed to assume this debt for this year.	\$2,000,000.00	02/01/2026	\$1,296,256.57	\$128,522.86	\$36,959.82	\$165,482.68	
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	\$510,689.62	\$66,876.04	\$14,021.92	\$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	\$4,855,000.00	\$105,000.00	\$183,950.00	\$288,950.00	
ENTERPRISE		2017 State Infrastructure Bank-Loan Issued June 2017 in the amount of \$1,000,000 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. *48-CDC has agreed to assume \$40,000 of this debt for this year.	\$1,000,000.00	06/29/2032	\$1,000,000.00	\$59,625.00	\$31,500.00	\$91,125.00	
TOTAL			\$17,465,000.00		\$14,541,946.19	\$855,023.90	\$507,506.74	\$1,362,530.64	

City of Magnolia

2014 Tax Revenue C/O I & S - 04

& 2014 General Obligation Refunding Bonds I & S - 02 (Enterprise Fund portion - 70% of total)

Bank Balance as of 05/31/17 \$ 97

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
<u>Revenues</u>					
40001 Tax Revenue	188,675	0	292,100	0	0
40117 Misc Income		16,932			
40020 Interest Income		5,507			
40033 Transfer In		188,675		292,100	289,700
500861 Transfer to/from debt svc		181,430		285,302	300,000
Total Revenue	188,675	392,544	292,100	577,402	589,700
	188,675	392,544	292,100	577,402	589,700
 Total Revenue					
 Expenditures					
231 2014 C/O I&S Principal Pay't	0	0	105,000	105,000	105,000
500035 2014 C/O I&S Interest Pay't	188,675	188,675	187,100	187,100	183,950
231 2014 G/O I&S Principal Pay't		161,000		164,500	189,000
500034 2014 G/O I&S Interest Pay't		135,726		120,802	115,500
500800 Bank Fees	750		0	750	750
Total Expenses	189,425	485,401	292,100	578,152	594,200
	189,425	485,401	292,100	578,152	594,200
 Total Expenses	(750)	(92,857)	0	(750)	(4,500)

Total Revenue Over(Under) Expenditures

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

Debt Service Schedule

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

City of Magnolia

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

Debt Service Schedule

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

City of Magnolia

2014 General Obligation Refunding Bonds I & S - 05 (Governmental portion-30% of total)

	Bank Balance as of 05/31/17 \$ 96,168				
	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
<u>Revenues</u>					
40001 Ad Valorem Tax Revenue	304,450	504,242	262,775	262,775	575,200
40032 Trfr from 02/Water Fund	104,450	104,450	146,050	146,050	150,000
40020 Investment Interest Earned		392	0	0	0
40034 2014 G/O I&S Interest Earned	100	347	200	0	200
Total Revenue	409,000	609,430	409,025	408,825	725,400
Total Revenue	409,000	609,430	409,025	408,825	725,400
Expenditures					
<u>Miscellaneous Expenses</u>					
500033 2014 G/O I&S Principal Pay't	230,000	69,000	235,000	70,500	81,000
500034 2014 G/O I&S Interest Pay't	178,400	53,520	172,575	51,773	49,500
500766 2014 G/O Bank Fees	0	750	500	500	500
500800 Bank Fees	500	500	750	0	0
500925 Transfer to Enterprise Debt Svc	0	285,880	0	285,302	589,700
Total Miscellaneous Expenses	408,900	409,650	408,825	408,075	720,700
Total Expenditures	408,900	409,650	408,825	408,075	720,700
Total Revenue Over(Under) Expenditures	100	199,780	200	750	4,700

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 - 07

	Bank Balance as of 05/31/17		(Incl w/4A Bal)		
	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
<u>Revenue</u>					
40007 Trans from 4A-EDC	298,925	298,925	300,213	301,075	301,075
40120 2012 R/Bond Int & Sinking Interest Earned	85	513	150	0	150
Total Revenue	299,010	299,438	300,363	301,075	301,225
Total Revenue	299,010	299,438	300,363	301,075	301,225
Expenditures					
<u>Expenses</u>					
231 2012 R/Bond Int & Sinking Principal Pay't	205,000	205,000	215,000	225,000	225,000
500034 2012 R/Bond Int & Sinking Interest Pay't	93,925	93,925	85,213	76,075	76,075
500800 2012 R/Bond Int & Sinking Bank Fees	0	0	0	0	0
Total Expenses	298,925	298,925	300,213	301,075	301,075
Total Expenditures	298,925	298,925	300,213	301,075	301,075
Total Revenue Over(Under) Expenditures	85	513	150	0	150

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

2011 State Infrastructure Bank Loan Debt Service - 02

	Bank Balance as of 05/31/17 \$ 165,677				
	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
<u>Revenue</u>					
40106 Revenue from 4B	165,597	165,597	165,541	165,541	165,483
Total Revenue	165,597	165,597	165,541	165,541	165,483
Total Revenue	165,597	165,597	165,541	165,541	165,483
Expenditures					
<u>Expenses</u>					
230 SIB Loan I & S Principal Pay't	121,149	121,149	124,781	124,781	128,523
500034 SIB Loan I & S Interest Pay't	44,448	44,448	40,759	40,759	36,960
500800 Bank Fees	0	30	0	0	0
Total Expenses	165,597	165,627	165,541	165,541	165,483
Total Expenditures	165,597	165,627	165,541	165,541	165,483
Total Revenue Over(Under) Expenditures	0	(30)	0	0	0

2011 State Infrastructure Bank-Loan

FM 1774 Utility Relocation

Debt Service Schedule

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

City of Magnolia

LOAN

4A - PURCHASE PROPERTY

Debt Service Schedule

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

City of Magnolia

2017 State Infrastructure Bank Loan Debt Service - 02

	Bank Balance as of 05/31/17					\$ -
	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018	
Revenue						
<u>Revenue</u>						
40106 Revenue from 4B	0	0	0	0	40,000	
40032 Trfr from Water Fund	0	0	0	0	66,875	
Total Revenue	0	0	0	0	106,875	
Total Revenue	0	0	0	0	106,875	
Expenditures						
<u>Expenses</u>						
230 SIB Loan I & S Principal Pay't	0	0	0	0	75,375	
500034 SIB Loan I & S Interest Pay't	0	0	0	0	31,500	
500800 Bank Fees	0	0	0	0	0	
Total Expenses	0	0	0	0	106,875	
Total Expenditures	0	0	0	0	106,875	
Total Revenue Over(Under) Expenditures	0	0	0	0	0	

2017 State Infrastructure Bank-Loan

FM 1774 Utility Relocation

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
12/29/2017		3.15%	15,750.00	15,750.00	
06/29/2018	59,625.00	3.15%	15,750.00	75,375.00	91,125.00
12/29/2018		3.15%	14,810.91	14,810.91	
06/29/2019	60,564.09	3.15%	14,810.91	75,375.00	90,185.91
12/29/2019		3.15%	13,857.02	13,857.02	
06/29/2020	61,517.98	3.15%	13,857.02	75,375.00	89,232.02
12/29/2020		3.15%	12,888.11	12,888.11	
06/29/2021	62,486.89	3.15%	12,888.11	75,375.00	88,263.11
12/29/2021		3.15%	11,903.95	11,903.95	
06/29/2022	63,471.05	3.15%	11,903.95	75,375.00	87,278.95
12/29/2022		3.15%	10,904.28	10,904.28	
06/29/2023	64,470.72	3.15%	10,904.28	75,375.00	86,279.28
12/29/2023		3.15%	9,888.86	9,888.86	
06/29/2024	65,486.14	3.15%	9,888.86	75,375.00	85,263.86
12/29/2024		3.15%	8,857.46	8,857.46	
06/29/2025	66,517.54	3.15%	8,857.46	75,375.00	84,232.46
12/29/2025		3.15%	7,809.80	7,809.80	
06/29/2026	67,565.20	3.15%	7,809.80	75,375.00	83,184.80
12/29/2026		3.15%	6,745.65	6,745.65	
06/29/2027	68,629.35	3.15%	6,745.65	75,375.00	82,120.65
12/29/2027		3.15%	5,664.74	5,664.74	
06/29/2028	69,710.26	3.15%	5,664.74	75,375.00	81,039.74
12/29/2028		3.15%	4,566.80	4,566.80	
06/29/2029	70,808.20	3.15%	4,566.80	75,375.00	79,941.80
12/29/2029		3.15%	3,451.57	3,451.57	
06/29/2030	71,923.43	3.15%	3,451.57	75,375.00	78,826.57
12/29/2030		3.15%	2,318.78	2,318.78	
06/29/2031	73,056.22	3.15%	2,318.78	75,375.00	77,693.78
12/29/2031		3.15%	1,168.14	1,168.14	
06/29/2032	74,167.93	3.15%	1,168.16	75,336.09	76,504.23
Total	1,000,000.00		261,172.16	1,261,172.16	1,261,172.16

MAGNOLIA RIDGE PID



City of Magnolia

Magnolia Ridge PID - 32

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
<u>Revenue</u>					
40105 Ad Valorem Tax Revenue	0	0	0	133,559	122,090
Total Revenue	0	0	0	133,559	122,090
Total Revenue	0	0	0	133,559	122,090
Expenditures					
<u>Expenses</u>					
500750 Developer Cost Expense	0	0	0	133,559	122,090
Total Expenses	0	0	0	133,559	122,090
Total Expenditures	0	0	0	133,559	122,090
Total Revenue Over(Under) Expenditures	0	0	0	0	0

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 three of these funds, the largest of which are the ATS-Red Light Camera Fund and the HB445 Road Repair Fund. Each of these is considered to be a major fund for reporting purposes. The other fund is the Hotel/Motel Occupancy Tax Fund, which is reported as a nonmajor fund. Each fund is described in a separate budget page.

The combined Statement of Revenues, Expenditures, and Changes in Fund Balance for these accounts is included in the Governmental Funds Summary on page 7.

City of Magnolia

ATS-Red Light Camera -10

	Bank Balance as of 05/31/17		\$ 545,287		
	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
<u>Revenue</u>					
40022 Red Light Camera Revenue	250,000	648,228	712,515	528,809	581,690
40020 Red Light Camera Fund Interest	200	1,519	1,152	3,245	3,570
Total Gross Revenue	250,200	649,747	713,667	532,054	585,260
500815 State Comptroller Fees	(14,588)	(165,552)	(242,700)	(161,680)	(171,875)
Total Net Revenue	235,612	484,195	470,967	370,374	413,384
Expenditures					
<u>Expenses</u>					
500501 Transfer out for Salary Reimb.	159,273	176,587	162,329	148,750	175,571
500543 Education, Travel, Certification	0	0	0	0	0
500630 Red Light Camera Expense	45,000	95,021	83,561	44,086	48,495
500631 Contractual-Am. Traffic Sys	61,752	59,944	65,938	59,944	65,938
500760 Fuel	0	0	0		0
500635 Refunds	500	0	500	275	500
500800 Bank Fees	0	46	0		0
Total Operating Expenses	266,525	331,598	312,329	253,055	290,504
Capital Expenses					
500951 Motor Vehicles	0	0	0	0	0
503945 Other Equipment	0	0	0	0	0
Total Capital Expenses	0	0	0	0	0
Total Red Light Camera Fund Expenses	266,525	331,598	312,329	253,055	290,504
Total Revenue Over(Under) Expenditures	(30,913)	152,597	158,639	117,319	122,881

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 05/31/17 \$ 1,041,928 (Bal includes \$185K Invested)

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
<u>Revenues</u>					
40009 HB445 Sales Tax Revenue	287,500	303,305	300,000	298,489	300,000
40020 HB445 Interest Earned	700	3,804	700	5,633	700
Total Revenue	288,200	307,109	300,700	304,122	300,700
Total Revenue	288,200	307,109	300,700	304,122	300,700
Expenditures					
<u>Expenses</u>					
500805 SIs Tax-Repay State of Texas	0	0	0	0	0
500850 HB445 Road Repair	287,500	493,394	300,000	160,000	300,000
Total Expenses	287,500	493,394	300,000	160,000	300,000
Total Expenditures	287,500	493,394	300,000	160,000	300,000
Total Revenue Over(Under) Expenditures	700	(186,285)	700	144,122	700

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

City of Magnolia

Hotel/Motel Occupancy Tax - 17

Bank Balance as of 05/31/17 \$ 56,745

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
<u>Revenue</u>					
40110 Hotel/Motel Occupancy Tax Revenue	45,000	45,357	45,000	46,892	45,000
40117 Event Donations	0	0	0	0	0
Total Revenue	45,000	45,357	45,000	46,892	45,000
Total Revenue	45,000	45,357	45,000	46,892	45,000
Expenditures					
<u>Expenses</u>					
501560 Event Funding	45,000	58,603	45,000	60,000	45,000
Total Expenses	45,000	58,603	45,000	60,000	45,000
Total Expenditures	45,000	58,603	45,000	60,000	45,000
Total Revenue Over(Under) Expenditures	0	(13,246)	0	(13,108)	0

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

COMPONENT UNIT FUNDS



City of Magnolia

Component Unit Funds

Fund Description

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

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

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

Fund narrative

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

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

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

Component Unit Funds Statement of Revenues, Expenditures, and Changes in Fund Balance

			Total of
	EDC (4A)	CDC (4B)	Component
	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	5,000	200	5,200
Water User Fees			-
Sewer User Fees			-
Impact Fees			-
Other Revenue			-
Miscellaneous		39,320	39,320
Total Revenues	605,000	339,520	944,520
TRANSFERS:			
Intra-Fund Transfer (06)4B			-
Intra-Fund Transfer (07)4A			-
Total Intra-Fund Transfers	-	-	-
Total Revenues/Transfers	605,000	339,520	944,520
EXPENDITURES:			
Personnel Services	21,395	21,900	43,295
Contractual Expenses	25,550	25,500	51,050
Miscellaneous Expenses	3,625	3,625	7,250
Other Expenses	5,550	63,500	69,050
Capital Expenses		6,000	6,000
Bond/Loan Principal Payments-2012 Sales Tax Rev Bond	225,000		225,000
Bond/Loan Principal Payments-EDC Promissory Note	66,876		66,876
Bond/Loan Interest Payments-2012 Sales Tax Rev Bond	76,075		76,075
Bond/Loan Interest Payments-EDC Promissory Note	14,022		14,022
Add'l Transfer to EDC Promissory Note	97,704		97,704
Intra-Fund Trfrs Out	-	205,483	205,483
Total Expenditures/Transfers	535,797	326,008	861,805
Total Revenue Over/(Under)	69,203	13,512	82,715
Expenditures			
Projected Beginning Fund Balance	2,714,405	619,128	3,333,533
Projected Ending Fund Balance	2,783,608	632,640	3,416,248

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

2017 4A EDC Board of Directors:

President - Jonny Williams
Vice President – Anne Sundquist
Secretary/Treasurer – Basil Tate
Robert Franklin
Pat Zaiontz

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 05/31/17 \$ 1,265,925

(Includes Inclusive Pk, 2012 SIs Tax Rev Bond I&S & EDC Promissory Note)

	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
40011 4A 1/2 Sales Tax Revenue	600,000	606,609	600,000	596,978	600,000
40022 4A Interest Earned	300	1,699	1,000	8,300	5,000
40102 City Park Donations	0	40	0	0	0
40126 Grant Proceeds	0	750	0	4,925	0
40127 Inclusive Park Income	0	14,051	0	0	0
Total Revenue	600,300	623,149	601,000	610,203	605,000
Expenses					
Personnel Services					
500501 Salary & Benefit Reimbursement	20,495	21,509	20,495	19,387	20,495
500543 Training & Travel	1,000	670	1,000	576	750
500550 Dues & Membership	500	500	500	0	150
Total Personnel Services	21,995	22,679	21,995	19,963	21,395
Contractual Expenses					
500632 Contract/consultant Services	16,000	17,138	17,050	14,569	17,050
500640 Legal	5,000	11,728	5,000	5,017	5,000
500641 Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,500
500643 Engineering	0	0	0	0	0
500674 Posting/Advertising	150	538	150	1,500	1,000
Total Contractual Expenses	23,650	31,903	24,700	23,586	25,550
Miscellaneous Expenses					
500742 Magazines, Maps & Books	2,000	0	2,000	0	3,100
500743 Copies/Admin.	200	0	200	0	200
500745 Hospitality, Refreshments	500	30	500	0	75
500746 Magnolia Tomorrow/ Grow Magnolia	0	0	0	0	0
500766 Office Supplies	500	256	500	30	250
Total Miscellaneous Expenses	3,200	286	3,200	30	3,625
Expenses (continued)					
500551 Interest Expense	0	0	0	0	0
500824 Error & Omissions Insurance	1,700	816	1,700	1,175	1,700
500825 Liability Insurance	3,000	1,759	3,000	2,196	3,000
500833 Postage	0	0	0	0	0
500836 Printing	500	0	500	0	500
500838 Promotional Expense	500	187	500	117	350
500843 Business Recruitment Package	0	0	0	0	0
500847 Inclusive Park Expenses	0	5,375	0	0	0
500858 Depreciation Expense	0	164,773	0	0	0
Total Expenses (continued)	5,700	172,909	5,700	3,488	5,550
Capital Expenses					
500902 2014 Loan Principal	63,161	0	65,017	65,017	66,876
500903 2014 Loan Interest	17,737	17,737	15,881	15,881	14,022
500906 Trfr to EDC Promissory Note	97,704	97,704	97,704	97,704	97,704
500909 Trfr to 2012 Rev Bond I&S	298,925	93,741	300,213	300,213	301,075
Total Capital Expenses	477,527	209,182	478,814	478,814	479,677
Total 4A E D C Expenditures/Transfers	532,072	436,959	534,409	525,881	535,797
Revenue Over(Under) Expenditures	68,228	186,190	66,591	84,323	69,203

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.

2017 4B CDC Board of Directors:

President – Pat Zaiontz
Vice President – Brenda Hoppe
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 05/31/17 \$ 244,001					
	Approved 2015-2016	Actual 2015-2016	Approved 2016-2017	Projected 2016-2017	Approved Budget 2017-2018
Revenue					
40014 4B 1/4 Sales Tax Revenue	300,000	303,305	300,000	298,489	300,000
40022 4B Interest Earned	100	770	200	1,681	200
Total Revenue	300,100	304,075	300,200	300,170	300,200
Misc. Revenue					
40124 Misc. Revenues	0	739	0	0	0
40127 Park Rental Fees	10,000	6,225	6,000	16,142	6,000
40128 Yellow House-Rental Fees	19,800	11,915	28,320	3,300	28,320
40131 Economic Development Grants	0	750	0	4,925	0
40133 The Stroll	2,000	7,674	5,000	12,736	5,000
Total Misc. Revenue	31,800	27,303	39,320	37,104	39,320
Total Revenue	331,900	331,378	339,520	337,274	339,520
Expenses					
Personnel Services					
500501 Salary & Benefit Reimbursement	21,000	21,704	21,000	19,557	21,000
500543 Training & Travel	1,000	670	1,000	576	750
500550 Dues & Membership	500	500	500	0	150
Total Personnel Services	22,500	22,875	22,500	20,133	21,900
Contractual Expenses					
500632 Contract/consultant Services	18,220	17,138	16,650	14,766	16,650
500640 Legal	500	13,948	500	8,874	5,000
500641 Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,500
500674 Posting/Advertising	300	543	300	1,500	1,000
500675 Promotions	1,000	259	1,000	117	350
Total Contractual Expenses	22,520	34,386	20,950	27,757	25,500
Miscellaneous Expenses					
500742 Magazines, Maps & Books	500	0	500	0	3,100
500743 Copies/Admin.	200	0	200	0	200
500745 Hospitality Refreshments	500	30	500	0	75
500766 Office Supplies	500	57	500	30	250
Total Miscellaneous Expenses	1,700	88	1,700	30	3,625
Expenses (continued)					
500824 Error & Omissions Insurance	2,500	1,759	2,500	2,196	2,500
500825 Liability Insurance	1,500	816	1,500	1,175	1,500
500836 Printing	2,000	0	2,000	0	2,000
500845 Monuments/Signs	0	0	0	0	0
500848 Park Maintenance	45,000	47,907	45,000	44,421	45,000
500850 Other Expenses	500	(25)	500	(38)	500
500851 Downtown Revitalization	0	16,900	12,000	9,718	12,000
500858 Depreciation Expense	0	6,820	0	0	0
Total Other Expenses	51,500	74,177	63,500	57,472	63,500
Capital Expenses					
500970 Computer Equipment	0	0	0	0	0
500971 Yellow House	6,000	7,138	6,000	25,000	6,000
500924 2011 SIB Loan transfer for pmt	165,652	165,597	165,541	165,541	165,483
2017 SIB Loan transfer for pmt	0	0	0	0	40,000
Total Capital Expenses	171,652	172,735	171,541	190,541	211,483
Total 4B Community Dev. Expenditures	269,872	304,261	280,191	295,933	326,008
Revenue Over(Under) Expenditures	62,028	27,117	59,329	41,340	13,512

SUPPLEMENTAL INFORMATION



CITY OF MAGNOLIA

BUDGET AND TAX RATE CALENDAR

FY 2017-2018

March 3, 2017

March	14	Regular City Council Meeting – Request for Council Goals/Update Council Goals
April	3-28th	Directors/supervisors develop short and long-term goals & objectives, Capital Improvement/Replacement Programs, employment recommendations; Finance Dept. works on initial draft budget documents
May	1st	Departmental Budget worksheets to Directors and Supervisors; deadline to turn in Dept. goals & objectives
May	22-31 st	Directors and Supervisors review Departmental Budgets with Finance Dept.
May	31st	Deadline for completion of Departmental Budgets
June	9th	Deadline for first internal draft of Proposed Budget
June	28th	First Draft of Proposed Budget to City Council
July	8th	Budget Workshop – 8:00 a.m. to ?
July	25 th	Chief Appraiser Certifies Appraisal roll; Tax Assessor calculates effective & rollback rates; Tax Assessor publishes “ <i>Notice of Effective Rate & Statement of Increase/Decrease</i> ” (effective & rollback tax rates)
July	28th	Proposed Budget Filed w/City Secretary (must be 15 days before 1st public hearing & 30 days before tax rate adoption)
August	8th	<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	8th	<u>REGULAR</u> City Council meeting
August	9th	Send tax rate information to County Tax Assessor/Collector so she can Publish 1st Notice of Public Hearing on Tax Increase in Courier, including Record Vote on Proposed Tax Increase. Post notice on website as soon as available (City Secretary) (must be published at least 7 days before public hearing)
August	9th	Publish Notice of Budget Hearing (City Secretary) (has to be published 10-30 days before public hearing)
August	19th	Publish 2nd Notice of Public Hearing on Tax Increase in Courier, including Record Vote on Proposed Tax Increase (County Tax Assessor/Collector)
August	19 th	Notice of Tax Revenue Increase in Courier (<u>must be published at least 7 days before meeting to adopt</u>) (County Tax Assessor/Collector)
August	22nd	<u>SPECIAL</u> City Council Meeting - 1st PUBLIC HEARING ON TAX RATE (RESTRICTED)
August	29th	<u>SPECIAL</u> City Council Meeting – 2nd PUBLIC HEARING ON TAX RATE (RESTRICTED) and PUBLIC HEARING ON BUDGET (Some action must be taken on budget—either adoption or vote to postpone the final budget vote)
September	12th	<u>REGULAR</u> City Council Meeting – Adopt: 1. Operating Budget, & 2. M&O Tax Rate (must be 3-14 days after 2nd public hearing)
September	13th	File copy of Tax Rate w/Montgomery County Appraisal District; file copy of Budget w/City Secretary, County Clerk
October	1st	Effective date of Budget

Property Tax Information

Taxable Assessed Valuation

2007-2008	\$67,783,205
2008-2009	\$78,746,846
2009-2010	\$91,636,764
2010-2011	\$100,019,218
2011-2012	\$107,126,405
2012-2013	\$118,367,686
2013-2014	\$141,779,270
2014-2015	\$162,777,486
2015-2016	\$185,538,070
2016-2017	\$192,782,750
2017-2018	\$193,646,183

Property Tax Rate Per \$100 Valuation

Fiscal Year	General Fund		Interest & Sinking Fund		Total Tax Rate
	Tax Rate	% of Total	Tax Rate	% of Total	
2007-2008	0.2650	53.93%	0.2264	46.07%	0.4914
2008-2009	0.2798	56.94%	0.2116	43.06%	0.4914
2009-2010	0.3119	63.47%	0.1795	36.53%	0.4914
2010-2011	0.3219	65.51%	0.1695	34.49%	0.4914
2011-2012	0.3319	68.94%	0.1495	31.06%	0.4814
2012-2013	0.3371	70.43%	0.1415	29.57%	0.4786 rollback rate
2013-2014	0.2426	50.69%	0.2360	49.31%	0.4786
2014-2015	0.2426	52.41%	0.2203	47.59%	0.4629 rollback rate
2015-2016	0.1972	42.60%	0.2657	57.40%	0.4629
2016-2017	0.1751	37.83%	0.2878	62.17%	0.4629
2017-2018	0.1739	36.93%	0.2970	63.07%	0.4709

For Fiscal Year 2017-18 (2017 Tax Year)

Taxable Assessed Valuation	(2017-2018) \$193,646,183
Adopted Tax Rate	0.4709
Estimated Levy	\$911,880

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

MCAD

Tax Year: 2017 As of: Certification

CMA - City Of Magnolia (ARB Approved Totals)

Number of Properties: 1534

Land Totals

Land - Homesite	(+)	\$18,636,000		
Land - Non Homesite	(+)	\$41,414,604		
Land - Ag Market	(+)	\$3,708,440		
Land - Timber Market	(+)	\$6,383,290		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$70,142,334	(+)	\$70,142,334

Improvement Totals

Improvements - Homesite	(+)	\$81,187,250		
Improvements - Non Homesite	(+)	\$119,386,540		
Total Improvements	(=)	\$200,573,790	(+)	\$200,573,790

Other Totals

Personal Property (317)		\$31,481,267	(+)	\$31,481,267
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$302,197,391		\$302,197,391
Total Homestead Cap Adjustment (169)			(-)	\$3,553,623
Total Exempt Property (97)			(-)	\$84,645,864

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$10,091,730		
Ag Use (5)	(-)	\$18,670		
Timber Use (16)	(-)	\$111,650		
Total Productivity Loss	(=)	\$9,961,410	(-)	\$9,961,410
Total Assessed	(=)		(=)	\$204,036,494

Exemptions

(HS Assd 63,848,167)

(HS) Homestead Local (419)	(+)	\$1,976,860		
(HS) Homestead State (419)	(+)	\$0		
(O65) Over 65 Local (142)	(+)	\$3,343,890		
(O65) Over 65 State (142)	(+)	\$0		
(DP) Disabled Persons Local (12)	(+)	\$0		
(DP) Disabled Persons State (12)	(+)	\$0		
(DV) Disabled Vet (15)	(+)	\$148,500		
(DVX/MAS) Disabled Vet 100% (4)	(+)	\$696,840		
(AUTO) Lease Vehicles Ex (10)	(+)	\$519,674		
(FP) Freeport (1)	(+)	\$6,601,574		
(HB366) House Bill 366 (11)	(+)	\$2,883		
Total Exemptions	(=)	\$13,290,221	(-)	\$13,290,221
Net Taxable (Before Freeze)			(=)	\$190,746,273

Assessment Roll Grand Totals Report

MCAD

Tax Year: 2017 As of: Certification

CMA - City Of Magnolia (Under ARB Review Totals)

Number of Properties: 46

Land Totals

Land - Homesite	(+)	\$1,069,800		
Land - Non Homesite	(+)	\$196,200		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$1,266,000	(+)	\$1,266,000

Improvement Totals

Improvements - Homesite	(+)	\$3,574,650		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$3,574,650	(+)	\$3,574,650

Other Totals

Personal Property (0)		\$0	(+)	\$0
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$4,840,650		\$4,840,650
Total Homestead Cap Adjustment (10)			(-)	\$132,130
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			(=)	\$4,708,520

Exemptions

(HS Assd 3,111,420)

(HS) Homestead Local (21)	(+)	\$98,750		
(HS) Homestead State (21)	(+)	\$0		
(O65) Over 65 Local (6)	(+)	\$143,750		
(O65) Over 65 State (6)	(+)	\$0		
(DP) Disabled Persons Local (1)	(+)	\$0		
(DP) Disabled Persons State (1)	(+)	\$0		
(DV) Disabled Vet (2)	(+)	\$17,000		
Total Exemptions	(=)	\$259,500	(-)	\$259,500
Net Taxable (Before Freeze)			(=)	\$4,449,020

Assessment Roll Grand Totals Report

MCAD

Tax Year: 2016 As of: Supplement 11

CMA - City Of Magnolia (2017WithHeldAccts@2016Values)

Number of Properties: 43

Land Totals

Land - Homesite	(+)	\$862,080		
Land - Non Homesite	(+)	\$204,720		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$866,800	(+)	\$866,800

Improvement Totals

Improvements - Homesite	(+)	\$2,294,930		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$2,294,930	(+)	\$2,294,930

Other Totals

Personal Property (0)		\$0	(+)	\$0
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$3,161,730		\$3,161,730
Total Homestead Cap Adjustment (5)			(-)	\$44,820
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			(=)	\$3,116,910

Exemptions

(HS Assd 2,276,160)

(HS) Homestead Local (15)	(+)	\$75,000		
(HS) Homestead State (15)	(+)	\$0		
(O65) Over 65 Local (5)	(+)	\$125,000		
(O65) Over 65 State (5)	(+)	\$0		
(DP) Disabled Persons Local (1)	(+)	\$0		
(DP) Disabled Persons State (1)	(+)	\$0		
(DV) Disabled Vet (2)	(+)	\$17,000		
Total Exemptions	(=)	\$217,000	(-)	\$217,000
Net Taxable (Before Freeze)			(=)	\$2,899,910

Effective Tax Rate Report

Tax Year: 2017

Taxing Unit: CMA - City Of Magnolia

NEW EXEMPTIONS:

	COUNT	2016 ABSOLUTE EX VALUES	2017 PARTIAL EX VALUES
NEW EXEMPT PROPERTY	1	\$0	
NEW HS EXEMPTIONS	41		\$164,270
NEW PRO EXEMPTIONS	0		\$0
NEW OA EXEMPTIONS	14		\$129,970
NEW DP EXEMPTIONS	0		\$0
NEW DV1 EXEMPTIONS	1		\$0
NEW DV2 EXEMPTIONS	0		\$0
NEW DV3 EXEMPTIONS	0		\$0
NEW DV4 EXEMPTIONS	0		\$0
NEW DVX EXEMPTIONS	0		\$0
NEW HB366 EXEMPTIONS	0		\$0
NEW PC EXEMPTIONS	0		\$0

ABSOLUTE EX TOTAL		\$0
PARTIAL EX TOTAL	(+)	\$294,240
2016 TAXABLE VALUE LOST DUE TO PROPERTY BECOMING EXEMPT IN 2017	(=)	\$294,240

NEW ANNEXED PROPERTY:

	COUNT	APPRAISED VALUE	TAXABLE VALUE
NEWLY ANNEXED PROPERTY	7	\$23,090	\$23,090
IMPROVEMENT SEGMENTS	2	\$0	
LAND SEGMENTS	7	\$0	
MINERAL	0	\$0	
OTHER	0	\$0	

TAXABLE VALUE ON NEWLY ANNEXED PROPERTY:	\$23,090
--	----------

NEW AG APPLICATIONS:

NEW AG APPLICATIONS COUNT	2
2016 MARKET	\$297,680
2017 USE	(-) \$3,720
VALUE LOST DUE TO AG APPLICATIONS:	(=) \$293,960 (\$293,960 Taxable)

NEW IMPROVEMENTS:

	COUNT	TOTAL APPRAISED VALUE ¹	NEW CURRENT TAXABLE ²
NEW IMPROVEMENTS	34	\$5,926,600	\$4,714,794
RESIDENTIAL	34	\$5,926,600	\$4,714,794
COMMERCIAL	0	\$0	\$0
OTHER	0	\$0	\$0
NEW ADDITIONS	5	\$920,790	\$237,180

RESIDENTIAL	5	\$920,790	\$237,180
COMMERCIAL	0	\$0	\$0
OTHER	0	\$0	\$0
PERCENT COMPLETION CHANGED	2	\$165,040	\$70,030
TOTAL NEW PERSONAL VALUE	0	\$0	\$0
SECTION 52 & 59	0	\$0	\$0
REDUCED/EXPIRING ABATEMENTS	0	\$0	\$0
TOTALS:		\$7,012,430	\$5,022,004

2016 TOTAL TAXABLE (EXCLUDES UNDER PROTEST)	\$191,845,448
2016 OA DP FROZEN TAXABLE	\$0
2016 TAX RATE	0.4629
2016 OA DP TAX CEILING	\$0

2017 CERTIFIED TAXABLE	\$190,746,273
2017 TAXABLE UNDER PROTEST	\$4,449,020
2017 OA FROZEN TAXABLE	\$0
2017 DP FROZEN TAXABLE	\$0
2017 TRANSFERRED OA FROZEN TAXABLE	\$0
2017 TRANSFERRED DP FROZEN TAXABLE	\$0
2017 OA FROZEN TAXABLE UNDER PROTEST	\$0
2017 DP FROZEN TAXABLE UNDER PROTEST	\$0
2017 TRANSFER OA WITH FROZEN TAXABLE UNDER PROTEST	\$0
2017 TRANSFER DP WITH FROZEN TAXABLE UNDER PROTEST	\$0
2017 APPRAISED VALUE	\$208,745,014
2017 OA DP TAX CEILING	\$0

1. Includes all land and other improvements of properties with new improvement values.
2. Includes only new improvement value.

2016 total taxable value.	1. \$191,845,448
2016 tax ceilings.	2. \$0
2016 total adopted tax rate.	4. 0.462900
a. 2016 M&O tax rate.	a. 0.175100
b. 2016 I&S tax rate.	+b. 0.287800
2016 taxable value of property in territory deannexed after Jan. 1, 2016.	7. \$0
2016 taxable value lost because property first qualified for an exemption in 2017.	8. \$294,240
a. Absolute exemptions.	a. \$0
b. Partial exemptions.	+b. \$294,240
2016 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 2017.	9. \$293,960
a. 2016 market value.	a. \$297,680
b. 2017 productivity or special appraisal value.	-b. \$3,720
2017 certified taxable.	\$190,746,273
2017 tax ceilings.	18. \$0
Total 2017 taxable value of properties in territory annexed after Jan.1, 2016.	20. \$23,090
Total 2017 taxable value of new improvements and new personal property	21. \$5,022,004

* 2016 Values as of Supplement 11.

2017 Tax Rate Calculation Worksheet

Date: 07/26/2017 03:58 PM

Taxing Units Other Than School Districts or Water Districts

City of Magnolia

Taxing Unit Name

Phone (area code and number)

Taxing Unit's Address, City, State, Zip

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the effective tax rate and rollback tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. School districts do not use this form, but instead use Comptroller Form 50-859 Tax Rate Calculation Worksheet for School Districts. Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 Water District Rollback Tax Rate Worksheet. This worksheet is provided to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: Effective Tax Rate (No New Taxes)

The effective tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the effective tax rate should decrease.

The effective tax rate for a county is the sum of the effective tax rates calculated for each type of tax the county levies.

Effective Tax Rate Activity	Amount/Rate
1. 2016 total taxable value. Enter the amount of 2016 taxable value on the 2016 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14). ¹	\$191,845,448
2. 2016 tax ceilings. Counties, cities and junior college districts. Enter 2016 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2016 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$0
3. Preliminary 2016 adjusted taxable value. Subtract Line 2 from Line 1.	\$191,845,448
4. 2016 total adopted tax rate.	\$0.4629/\$100
5. 2016 taxable value lost because court appeals of ARB decisions reduced 2016 appraised value. A. Original 2016 ARB Values.	\$0
B. 2016 values resulting from final court decisions.	\$0
C. 2016 value loss. Subtract B from A. ³	\$0
6. 2016 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$191,845,448
7. 2016 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2016. Enter the 2016 value of property in deannexed territory. ⁴	\$0
8. 2016 taxable value lost because property first qualified for an exemption in 2017. 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 2016 market value:	\$0
B. Partial exemptions. 2017 exemption amount or 2017 percentage exemption times 2016 value:	\$294,240
C. Value loss. Add A and B. ⁵	\$294,240
9. 2016 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 2017. Use only properties that qualified in 2017 for the first time; do not use properties that qualified in 2016.	
A. 2016 market value:	\$297,680
B. 2017 productivity or special appraised value:	\$3,720
C. Value loss. Subtract B from A. ⁶	\$293,960
10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$588,200
11. 2016 adjusted taxable value. Subtract Line 10 from Line 6.	\$191,257,248
12. Adjusted 2016 taxes. Multiply Line 4 by Line 11 and divide by \$100.	\$885,329
13. Taxes refunded for years preceding tax year 2016. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2016. 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 2016. This line applies only to tax years preceding tax year 2016. ⁷	\$2,921
14. Taxes in tax increment financing (TIF) for tax year 2016. 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 2017 captured appraised value in Line 16D, enter 0. ⁸	\$0
15. Adjusted 2016 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14. ⁹	\$888,250
16. Total 2017 taxable value on the 2017 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled. ¹⁰	
A. Certified values:	\$190,746,273
B. Counties: Include railroad rolling stock values certified by the Comptroller's office:	\$0
C. Pollution control and energy storage system exemption : Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:	\$0
D. Tax increment financing: Deduct the 2017 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2017 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below. ¹¹	\$0

E. Total 2017 value. Add A and B, then subtract C and D.	\$190,746,273
17. Total value of properties under protest or not included on certified appraisal roll.¹² A. 2017 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value. ¹³ B. 2017 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value. ¹⁴ C. Total value under protest or not certified: Add A and B.	\$2,899,910 \$0 \$2,899,910
18. 2017 tax ceilings. Counties, cities and junior colleges enter 2017 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 2016 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁵	\$0
19. 2017 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$193,646,183
20. Total 2017 taxable value of properties in territory annexed after Jan. 1, 2016. Include both real and personal property. Enter the 2017 value of property in territory annexed. ¹⁶	\$23,090
21. Total 2017 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2016. 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, 2016, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2017. ¹⁷	\$5,022,004
22. Total adjustments to the 2017 taxable value. Add Lines 20 and 21.	\$5,045,094
23. 2017 adjusted taxable value. Subtract Line 22 from Line 19.	\$188,601,089
24. 2017 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100. ¹⁸	\$0.4709/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2017 county effective tax rate. ¹⁹	

¹Tex. Tax Code Section 26.012(14)

²Tex. Tax Code Section 26.012(14)

³Tex. Tax Code Section 26.012(13)

⁴Tex. Tax Code Section 26.012(15)

⁵Tex. Tax Code Section 26.012(15)

⁶Tex. Tax Code Section 26.012(15)

⁷Tex. Tax Code Section 26.012(13)

⁸Tex. Tax Code Section 26.03(c)

⁹Tex. Tax Code Section 26.012(13)

¹⁰Tex. Tax Code Section 26.012

¹¹Tex. Tax Code Section 26.03(c)

¹²Tex. Tax Code Section 26.01(c) and (d)

¹³Tex. Tax Code Section 26.01(c)

¹⁴Tex. Tax Code Section 26.01(d)

¹⁵Tex. Tax Code Section 26.012(6)

¹⁶Tex. Tax Code Section 26.012(17)

SECTION 2: Rollback Tax Rate

The rollback tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O):** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus eight percent. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt:** The debt tax rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The rollback tax rate for a county is the sum of the rollback tax rates calculated for each type of tax the county levies. In most cases the rollback tax rate exceeds the effective tax rate, but occasionally decreases in a taxing unit's debt service will cause the effective tax rate to be higher than the rollback tax rate.

Rollback Tax Rate Activity	Amount/Rate
26. 2016 maintenance and operations (M&O) tax rate.	\$0.1751/\$100
27. 2016 adjusted taxable value. Enter the amount from Line 11.	\$191,257,248
28. 2016 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$334,891
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2016. Enter amount from full year's sales tax revenue spent for M&O in 2016 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 2016: 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 2016. This line applies only to tax years preceding tax year 2016.	\$1,245
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 2017 captured appraised value in Line 16D, enter 0.	\$0
H. Adjusted M&O Taxes. Add A, B, C, E and F. For taxing unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$336,136

ORDINANCE NO. O-2017-020

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS, APPROVING AND ADOPTING THE FISCAL YEAR 2017-2018 ANNUAL OPERATING BUDGET OF THE CITY OF MAGNOLIA, TEXAS; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH YEAR AS REFLECTED IN SAID BUDGET; AND MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, on the 28th day of July 2017, the Mayor filed with the City Secretary a proposed budget of expenditures for the City of Magnolia for the fiscal year 2017-2018, the same being the fiscal year of the City; and

WHEREAS, after notice required by law, a public hearing on such budget was held at a regular meeting place of the City Council on the 29th day of August 2017, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard and those who requested to be heard were heard;

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

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

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

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

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

"The Original General Budget of the City of Magnolia, Texas, for the Fiscal Year 2017-2018"

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.

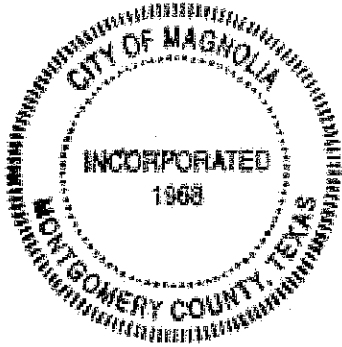
City Council Members Present Were:

	Aye	Nay	Absent
Mayor Todd Kana	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Council member Matthew Dantzer Position 1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Council member John Bramlett Position 2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pro Tem Rick Carby Position 3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Council member Brenda Hoppe Position 4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Council member Jonny Williams Position 5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

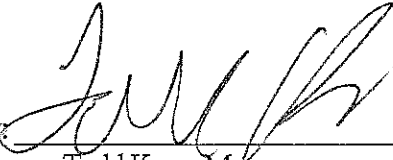
Member(s) Present But Not Voting:

<u>MAYOR TODD KANA</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DULY PASSED BY THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS on this the 12th day of September 2017.



THE CITY OF MAGNOLIA, TEXAS

By: 
Todd Kana, Mayor

ATTEST:


Lynne George, TRMC, CPM, City Secretary

ORDINANCE NO. O-2017-022

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS, PROVIDING FOR THE ASSESSMENT, LEVY, AND COLLECTION OF AD VALOREM TAXES OF THE CITY OF MAGNOLIA, TEXAS, FOR THE YEAR 2017 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 nine and seventy hundredths cents (0.2970)** for debt service and a tax rate of **seventeen and thirty nine hundredths cents (0.1739)** 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 12th day of September 2017, 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 2017 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.

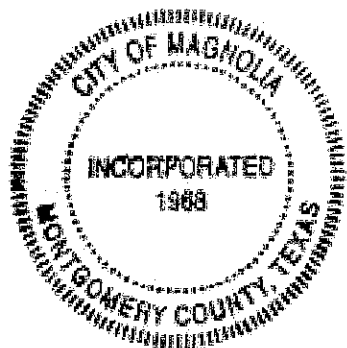
Section 3. There is hereby levied for general purposes and use by the City of Magnolia, Texas, for the year 2017, and for each year thereafter until otherwise provided, and ad valorem tax at the rate of **seventeen and thirty nine hundredths cents (0.1739)** on each One Hundred Dollars (\$100.00) of 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 2017-2018, 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 2017 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 nine and seventy hundredths cents (0.2970)** on each One Hundred Dollars (\$100.00) of assessed valuation.

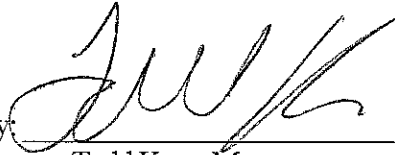
Section 5. All ad valorem taxes levied hereby, in the total amount of **forty seven and nine hundredths cents (0.4709)** on each One Hundred Dollars (\$100.00) of assessed valuation, as reflected by Section 3 and 4 hereof, shall be due and payable on or before January 31, 2018. All ad valorem taxes due the City of Magnolia, Texas, and not paid on or before January 31, 2018 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.

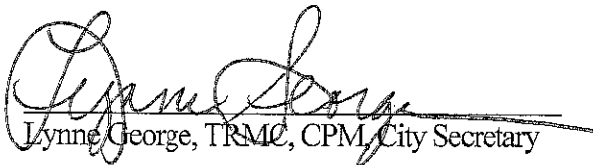
PASSED AND APPROVED this 12th day of September 2017.



THE CITY OF MAGNOLIA, TEXAS

By 
Todd Kana, Mayor

ATTEST:


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 September.

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

City of Magnolia

Financial Policies:

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

Accounting

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

Annual Reporting

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

Interim Reporting

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

Budgeting

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

Revenues

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

Capital Equipment

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

City of Magnolia

Long-Term Debt

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

City of Magnolia

Comprehensive Plan

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

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

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

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

Strategic Recommendations

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

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

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