

CITY OF MAGNOLIA

ANNUAL OPERATING BUDGET

OCTOBER 1, 2018 – SEPTEMBER 30, 2019



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 \$72,079 which is a 7.9% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$27,659.

A record vote was conducted of the City Council on September 11, 2018 for approval of an ordinance adopting the City of Magnolia 2018-2019 Fiscal Year Annual Budget as follows:

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

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

Tax Year	2018	2017
Fiscal Year	2018-2019	2017-2018
Proposed Rate	\$ 0.4675	\$ 0.4709
Total Adopted Rate	\$ 0.4675	\$ 0.4709
Adopted Operating Rate	\$ 0.1767	\$ 0.1739
Adopted Debt Rate	\$ 0.2908	\$ 0.2970
Effective Tax Rate	\$ 0.4438	\$ 0.4709
Effective Operating Rate (M&O)	\$ 0.1640	\$ 0.1739
Maximum Operating Rate (M&O)	\$ 0.1771	\$ 0.1924
Debt Rate (I&S)	\$ 0.2908	\$ 0.2970
Rollback Rate	\$ 0.4679	\$ 0.4894

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

Type of Debt	Total Outstanding Debt	Current Year Debt
Property Tax Supported	\$15,164,285	\$ 613,986
Self-Supporting	\$ 6,881,691	\$ 1,238,188
Total Debt	\$22,045,976	\$ 1,852,174

Welcome!

This City of Magnolia, Texas annual budget is for the fiscal year beginning October 1, 2018, and ending September 30, 2019. 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 2018-2019 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 2018 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 2017 actual. The ending balance of the actual year becomes the beginning balance of the projected current fiscal year, FY 2018. 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 2019 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



Matthew Dantzer
Position 1

Re-elected May 2017-2019
mdantzer@cityofmagnolia.com



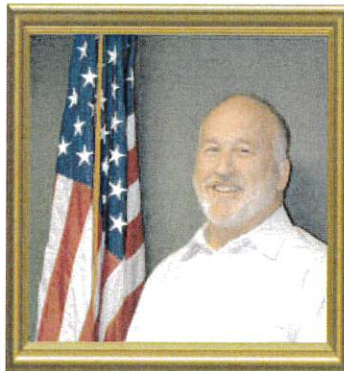
Todd Kana
Mayor

Re-elected May 2018-2020
Serving 5th term
tkana@cityofmagnolia.com



John Bramlett
Position 2

Re-elected May 2017-2019
jbramlett@cityofmagnolia.com



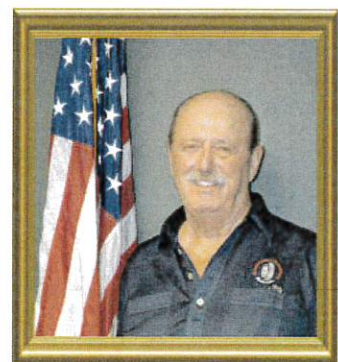
Rick Carby
Mayor Pro Tem/Position 3

Re-elected May 2017-2019
rcarby@cityofmagnolia.com



Brenda Hoppe
Position 4

Re-Elected May 2018-2020
bhoppe@cityofmagnolia.com



Jonny Williams
Position 5

Re-elected May 2018-2020
jwilliams@cityofmagnolia.com

**CITY OF MAGNOLIA
APPROVED BUDGET
FISCAL YEAR 2018-2019**

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INTRODUCTION



To Our Magnolia Residents:

As I begin the ninth 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 truly be a challenging year for the City.

As everyone can see, the SH 249 ("Aggie Freeway") project is well under way and ahead of schedule. It is expected to be operational by early 2020. The Aggie Freeway has sparked a chain of events in growth and development that will have a positive and lasting impact on Magnolia. The FM 1774 railroad flyover is well underway and expected to be operational in a year. We are still 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. The new Transportation Plan will provide more roads for north, south, east, and west movement without having to go through the FM 1488 /1774 intersection at the railroad tracks.

Your City Council continues to work hard to position the City to be ready for the changes that we know are coming. With the extension of the water and sewer lines to FM 149 Spur to support the commercial development in that area, we have completed the plans to increase the Magnolia sewer plant from .65 million gallons a day to a new 1.3 million gallons a day and an enhanced 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 worked with TxDot to prevent the widening of 1488 thru town to no avail. We will have to relocate all of our utilities along 1488 from Mill Creek to Wisteria Farms - a major undertaking for the City.

The City Council continues to polish our zoning to protect the Magnolia we love during future growth. Our planning department continues to work closely to guide as well as assist our new developers. 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. We are proud to announce that for the first time the City of Magnolia has met the recommended reserves to sustain the City in case of disaster.

Once again, I want to thank my Council for an outstanding year of service to the community, our Police Department who still keeps 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. Thank you, the citizens of Magnolia, for your support.

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 – 2,083 inside city limits/138,000 in trade area

2022 Population projection – 2,485 inside city limits/2.70% growth rate

Median age: 38.6

Median household income: \$71,428 inside city limits/\$82,000 in trade area

City Size & Taxes -

City size in square miles: approx. 4.5 square miles

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

Property tax rate (2018): \$0.4675 per \$100 valuation

Sales tax collected for FY 2017-18: approximately \$2.4 million

Housing -

Median home value in trade area: \$218,329

Permit valuation added in fiscal year 2016-17: \$12.3 million

Residential \$5.1 million

Non-residential/Commercial \$7.2 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

2017 Local Tax Rates /\$100 Valuation	
Magnolia ISD	1.3795
City of Magnolia	0.4709
Mont Co Hospital Dist	0.0664
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 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 grants and loans 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

		Amended 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
CITY COUNCIL	Mayor and Council	6	6	6	6
	Total	6	6	6	6
ADMINISTRATION	City Manager/Administrator	1	1	1	1
	Code Enforcement Officer	0	0	1	1
	Total	1	1	2	2
POLICE	Chief of Police	1	1	1	1
	Lieutenant	0	1	1	1
	Sergeant	3	3	3	3
	Detective	1	1	1	1
	Investigator	0	0	1	1
	Patrol Officers	9	9	9	9.5
	Reserve Officers	9	9	9	1
	Administrative Asst/Dispatch	1	1	1	1
	Code Compliance Officer	1	1	0	0
	Executive Officer	0	0	0	0
	Evidence Clerk	1	1	1	1
	Total	26	27	27	19.5
PUBLIC WORKS	Director	0	1	1	1
	Water/Wastewater Plant Operator	0	1	1	1
	Utility/Maintenance Worker	0	4	4	4
	Laborers	1	1	1	1
	Mechanic	0.5	1	1	1
	Total	1.5	8	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	3	0	0	0
	Water/Wastewater Plant Operator	2	0	0	0
	Mechanic	0.5	0	0	0
	Utility/Permit Technician	1	1	1	1
	Total	6.5	1	1	1
	Grand Total (Excl. Council)	41.5	43.5	44.5	37

City of Magnolia

2019 Approved Budget Major Items

Revenue

Total property tax M&O calculated at \$.1767 on valuation of \$211,080,946	\$	372,980
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Overall

Pay increases/adjustments for staff (except P/D)	\$	26,808
12% increase in health insurance rates	\$	34,130

Police Dept

Incremental salary increases per salary grid & addition of one new patrol officer at mid-year	\$	30,777
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2 Chev Tahoe patrol vehicles with added equipment (Will be paid by Red Light Camera Fund)	\$	-
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Public Works

RRR Machine	\$	4,493
Leak Detector	\$	3,651

Water/Sewer

Camera for sewer lines	\$	9,762
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Capital Projects

To be determined by Council

City of Magnolia

Governmental Funds Budgeted Statement of Revenues, Expenditures, and Changes in Fund Balance							
	General	HB445	Red Light	Hotel /Motel	Governmental	Court	Total of
	Fund	Fund	Camera Fund	Occupancy	Debt Svc	Restricted	Governmental
	Fund	Fund	Camera Fund	Tax Fund	Funds	Funds	Funds
REVENUES:							
Property Taxes	374,980				740,801		1,115,781
Sales Taxes	1,200,000	300,000					1,500,000
Other Taxes	18,000						18,000
Franchise Fees	245,000						245,000
Licenses & Permits	163,800						163,800
Fines & Forfeitures	445,500					22,100	467,600
Hotel Occupancy Tax				45,000			45,000
Interest Income	-	10,000	9,804		1,000		20,804
Water User Fees							-
Sewer User Fees							-
Other Revenue	10,000		481,617				491,617
Miscellaneous	5,000						5,000
State Comptroller Fees			(134,843)				(134,843)
Total Revenues	2,462,280	310,000	356,579	45,000	741,801	22,100	3,937,760
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)	161,791						161,791
Intra-Fund Transfer (02) Water/Sewer Fund	304,535						304,535
Total Intra-Fund Transfers	507,326	-	-	-	-	-	507,326
Total Revenues/Transfers	2,969,606	310,000	356,579	45,000	741,801	22,100	4,445,086
EXPENDITURES:							
Personnel Services	2,138,074						2,138,074
Contractual Expenses	557,460		59,944				617,404
Miscellaneous Expenses	242,824		70,250		500	18,475	332,049
Capital Expenses/Road Repair	5,590	300,000	72,000				377,590
Tourism				45,000			45,000
Bond/Loan Principal Payments					107,500		107,500
Bond/Loan Interest Payments					138,818		138,818
Intra-Fund Trfrs Out			161,791		486,438		648,229
Total Expenditures/Transfers	2,943,948	300,000	363,985	45,000	733,256	18,475	4,404,664
Total Revenue Over/(Under)	25,658	10,000	(7,407)	-	8,546	3,625	40,422
Expenditures							
Projected Beginning Fund Balance/	732,746	1,191,539	529,090	79,287	613,900	71,389	3,217,951
Retained Earnings							
Projected Ending Fund Balance/	758,404	1,201,539	521,683	79,287	622,446	75,014	3,258,372
Retained Earnings							
*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.

2018/2019 Budget

Revenues

Revenues including transfers from other funds are budgeted at \$2,969,606 which is approximately 1.5% less than last year. This decrease is mainly due to decreases in transfers in from other funds. The revenue from licenses and permits was increased due to probability of new construction. The sales tax budget remains the same as last year's budget.

Expenditures

The budget for operating expenditures for FY 2019 is \$2,943,948 or 1.9% less than the adopted budget for FY 2018. Included in the budget are 3% salary adjustments for most employees except those in the Police Department, who receive increases based on a salary structure implemented in FY 2016. One new patrol position was added, beginning mid-year. Total personnel costs in the General Fund increased by approximately 2.7%.

City of Magnolia

SUMMARY-Approved Budget 2018-2019

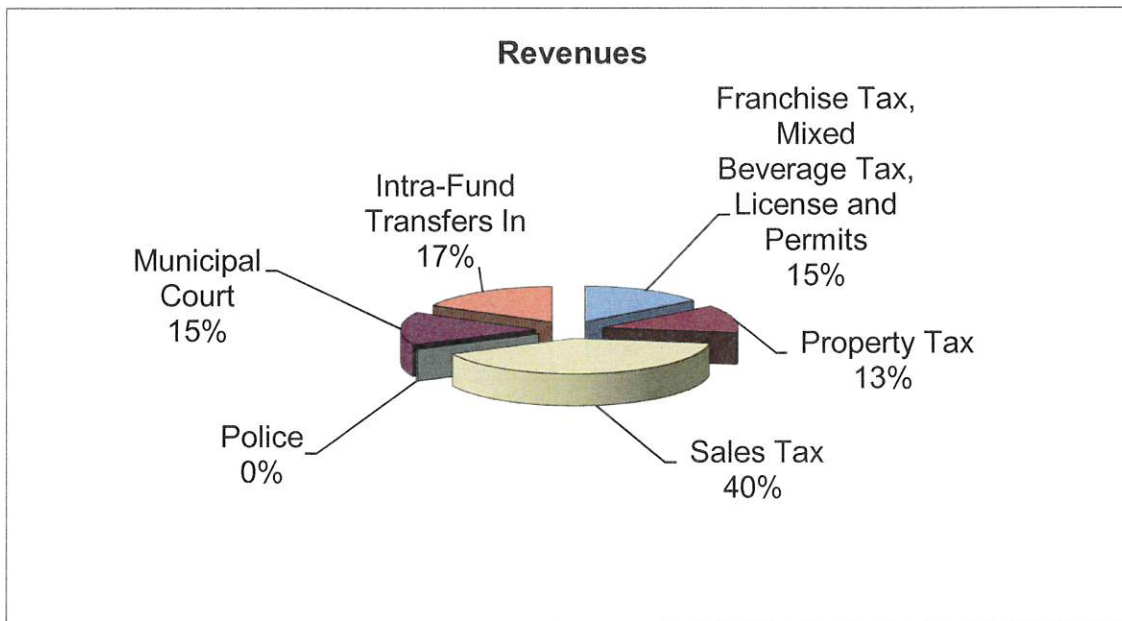
GENERAL FUND

REVENUE SUMMARY	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019	-/+ % Change
City Hall / Administration	\$2,014,863	\$1,914,051	\$2,011,780	5.11%
Police Department	\$2,000	\$10,000	\$10,000	0.00%
Municipal Court	\$313,000	\$421,600	\$440,500	4.48%
Intra-Fund Transfers In	\$634,040	\$668,034	\$507,326	(24.06%)
TOTAL REVENUE	\$2,963,902	\$3,013,685	\$2,969,606	(1.46%)
EXPENDITURE SUMMARY				
City Hall / Administration	\$505,134	\$451,551	\$503,781	11.57%
Police Department	\$1,377,122	\$1,400,585	\$1,410,355	0.70%
Public Works	\$528,075	\$648,714	\$519,553	(19.91%)
Municipal Court	\$154,282	\$170,784	\$166,289	(2.63%)
Finance	\$96,208	\$106,363	\$112,524	5.79%
City Secretary	\$103,420	\$105,767	\$108,868	2.93%
Facilities	\$106,500	\$82,000	\$71,000	(13.41%)
City Council	\$24,461	\$23,007	\$27,879	21.18%
Parks	\$8,000	\$12,500	\$23,700	89.60%
TOTAL EXPENDITURES	\$2,903,202	\$3,001,271	\$2,943,948	(1.91%)
REVENUE OVER (UNDER) EXPENDITURES	\$60,700	\$12,414	25,658	106.69%

City of Magnolia

Revenue Summary - General Fund

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
General Fund				
Franchise, Beverage, Permits	\$479,100	\$477,300	\$377,300	\$438,800
Property Tax	\$365,731	\$337,563	\$336,751	\$372,980
Sales Tax	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Police	\$2,000	\$2,000	\$10,000	\$10,000
Municipal Court	\$463,050	\$313,000	\$421,600	\$440,500
Intra-Fund Transfers In	\$200,273	\$634,040	\$668,034	\$507,326
Total	\$2,710,153	\$2,963,902	\$3,013,685	\$2,969,606



City of Magnolia

General Fund - 01

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenues					
General and Administrative					
40016 Grant 4269 & 4272-April 2016	0	73,806	0	0	0
40009 Transfer to/from DSF-Prop Tax	0	20,325	0	0	0
40102 Gen/Admin Donations	0	2,750	0	1,163	0
40104 Liquor License Fee	1,500	215	1,500	221	500
40105 Ad Valorem Tax Revenue	337,563	333,897	336,751	345,970	372,980
40107 Mix Beverage Tax Revenue	13,000	17,657	15,000	18,204	18,000
40110 Wrecker Permit Fees	1,300	1,000	1,300	153	1,300
40116 Sales Tax Revenue	1,200,000	1,160,860	1,200,000	1,138,393	1,200,000
40117 Misc. Income	5,000	4,751	5,000	3,131	5,000
40118 License and Permits	225,000	118,098	100,000	164,088	150,000
40119 Sign Permit Revenue	6,500	27,641	6,500	12,023	12,000
40120 Franchise Tax Revenue	220,000	247,513	240,000	238,067	240,000
40120.01 In Kind Franchise Income		5,534	5,000	6,078	5,000
40122 Interest Income/Gen Fund	0	45	0	42	0
40127 Rendition Penalty/Montgomery Co.	0	0	0	0	0
40128 Vehicle & Equip. Sales	2,000	0	0	0	0
40129 Sale of Assets	0	0	0	13,000	0
40133 Plat Fee Revenue	3,000	10,129	3,000	8,441	5,000
40199 Prop Tax Penalties/Interest	0	2,209	0	2,000	2,000
Total General and Administrative	2,014,863	2,026,430	1,914,051	1,950,974	2,011,780
Police					
40203 Police Department Donations	0	0	0	0	0
40204 Police Department Grants	0	10,367	5,000	0	5,000
40207 Officer Safety Equipment Program Rev	2,000	0	0	0	0
40209 Police Grant - TAPEIT	0	500	0	0	0
40223 Police Forfeited Prop Revenue	0	11,899	2,000	3,579	2,000
40224 Police-Asset Forfeiture	0	4,960	3,000	(3,924)	3,000
40233 S.T.E.P. Revenue	0	2,862	0	0	0
Total Police	2,000	30,587	10,000	(345)	10,000
Courts					
40407 OMNI Revenue	2,000	2,691	2,000	2,318	2,500
40409 Warrant Fee Revenue	30,000	36,434	35,000	28,982	35,000
40410 Court Fine Revenue	235,000	301,929	300,000	333,169	330,000
40413 Bond Escrow/Bond Refund	0	31,215	25,000	36,933	30,000
40414 C.O.L.A.G.Y.	32,000	46,412	40,000	36,282	40,000
40416 Child Safety Seat Fee	0	1,334	0	1,295	0
40423 Bond	0	3,210	3,000	4,839	3,000
Total Courts	299,000	423,225	405,000	443,818	440,500
Intra-Fund Transfers					
40005 Transfer to/from Fund 5					
49902 Intra-Fund Transfer (02) Water	430,711	430,711	451,464	367,961	304,535
49906 Intra-Fund Transfer (06)4B	21,000	20,005	21,000	21,169	21,000
49907 Intra-Fund Transfer (07)4A	20,000	19,864	20,000	20,813	20,000
49910 Intra-Fund Trfr (10)Red Lt Camera(TC)	162,329	144,100	175,571	184,712	161,791
Total Intra-Fund Transfers	634,040	614,679	668,034	594,655	507,326
Total Revenue	2,949,902	3,094,922	2,997,085	2,989,102	2,969,606

City of Magnolia

Revenues

Account	Account Name	Approved Budget	Description
40104	Liquor License Fee	500	Fees paid in order to sell alcohol within City limits
40105	Ad Valorem Tax Revenue	372,980	M&O proposed tax rate of \$.1767 based on valuation of \$ 211,080,946
40107	Mixed Beverage Tax Revenue	18,000	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	150,000	Fees paid as established by ordinance for construction of structures inside the City
40119	Sign Permit Revenue	12,000	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	5,000	
40199	Prop Tax Penalties/Interest	2,000	
40204	Police Department Grants	5,000	
40208	Crime Stoppers Revenue	-	
40223	Police/Forfeited Prop Rev	2,000	
40224	Asset Forfeitures	3,000	

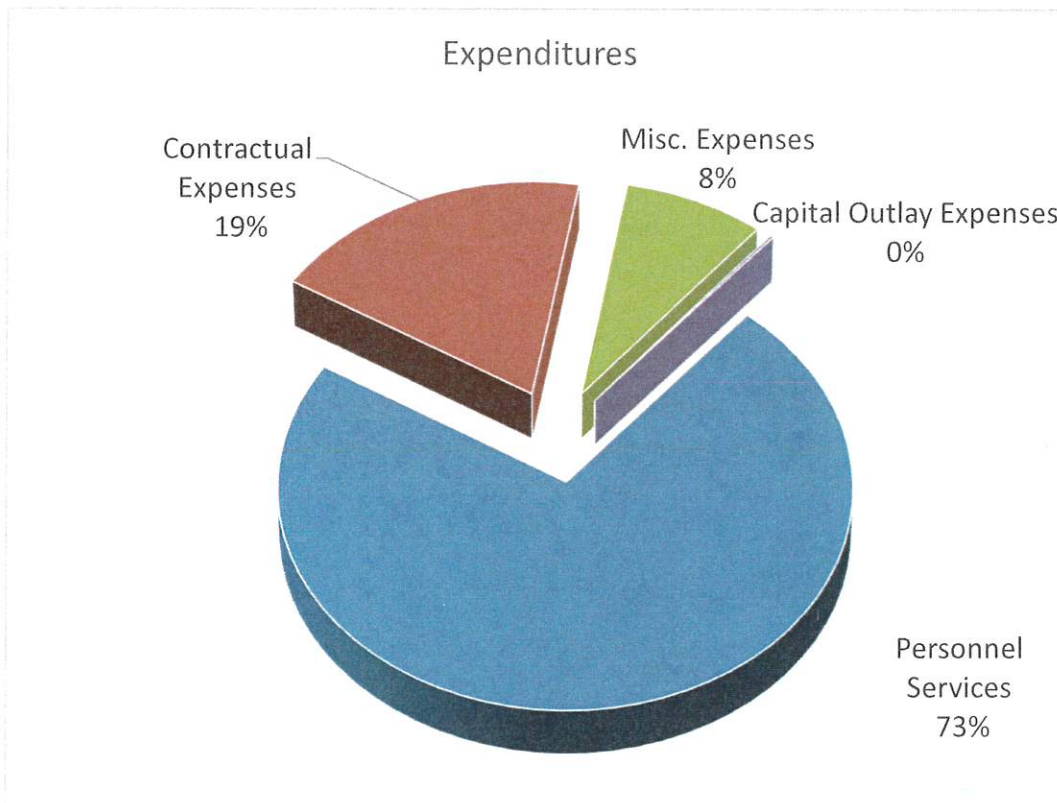
City of Magnolia

Revenues

Account	Account Name	Approved Budget	Description
Court Fees and Fines, as limited by State law:			
40407	OMNI Revenue	2,500	
40409	Warrant Fee Revenue	35,000	
40410	Court Fines	330,000	
40413	Bond Escrow/Bond Refund	30,000	
40414	C.O.L.A.G.Y.	40,000	Collection agency fees
40416	Child Safety Seat Fee	-	
40423	Bond	3,000	
49902	Intra-Fund Transfer (02) Water	304,535	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	161,791	Funds transferred in from Red Light Camera Fund
		2,969,606	

Expenditure Summary - General Fund

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
General Fund				
Personnel Services	\$1,515,862	\$1,974,900	\$2,081,635	\$2,138,074
Contractual Expenses	\$555,389	\$578,389	\$513,300	\$557,460
Miscellaneous Expenses	\$419,375	\$267,025	\$283,485	\$242,824
Capital Outlay Expenses	\$53,550	\$82,888	\$122,851	\$5,590
Total	\$2,544,176	\$2,903,202	\$3,001,271	\$2,943,948



CITY COUNCIL

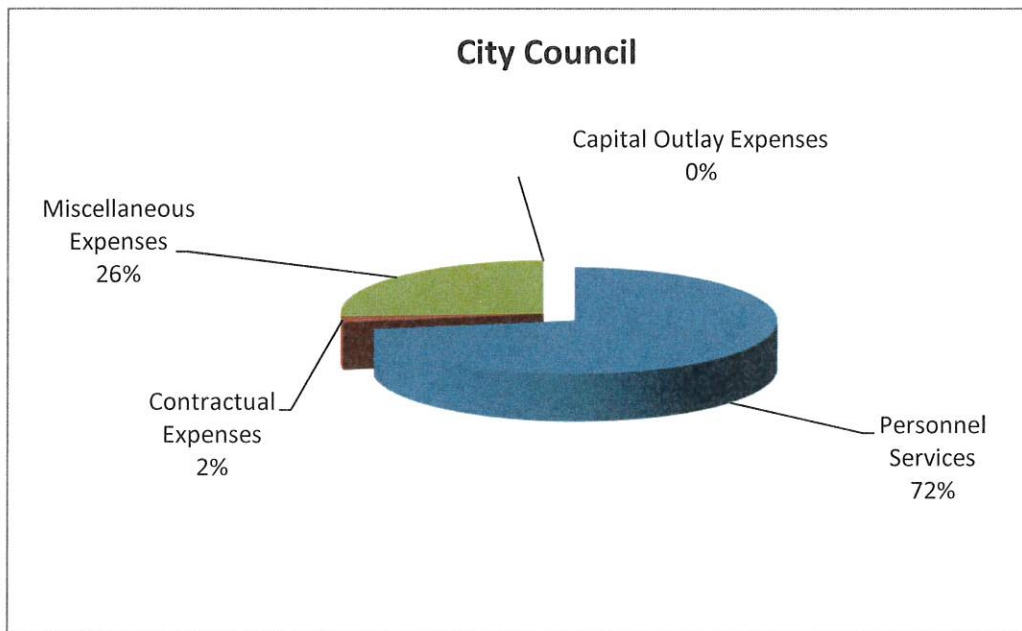


City of Magnolia

City Council Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$6,500	\$8,461	\$17,007	\$20,179
Contractual Expenses	\$800	\$800	\$800	\$500
Miscellaneous Expenses	\$5,200	\$5,200	\$5,200	\$7,200
Capital Outlay Expenses	\$10,000	\$10,000	\$0	\$0
Total	\$22,500	\$24,461	\$23,007	\$27,879

Staffing	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Mayor and Council	6	6	6	6
Total	6	6	6	6



City of Magnolia

City Council	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
<u>Personnel Services</u>					
510526 Insurance(Med,Dental,Vision)	7,961	11,169	16,507	17,125	19,179
510543 Education, Travel, & Certification	500	1,059	500	3,000	1,000
Total Personnel Services	8,461	12,228	17,007	20,125	20,179
<u>Contractual Expenses</u>					
510642 Dues & Memberships	800	200	800	300	500
Total Contractual Expenses	800	200	800	300	500
<u>Miscellaneous Expenses</u>					
510744 Minor Equipment	2,000	70	2,000	0	4,000
510766 Office Supplies	700	271	700	260	700
510879 Elected Officials-Errors/Omissions Ins.	2,500	1,952	2,500	2,373	2,500
Total Miscellaneous Expenses	5,200	2,293	5,200	2,633	7,200
<u>Capital Expenses</u>					
510920 Computers & Equipment	10,000	953	0	0	0
Total Capital Expenses	10,000	953	0	0	0
Total City Council Expenditures	24,461	15,674	23,007	23,058	27,879

City of Magnolia

City Council

Account	Account Name	Approved Budget	Description
510526	Employee Insurance	19,179	Medical, dental, vision
510543	Education, Travel, Certifications	1,000	Training, travel & certifications
510642	Dues & Memberships	500	HGAC Misc.
			200 300
510744	Minor Equipment	4,000	Tablets for Council/other small equipment items
510766	Office Supplies	700	Business cards, name plates, etc.
510879	Elected Officials- Errors & Omissions Ins.	2,500	
510920	Computers & Equipment	-	
		27,879	

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 2017-2018

- Continued to increase the size of the City by adding parcels of land through annexation
- Oversaw preparation of FY 2018-19 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 2018-2019

- 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 2018-2019

- Oversee development of additional financial written policies, as needed
- 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 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 2017-2018

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

Objectives for FY 2018-2019

- 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

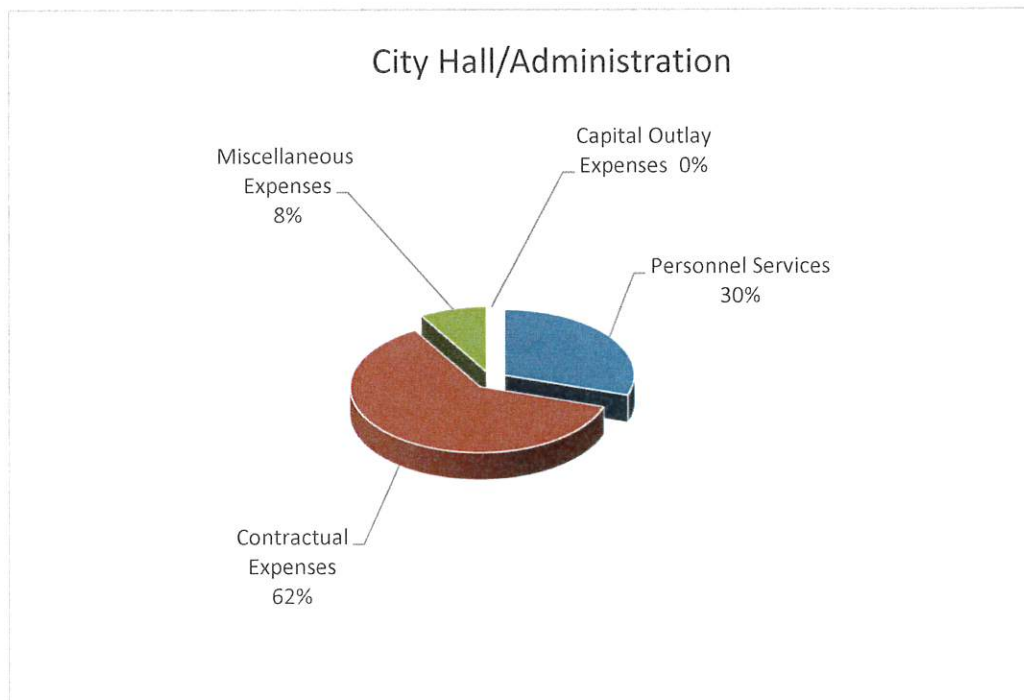
Goals for FY 2018-2019

- 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 Hall/Administration Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$156,583	\$144,784	\$147,691	\$151,186
Contractual Expenses	\$311,500	\$315,500	\$250,500	\$310,515
Miscellaneous Expenses	\$42,350	\$44,850	\$53,360	\$42,080
Capital Outlay Expenses	\$2,000	\$0	\$0	\$0
Total	\$512,433	\$505,134	\$451,551	\$503,781

Staffing	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
City Manager/Administrator	1	1	1	1
City Secretary	0	0	0	0
Permit Technician	0.5	0	0	0
Receptionist	0	0	0	0
Finance	0	0	0	0
Executive Assistant	0	0	0	0
Code Enforcement Officer (Contract)	0	0	1	1
Total	1.5	1	2	2



City of Magnolia

Department Expenditures City Hall/Administration

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
<u>Personnel Services</u>					
501501 Salaries	77,354	79,856	79,674	82,833	82,064
501502 Car Allowance	8,400	8,400	8,400	8,400	8,400
501505 Cell Phone Allowance	840	840	840	840	840
501506 Salary 4B	16,487	16,487	16,487	16,487	16,487
501507 Salary 4A	16,487	16,487	16,487	16,487	16,487
501515 Longevity	385	385	445	445	505
501516 T.E.C.(Unemployment)	342	9	180	162	162
501517 TMRS	2,471	2,619	2,679	2,710	2,533
501518 Worker's Compensation	282	3,520	288	345	294
501526 Insurance (Med./Dental/Vision/Life)	7,961	6,716	8,253	9,226	9,233
501536 Payroll Tax (F.I.C.A/Medicare)	9,176	9,157	9,358	9,944	9,546
501543 Education, Travel, & Certifications	3,000	4,402	3,000	1,754	3,000
501547 Drug Test	200	0	200	0	200
501550 Dues and Memberships	1,400	1,174	1,400	1,587	1,435
Total Personnel Services	144,784	150,051	147,691	151,220	151,186
<u>Contractual Expenses</u>					
501625 Maint & Repair Vehicle	0	158	0	98	0
501629 Inspection Services	120,000	95,719	70,000	112,034	105,000
501632 Consultant/Contract Services	60,000	23,283	50,000	44,975	50,000
501640 Legal	60,000	68,167	60,000	65,059	60,000
501641 Accounting	16,000	16,383	16,000	16,000	16,000
501643 Engineering	10,000	27,923	10,000	32,869	30,000
501670 Rental of Office Equipment/copier	6,000	6,598	6,000	6,438	6,500
501673 Computer Software (S/W)	40,000	35,498	35,000	33,330	35,015
501677 Computer Assistance (IT Services)	3,500	8,487	3,500	8,506	8,000
Total Contractual Expenses	315,500	282,217	250,500	319,309	310,515
<u>Miscellaneous Expenses</u>					
501744 Minor Equipment	4,000	1,424	4,000	2,053	4,200
501751 Prior Year Adj-2009	0	(441)	0	0	0
501760 Fuel	0	0	0	0	0
501766 Office Supplies	5,000	5,480	5,000	5,069	5,000
501768 Planning Commission Expenses	500	3,583	9,010	5,000	8,250
501774 Phones/Comm. Equipmen	0	3,390	0	757	900
501775 Ref. Books, Reports, Subscriptions	5,000	3,830	5,000	4,000	5,000
501778 Flower Fund	600	220	600	250	500
501779 Morale/Welfare	1,500	1,660	1,500	1,200	1,500
501800 Bank Fees	500	151	500	1,575	1,000
501801 Mayor/Council Christmas Reception	0	37	0	0	0
501806 City Administrators Fund	4,000	3,676	4,000	3,500	3,500
501807 Community Special Events	20,000	16,908	20,000	20,000	6,000
501810 Advertising	0	0	0	0	2,730
501833 Postage	3,750	2,860	3,750	3,000	3,500
Total Miscellaneous Expenses	44,850	42,778	53,360	46,404	42,080
<u>Capital Expenses</u>					
501920 Computer Equipment	0	1,534	0	0	0
Total Capital Expenses	0	1,534	0	0	0
Total City Hall/Administration Expenditures	505,134	476,579	451,551	516,933	503,781

City of Magnolia

City Hall/Administration

Account	Account Name	Approved Budget	Description
501501	Salaries	82,064	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	505	\$5 per month per year of service with City
501516	T.E.C. (Unemployment)	162	Unemployment taxes- 1.8% rate
501517	TMRS	2,533	Retirement cost-2.03%
501518	Worker's Compensation	294	Premiums paid to TML for W/C ins.
501526	Employee Insurance	9,233	Medical, dental, vision
501536	Payroll Tax	9,546	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	1,435	<div> Tx City Mgt Ass'n 50 TFMA 90 Amex 110 TML 575 Tx Social Security Admin Fee 35 International Code Council 125 Sam's Club 100 Greater Magnolia Pkwy Chamber 200 Misc. 150 </div>
501629	Inspection Services	105,000	Inspections and reviews of construction
501632	Consultant/Contract Services	50,000	<div> Consultants, i.e. Kendig Keast, 16,000 Municode, website hosting, fogging, bonding, on-site shredding Contract-planning, dev salary 10,000 Code enforcement salary 24,000 </div>
501640	Legal	60,000	Attorney fees

City of Magnolia

City Hall/Administration

Account	Account Name	Approved Budget	Description
501641	Accounting	16,000	Fees for annual audit, accounting support
501643	Engineering	30,000	General engineering fees
501670	Rental of Office Equipment/Copier	6,500	Rental expense of copier, extra costs for b/w and color copies
501673	Computer Software (S/W)	35,015	Tyler (Incode) annual maint. 18,000 McAfee support 990 iBackup.com 500 Domain renewal 75 Gov.office annual svc pkg 650 enCodePlus annual s/w licensing 6,250 Constant Contact 250 Google Earth Professional 300 Additional software purchase & maintenance & support 8,000
501677	Computer Assistance (IT Services)	8,000	Technical services for admin
501744	Minor Equipment	4,200	TV monitor for conference room 2,000 8 rolling chairs-conference room 1,200 Miscellaneous 1,000
501766	Office Supplies	5,000	Paper, pens, staples, clips, toner, file folders, note pads, etc.
501768	Planning Commission Expenses	8,250	Consulting 2,800 Memberships 500 Training 1,200 Travel 1,250 Scenic City update 2,500
501774	Cell Phones	900	Cost of cell phones and usage for Code Enforcement
501775	Ref. Books, Reports, Subscriptions	5,000	Periodicals, manuals, updates to Local Gov't Code
501778	Flower Fund	500	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	3,500	Misc. expenses incurred by City Administrator including business lunches
501800	Bank Fees	1,000	Cost of printed deposit slips, misc fees
501807	Community Special Events	6,000	Fireworks for July 4th, other events
501810	Advertising	2,730	Impact News annual community publication ad
501833	Postage	3,500	Admin mailing costs including Pitney Bowes mail machine lease, mail permits, Fedex charges
		503,781	

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, attends meetings, records and prepares official minutes.
- Serves as Records Management Officer and administers and coordinates organization-wide records management program
- Posts and publishes all legal notices in accordance with the Texas Local Government Code, Texas Open Meetings Act, City Codes and all other State laws.
- Ensures the codification of ordinances adopted by Council.
- Serves as Public Information Officer and Chief Custodian of Records.
- Attends all meetings of City-related boards and commissions, to include coordination and preparation of all agendas, minutes, resolutions, contracts, agreements, and any other legal documents in accordance with set policies, Code of Ordinances and laws of the State.
- Provides leadership, oversight, assistance and guidance for other administrative departments.
- Maintains City website.

Accomplishments

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

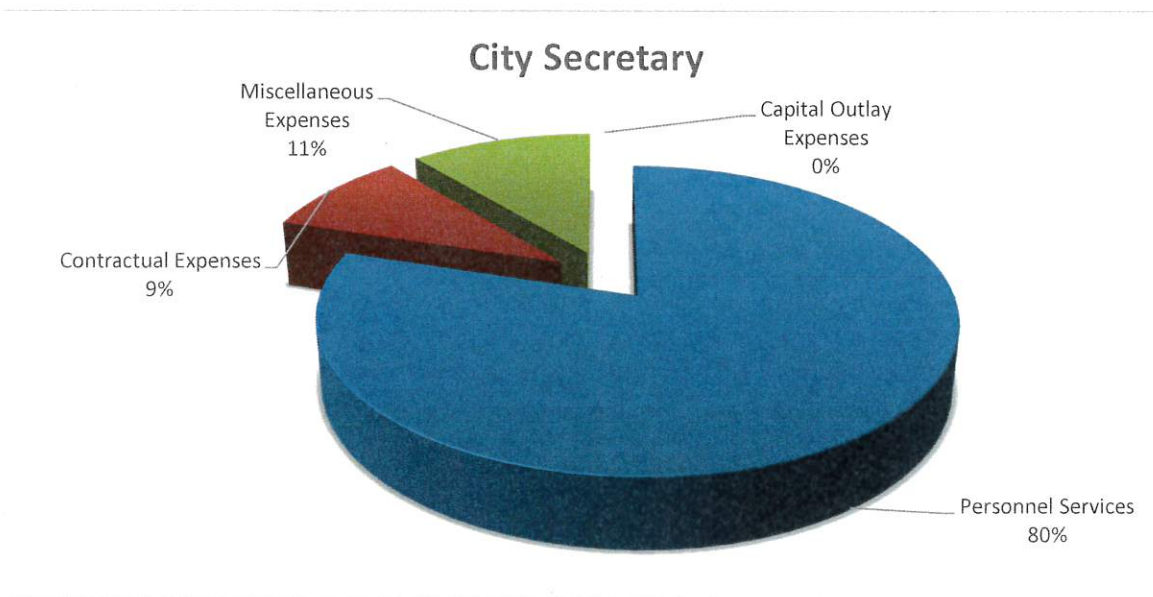
Goals

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

City Secretary Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$78,513	\$81,920	\$84,267	\$86,818
Contractual Expenses	\$10,000	\$10,000	\$10,000	\$10,000
Miscellaneous Expenses	\$11,500	\$11,500	\$11,500	\$12,050
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$100,013	\$103,420	\$105,767	\$108,868

Staffing	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
City Secretary	1	1	1	1
Deputy City Secretary	0	0	0	0
Total	1	1	1	1



City of Magnolia

City Secretary	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
<u>Personnel Services</u>					
506501 Salaries	60,090	60,022	61,892	61,792	63,749
506506 Salary 4B	2,541	2,541	2,541	2,541	2,541
506507 Salary 4A	2,466	2,466	2,466	2,466	2,466
506515 Longevity	380	380	440	440	500
506516 T.E.C.	171	9	90	162	162
506517 T.M.R.S.	1,349	1,423	1,475	1,447	1,406
506518 Worker's Comp	154	160	158	169	163
506526 Insurance (Med/Dental/Life/Vision)	7,961	7,655	8,253	8,210	9,233
506536 Payroll Tax (F.I.C.A./Medicare)	5,009	5,004	5,151	5,357	5,298
506543 Education, Travel, Certification	1,500	0	1,500	0	1,000
506550 Dues and Memberships	300	100	300	150	300
Total Personnel Services	81,920	79,760	84,267	82,734	86,818
<u>Contractual Expenses</u>					
506674 Posting and Advertising	10,000	5,379	10,000	10,000	10,000
Total Contractual Expenses	10,000	5,379	10,000	10,000	10,000
<u>Miscellaneous Expenses</u>					
506769 Office Equipment	200	639	200	568	500
506773 Cost of Election	10,000	0	10,000	10,500	10,500
506775 Magazines, Maps & Books	300	0	300	110	300
506834 Recording Fees	1,000	670	1,000	86	750
Total Miscellaneous Expenses	11,500	1,309	11,500	11,264	12,050
Total City Secretary Expenditures	103,420	86,448	105,767	103,998	108,868

City of Magnolia

City Secretary

Account	Account Name	Approved Budget	Description
506501	Salaries	63,749	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	500	\$5 per month per year of service with City
506516	T.E.C. (Unemployment)	162	Unemployment taxes- 1.8% rate
506517	TMRS	1,406	Retirement cost-2.03%
506518	Worker's Compensation	163	Cost of W/C insurance
506526	Employee Insurance	9,233	Medical, dental, vision
506536	Payroll Tax	5,298	Social Security & Medicare-7.65% rate
506543	Education, Travel, Certifications	1,000	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	500	Misc. equipment
506773	Cost of Election	10,500	Paid to the County for elections
506775	Magazines, Maps & Books	300	Updates of TX Local Gov't Code, etc.
506833	Postage	-	
506834	Recording Fees	750	Costs for recording items with County or State
		108,868	

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 accurately and timely; handle all human resource functions and provide administrative support in order to ensure effective and efficient office operations.

Accomplishments for FY 2017-2018

- 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
- Set up email payroll system (in conjunction with utility department)
-

Objectives for FY 2018-2019

- 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
- Continue to update personnel policy handbook as necessary

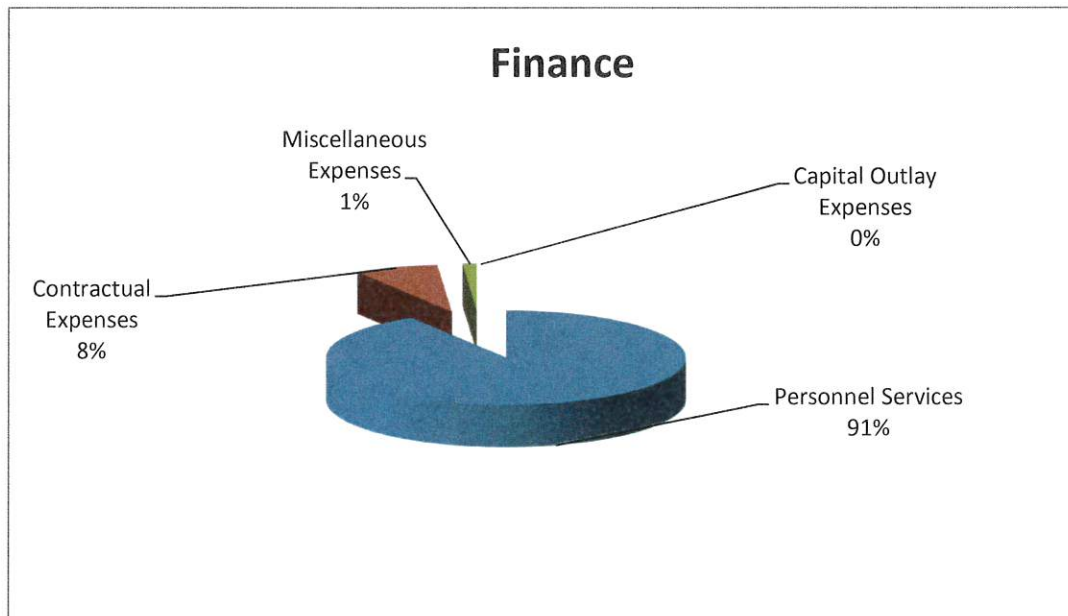
Goals for FY 2018-2019

- Become a more efficient finance department by reducing/eliminating some of the paper-based processes
- Continue to streamline the chart of accounts to eliminate unnecessary funds, per audit comments
- Develop additional financial policies as needed

Finance Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$81,182	\$86,908	\$96,913	\$102,574
Contractual Expenses	\$7,000	\$8,000	\$8,000	\$8,500
Miscellaneous Expenses	\$1,300	\$1,300	\$1,450	\$1,450
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$89,482	\$96,208	\$106,363	\$112,524

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
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

Finance	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
<u>Personnel Services</u>					
505501 Salaries	66,698	75,577	71,624	73,451	75,775
505503 Overtime	3,000	6,608	7,000	6,148	7,000
505515 Longevity	600	600	660	660	720
505516 T.E.C.	342	18	180	251	324
505517 T.M.R.S.	1,074	1,342	1,262	1,266	1,255
505518 Worker's Comp	170	223	183	233	194
505526 Insurance (Med/Dental/Life/Vision)	7,961	7,686	8,253	8,241	9,233
505536 Payroll Tax (F.I.C.A./Medicare)	5,378	6,298	6,065	6,362	6,387
505543 Education, Travel, Certification	1,500	613	1,500	625	1,500
505547 Drug Test	0	0	0	0	0
505550 Dues and Memberships	185	0	185	250	185
Total Personnel Services	86,908	98,965	96,913	97,487	102,574
<u>Contractual Expenses</u>					
505632 Contract/Outside Services	0	0	0	0	0
505644 Appraisal District Fee	8,000	7,787	8,000	8,500	8,500
Total Contractual Expenses	8,000	7,787	8,000	8,500	8,500
<u>Miscellaneous Expenses</u>					
505766 Office Supplies	600	451	800	577	800
505775 Ref Books, Reports, Subscriptions	200	0	200	46	200
505800 Bank Fees	300	183	300	160	300
505820 Surety&Fidelity Bonds	200	150	150	150	150
Total Miscellaneous Expenses	1,300	784	1,450	933	1,450
Total Finance Expenditures	96,208	107,536	106,363	106,920	112,524

City of Magnolia

Finance

Account	Account Name	Approved Budget	Description
505501	Salaries	75,775	1 administrator, 1 part time clerk
505503	Overtime	7,000	Authorized overtime for non-exempt employees
505515	Longevity	720	\$5 per month per year of service with City
505516	T.E.C. (Unemployment)	324	Unemployment taxes- 1.8% rate
505517	TMRS	1,255	Retirement cost-2.03%
505518	Worker's Compensation	194	Cost of W/C insurance
505526	Employee Insurance	9,233	Medical, dental, vision
505536	Payroll Tax	6,387	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	8,500	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.
		112,524	

POLICE





Magnolia Police Department

**Professionalism *Integrity *Excellence*

Terry Enloe
Chief of Police

Police Department Mid-Year Budget Review 2017-2018

During the budget review in July 2017 we agreed to a Mid-Year Budget review. This mid-year review I am presenting includes recommendations for necessary funds for the upcoming 2018-2019 Budget year for the Police Department. What is included is not a "WANT" list but a "NEED" list.

Several incidents have come to the fore front of criminal activity since that time. The trend we are now experiencing involves criminal activities that are currently being utilized in the "Big City". We are experiencing increased narcotics trafficking, gambling, the start of gang related activity and electronic theft. My other concern is the future growth that the City of Magnolia will experience in the next 3-4 years. It will not only bring increased criminal activity but also increased traffic, accidents and vehicular mobility issues throughout the entire community. We need to stay ahead of the criminal curve and prepare for future increases of criminal activity. If we decided to wait until it is epidemic then we have failed the citizens of our community that need the Police protection to ensure a safe quality of life. Therefore we will be continuing the following programs currently in progress.

- a. Gangs – continue update gang training for all Officers
- b. Narcotics Investigation and proactive narcotics investigations
- c. Search Warrants - providing an entry strategy, personnel assignments/duties on the entry perimeter and entry team, and all intelligence on the location including layout of the area to search, specific obstacles within the confines of the language of the warrant.
- d. Continue specialized tactical training for all Officers to enhance safety and provide them with solid safety techniques.

- e. Continue the procedure whereby all Officers working during school hours perform a periodic walk through of all schools within Magnolia's Police Department's jurisdiction. This includes those schools that are outside our jurisdiction, but close enough that we would respond and assist other agency(s).
- f. Continue with the meetings of all Churches in the Magnolia area in training and updated techniques for an active shooting incident.
- g. Continue investigating, and prosecuting vice crimes, specifically but not limited to, gambling, gambling mechanisms, gambling establishments, illegal tobacco sales and illegal alcohol sales.
- h. Added the Special Investigator to assist the Investigative Detective on cases when needed.
- i. The Special Investigator works on cases, i.e. narcotics, gambling, search warrants and other cases deemed appropriate The Special Investigator assisting on Patrol duty when critical incidents occur or another Patrol Officer is needed to ensure the safety of our Patrolmen and Magnolia's citizens...
- j. Added a Training Coordinator including, but not limited to, Firearms training/instructor and recommendations for advanced training classes for all Officers
- k. Filled all positions in the Police Department.

2) **VEHICLE REVIEW:**

The current Patrol fleet in Magnolia Police Department consist of 12 City Owned Vehicles. We have **8** Patrol vehicles that have over 100,000 miles and another **1** that is close to 100,000 miles. These vehicles are now in a high maintenance mode and requires additional repairs from usage to ensure the safety of operations for the Patrol Officers and the citizens of our community. A perfect example is to peruse our line item budget for vehicle repair. We have almost exhausted our entire budget for vehicular repair 6 months into the current budget year.

The Patrol vehicles and exact mileage are as follows:

SHOP #	MILEAGE
<u>701</u>	<u>106,723- GOING TO AUCTION</u>
702	172,300
<u>703</u>	<u>129,288- SEIZED VEHICLE</u>
<u>0901</u>	<u>173,000 – GOING TO AUCTION</u>
1001	134,996
1002	107,070
1101	114,604
<u>1102</u>	<u>23,337 -SEIZED VEHICLE</u>
1201	58,070
1203	131,569
1204	125,918
1301	116,309
1302	89,415
1303	125,163
1601	41,300
1801	1303

Mid-Year 2017-2018 Major Statistics

ARRESTS: 184

VIOLATIONS: 1995

SEARCH WARRANTS: 6

SEIZED VEHICLES: 5

FUNDS RECEIVED FROM TRAFFIC VIOLATIONS: \$299,701.95

BUDGET YEAR 2017-2018 RECOMMENDATIONS

I recommend the following for budget year 2018-2019. These recommendations are major foreseeable expenses for the upcoming budget year 2018-2019. Other additions might be added to the budget during the final budget review as we will be able to better determine our needs at that time.

1. 2 new Chevrolet Tahoe,
2. A new Patrol position to be funded half way through the budget year 2018-2019,
3. Handheld radios that have reached the end of service life, costs submitted at Budget
4. MDT computers that have reached the end of service life, costs submitted at Budget

In conclusion, it benefits Magnolia Police Department in setting the base of operations for future growth. This philosophy would provide the ability for an easier expansion of operations in the future and maintaining adequate Police services. It takes a year from the time we start the hiring process until the Officer is fully operational and a viable Patrol unit. This is due to the time to train a new officer. We begin the process of hiring with the posting of the position, taking applications, investigating the application, doing the background investigation, hiring the Officer, and completing the Field Training process. If we wait until the manpower is needed we are behind the curve and will not be proactive but reactive. It will bring a severe increase in criminal activity and take away from the prestige and reputation that the City of Magnolia currently experiences.

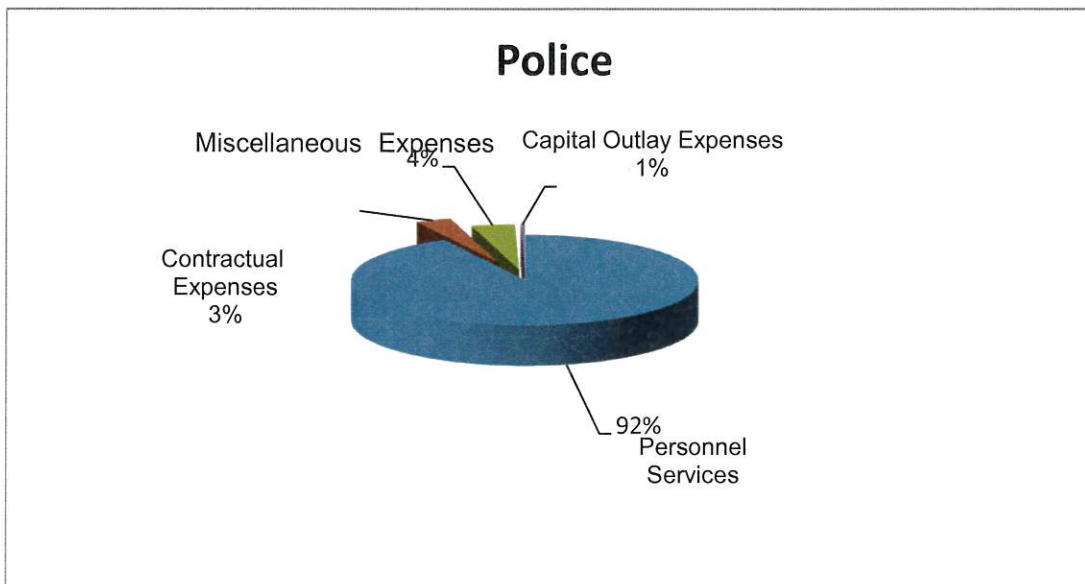
Sincerely,

T. G. Enloe
Police Chief
Magnolia Police Department
Magnolia Texas

Police Department Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$1,028,303	\$1,174,745	\$1,230,734	\$1,300,820
Contractual Expenses	\$71,089	\$79,089	\$61,800	\$46,745
Miscellaneous Expenses	\$90,400	\$93,900	\$94,200	\$57,200
Capital Outlay Expenses	\$33,550	\$29,388	\$13,851	\$5,590
Total	\$1,223,342	\$1,377,122	\$1,400,585	\$1,410,355

Staffing	Amended 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Chief of Police	1	1	1	1
Captain	0	0	0	0
Lieutenant	0	1	1	1
Sergeant	3	3	3	3
Detective	1	1	1	1
Investigator	0	0	1	1
Patrol Officers	9	9	9	9.5
Reserve Officers	9	9	9	1
Dispatch	0	0	0	0
Administrative Asst/Dispatch	1	1	1	1
Code Compliance Officer	1	1	0	0
Executive Officer	0	0	0	0
Evidence Clerk	1	1	1	1
Total	26	27	27	19.5



City of Magnolia

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Police Department					
<u>Personnel Services</u>					
502501 Salaries	728,876	674,550	753,712	712,790	809,652
502503 Overtime	20,000	21,167	24,500	27,550	27,000
502504 S.T.E.P. Overtime	2,000	1,966	2,000	(379)	2,000
502510 Salary and Benefit Reimbursement(TC)	162,329	140,437	175,571	160,976	161,791
502515 Longevity	2,530	3,280	2,360	3,970	4,535
502516 T.E.C.(Unemployment)	3,078	162	1,620	3,000	2,916
502517 TMRS	18,864	18,528	21,175	19,315	20,401
502518 Worker's Compensation	19,333	20,497	20,256	20,616	22,000
502526 Insurance (Med./Dental/Vision/Life)	143,300	122,929	148,563	135,790	170,816
502536 Payroll Tax (F.I.C.A/Medicare)	57,636	64,520	60,536	68,390	64,504
502543 Education, Travel, & Certifications	15,000	14,385	10,000	16,390	14,000
502544 State P. D. Education	0	(1,340)	0	(102)	0
502547 Drug Test	500	1,069	700	533	700
502550 Dues, Memberships, & Promotions	1,300	370	1,000	83	505
Total Personnel Services	1,174,745	1,082,520	1,221,992	1,168,922	1,300,820
<u>Contractual Expenses</u>					
502604 Police Dept Cell Phones	11,000	10,506	11,000	11,379	11,000
502625 Maintenance & Repair Vehicle	29,000	27,186	37,742	35,900	15,000
502630 Outside Services	5,000	1,644	4,000	234	2,000
502634 Maintenance & Repair Office Equip.	800	0	800	0	500
502637 Radios	15,526	1,747	2,000	2,936	3,000
502638 Harris County Contract-Radio	2,763	0	0	0	0
502670 Copy Machine/Lease of Office Equip.	5,000	4,284	5,000	4,100	5,000
502673 Computer Software	7,000	9,878	7,000	3,445	6,245
502677 Computer Assistance (IT Services)	3,000	2,438	3,000	4,762	4,000
Total Contractual Expenses	79,089	57,682	70,542	62,756	46,745
<u>Miscellaneous Expenses</u>					
502744 Minor Equipment	1,200	90	1,000	831	1,000
502760 Fuel	45,000	53,812	45,000	68,535	0
502762 Uniforms & Badges	10,500	8,790	8,500	8,955	8,500
502766 Office Supplies	7,500	5,728	8,000	3,991	6,000
502769 Evidence Supplies	2,200	14,699	2,500	1,567	2,500
502770 K-9 Expense	3,000	1,581	3,000	2,949	3,000
502771 Citizens Police Academy	1,000	0	0	0	0
502772 Officer Safety Equipment Assistance Progr	2,000	0	0	0	0
502827 Fleet Insurance - TML	10,500	15,947	15,000	23,675	24,000
502828 Law Enforcement Liability	11,000	12,560	11,000	12,030	12,000
502833 Postage	0	0	200	0	200
Total Miscellaneous Expenses	93,900	113,207	94,200	122,533	57,200
<u>Capital Expenses</u>					
502920 Computer Equipment	9,278	9,278	0	0	0
502921 Radios	10,292	10,363	7,800	4,629	0
502922 Tasers	5,962	5,962	3,400	4,246	2,640
502924 Safety Vests	3,856	3,501	2,651	1,346	2,950
502951 Motor Vehicles	0	0	0	32,075	0
Total Capital Expenses	29,388	29,104	13,851	42,296	5,590
Total Police Department Expenditures	1,377,122	1,282,513	1,400,585	1,396,507	1,410,355

City of Magnolia

Police Department

Account	Account Name	Approved Budget	Description	
502501	Salaries	809,652	15 employees + 1 beginning mid-year	
502503	Overtime	27,000	Authorized overtime for non-exempt employees	
502504	S.T.E.P. Overtime	2,000	State funds	
502510	Salary & Benefit Reimb (TC)	161,791	Salary/payroll tax costs for 3 employees-red light camera	
502515	Longevity	4,535	\$5 per month per year of service with City	
502516	T.E.C. (Unemployment)	2,916	Unemployment taxes- 1.8% rate	
502517	TMRS	20,401	Retirement cost-2.03%	
502518	Worker's Compensation	22,000	Premiums paid to TML for W/C ins.	
502526	Employee Insurance	170,816	Medical, dental, vision for 18.5 empl.	
502536	Payroll Tax	64,504	Social Security & Medicare-7.65% rate	
502543	Education, Travel, Certifications	14,000	Misc education, travel expense	
502547	Drug Test	700	Pre-employment & post-accident testing	
502550	Dues, Memberships & Promotions	505	IACP	150
			Amex	55
			Misc	300
502604	Cell Phones	11,000	Cost of cell phones & usage (Includes notebook computer usage)	
502625	Maintenance & Repair Vehicles	15,000	Oil changes, inspection, repairs, maintenance of police vehicles Add'l maint to be paid with RLC funds	
502630	Outside Services	2,000	Contracted expenses	
502634	Maint/Repair of Office Equipment	500	Routine maintenance or repair costs of office equipment	
502637	Mont. Co.Sheriff's Office/Radios	3,000	Annual contract with Montgomery Co.	1,100
			Radio programming	1,000
			Radio repairs/parts	900
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	6,245	Annual renewal of TCLEDDS	325
			TLO	1,320
			Interact RMS	2,100
			Misc	2,500
502677	Computer Assistance (IT Services)	4,000	Technical services for P/D	
502744	Minor Equipment (Ammo)	1,000	Ammunition for training, etc.	
502760	Fuel		Fuel for police vehicles	
502762	Uniforms & Badges	8,500	Uniforms & badges, new or replacement	
502766	Office Supplies	6,000	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	
502827	Fleet Insurance-TML	24,000	Vehicle insurance	
502828	Law Enforcement Liability	12,000	Police officers' liability insurance	
502833	Postage	200	Cost to send certified letters	
502920	Computer Equipment	-	MDT Computers	
502921	Radios	-	Handheld radios Option to defer 1st pay't til 10/1/2019	
502922	Tasers (Holsters & Cartridges)	2,640	Class III tasers w/holsters, battery packs, cartridges, dataport download kits	
502924	Personal Ballistic Armor	2,950	Vest for new officer, etc.	
502951	Motor Vehicles	-		
		1,410,355		

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.

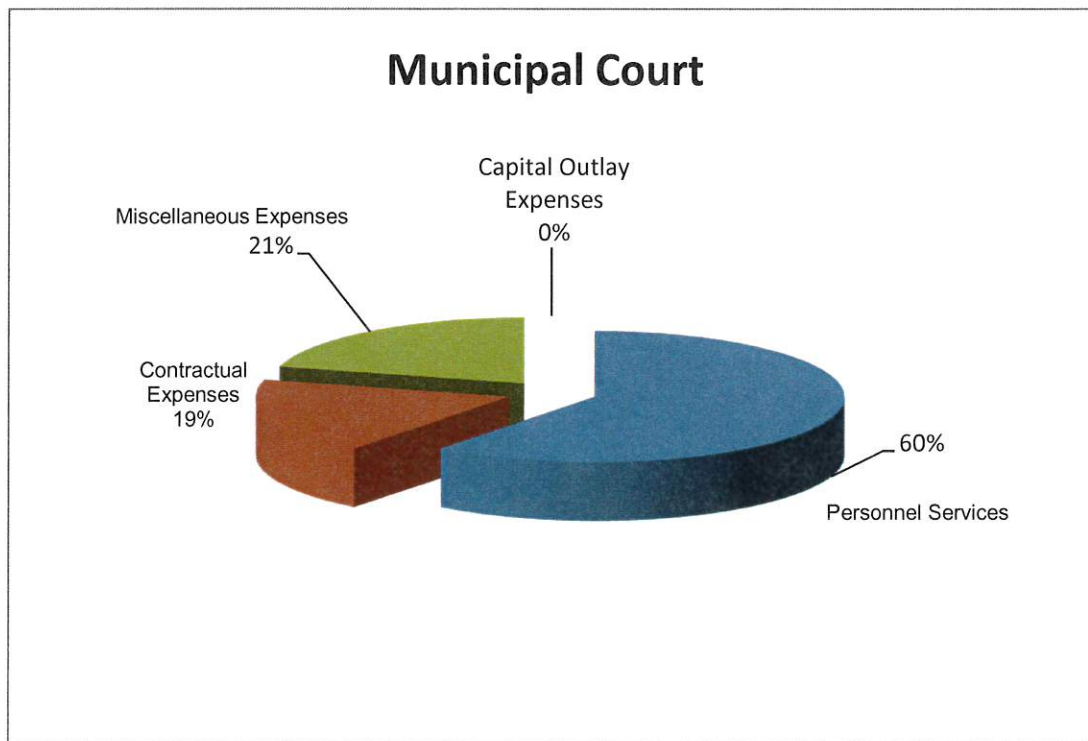
Goals for FY 2018-2019:

- Improve on court collections; collect on current warrants.
- All clerks will continue their education to stay abreast of the latest updated laws and court procedures.

Municipal Court Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$104,781	\$91,507	\$95,009	\$100,489
Contractual Expenses	\$29,000	\$30,000	\$35,000	\$31,000
Miscellaneous Expenses	\$218,125	\$32,775	\$40,775	\$34,800
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$351,906	\$154,282	\$170,784	\$166,289

Staffing	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
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



City of Magnolia

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Municipal Court					
<u>Personnel Services</u>					
504501 Salaries	65,806	66,635	68,405	69,312	71,611
504503 Overtime	0	0	0	0	0
504515 Longevity	300	300	420	420	540
504516 T.E.C.	342	18	180	289	324
504517 T.M.R.S.	1,362	1,456	1,507	1,569	1,465
504518 Worker's Comp	168	163	175	197	183
504526 Insurance (Med/Dental/Life/Vision)	15,922	15,371	16,507	16,482	18,467
504536 Payroll Tax (F.I.C.A./Medicare)	5,057	5,114	5,265	5,869	5,520
504543 Education, Travel, Certification	2,000	1,111	2,000	901	2,000
504547 Drug Test	50	0	50	0	50
504550 Dues and Memberships	500	80	500	120	330
Total Personnel Services	91,507	90,248	95,009	95,159	100,489
<u>Contractual Expenses</u>					
504632 Contract/Outside Services	18,000	12,000	18,000	12,000	14,000
504640 Legal	12,000	8,100	12,000	8,775	12,000
504673 Incode Software & Support	0	0	5,000	9,000	5,000
504677 Computer Assistance/IT Services	0	0	0	594	0
Total Contractual Expenses	30,000	20,100	35,000	30,369	31,000
<u>Miscellaneous Expenses</u>					
504766 Office Supplies	3,000	1,935	3,000	2,406	3,000
504775 Ref. Books, Rpts, Subscriptions	300	0	300	0	300
504803 Over/Short Cash	0	118	0	(3)	0
504810 Court Jurors	500	138	500	234	500
504814 C.O.L.A.G.Y.	12,000	46,509	20,000	26,427	28,000
504815 State Comptroller Fees	0	0	0	0	0
504833 Postage	3,000	1,403	3,000	2,149	3,000
Total Miscellaneous Expenses	18,800	50,104	26,800	31,213	34,800
Total Municipal Court Expenditures	140,307	160,452	156,809	156,741	166,289

City of Magnolia

Municipal Court

Account	Account Name	Approved Budget	Description
504501	Salaries	71,611	1 administrator, 1 clerk
504503	Overtime	-	Authorized overtime for non-exempt employees
504515	Longevity	540	\$5 per month per year of service with City
504516	T.E.C. (Unemployment)	324	Unemployment taxes- 1.8% rate
504517	TMRS	1,465	Retirement cost-2.03%
504518	Worker's Compensation	183	Cost of W/C insurance
504526	Employee Insurance	18,467	Medical, dental, vision
504536	Payroll Tax	5,520	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	330	TMCCA 150 TCCA 80 Misc. 100
504632	Contract/Outside Services	14,000	Fees paid to judge 12,000 Certified court interpreter fees 1,000 Other court contractual services 1,000
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.	28,000	Collection agency fees
504815	State Comptroller Fees	-	State's portion of all tickets and fines
504833	Postage	3,000	Costs for court mailings
		166,289	

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 2017-2018

- Replaced street signs throughout the City
- Maintained roads/repared potholes
- Trimmed vegetation along right-of-ways
- Provided barricades and safety apparatus for flooded areas
- Restructured personnel position in order to put more emphasis on reporting compliance
- Updated safety supplies for all personnel

Objectives for FY 2018-2019

- 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

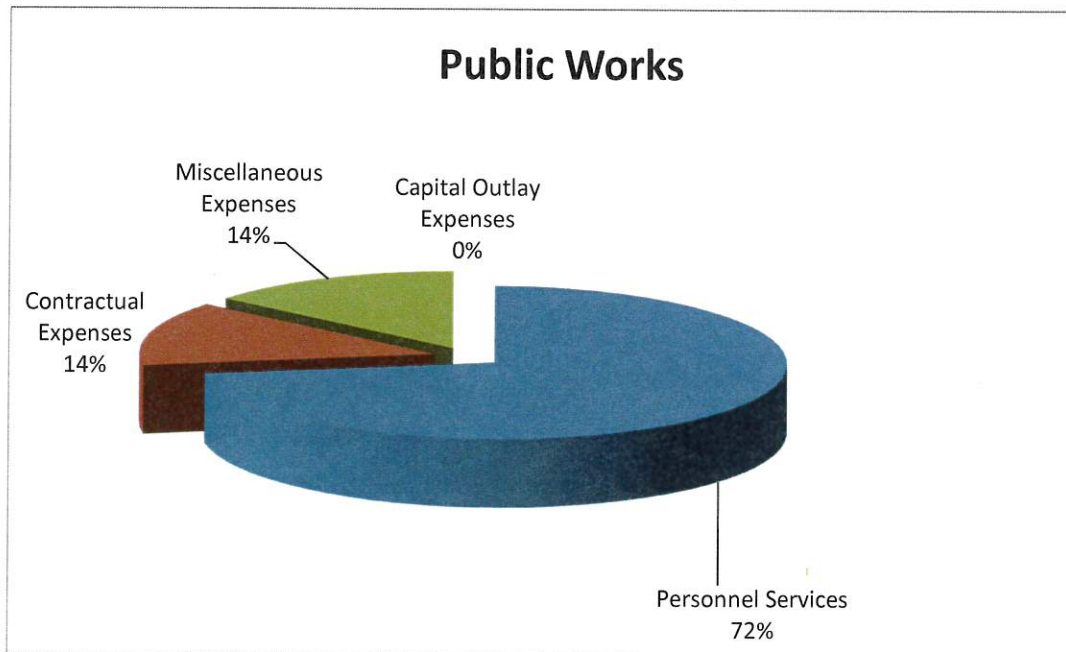
Goals for FY 2018-2019

- 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 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$59,999	\$386,575	\$410,014	\$376,009
Contractual Expenses	\$64,000	\$72,000	\$79,200	\$70,200
Miscellaneous Expenses	\$31,000	\$63,500	\$63,500	\$73,344
Capital Outlay Expenses	\$8,000	\$6,000	\$96,000	\$0
Total	\$162,999	\$528,075	\$648,714	\$519,553

Staffing	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Public Works Director	0	1	1	1
Water/Sewer Plant Operator	0	1	1	1
Utility Maintenance Worker	0	4	4	4
Laborers	1	1	1	1
Mechanic	0.5	1	1	1
Total	1.5	8	8	8



City of Magnolia

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Public Works					
<u>Personnel Services</u>					
503501 Salaries	267,848	263,221	285,490	223,161	258,538
503503 Overtime	20,791	22,305	15,000	5,418	5,000
503505 Cell Phone Allowance	1,400	1,263	1,400	1,192	1,400
503515 Longevity	1,325	1,295	1,525	1,275	1,175
503516 T.E.C.	1,197	87	720	1,063	1,296
503517 T.M.R.S.	6,002	5,936	6,645	5,030	5,402
503518 Worker's Comp	5,795	6,295	5,795	6,710	6,375
503526 Insurance (Med/Dental/Life/Vision)	55,728	57,687	66,028	57,688	73,866
503536 Payroll Tax (F.I.C.A./Medicare)	22,289	21,310	23,211	17,664	20,358
503543 Education, Travel, Certification	3,600	1,233	3,600	1,296	2,000
503547 Drug Test	600	1,069	600	405	600
Total Personnel Services	386,575	381,700	410,014	320,902	376,009
<u>Contractual Expenses</u>					
503604 Electric (Street Lights)	18,000	21,292	18,000	22,500	22,000
503625 Maint/Repair-Vehicle(parts,inspection)	15,000	12,931	15,000	13,376	10,000
503632 Contract/Consulting Services	0	1,980	7,200	8,826	8,200
503632 FEMA #4269 Expense	0	4,996	0	0	0
503633 Maint. & Repair Equip-Heavy	6,000	6,832	6,000	918	4,000
503650 Mowing	25,000	12,597	25,000	25,000	20,000
503653 Ditch Renovations	2,000	5,910	2,000	0	0
503655 Street Signs & Flags	3,000	3,130	3,000	713	3,000
503663 Rental of Equipment	3,000	1,084	3,000	0	3,000
Total Contractual Expenses	72,000	70,754	79,200	71,333	70,200
<u>Miscellaneous Expenses</u>					
503700 General Supplies	6,000	8,135	6,000	8,174	8,000
503744 Minor Tools and Equipment	8,000	4,179	8,000	9,204	15,344
503749 Street Supplies	1,000	113	1,000	2,607	1,000
503760 Fuel	31,000	43,565	31,000	44,149	38,000
503761 Tires and Tubes	8,000	2,940	8,000	4,000	1,000
503762 Uniforms and Badges	5,000	6,644	5,000	4,968	5,000
503827 Fleet Insurance - TML	4,500	4,292	4,500	5,004	5,000
503831 Damage Claims	0	634	0	3,000	0
Total Miscellaneous Expenses	63,500	70,503	63,500	81,106	73,344
<u>Capital Expenses</u>					
503945 Other Equipment	6,000	5,948	0	0	0
503951 Motor Vehicles	0	0	96,000	92,880	0
Total Capital Expenses	6,000	5,948	96,000	92,880	0
Total Public Works Expenditures	528,075	528,904	648,714	566,221	519,553

City of Magnolia

Public Works

Account	Account Name	Approved Budget	Description
503501	Salaries	258,538	8 employees
503503	Overtime	5,000	Authorized overtime for non-exempt employees
503505	Cell Phone Allowance	1,400	Allowance for use of personal cell phones for business purposes
503515	Longevity	1,175	\$5 per month per year of service with City
503516	T.E.C. (Unemployment)	1,296	Unemployment taxes- 1.8% rate
503517	TMRS	5,402	Retirement cost-2.03%
503518	Worker's Compensation	6,375	Cost of W/C insurance
503526	Employee Insurance	73,866	Medical, dental, vision for 8 employees
503536	Payroll Tax	20,358	Social Security & Medicare-7.65% rate
503543	Education, Travel, Certifications	2,000	Training, travel & certifications
503547	Drug Test	600	Pre-employment & post-accident testing
503604	Electric (Street Lights)	22,000	Expense for all street lights in the City
503625	Maintenance & Repair Vehicles	10,000	Oil changes, inspection, repairs, maintenance of P W vehicles
503632	Contract/Consulting Services	8,200	Contract svcs for W/S operator Tree removal, etc.
			7,200 1,000
503633	Maint & Repair Equipment-Heavy	4,000	Costs to repair backhoe, tractor, & other equipment
503650	Mowing	20,000	Contracted work for mowing right-of-ways
503653	Ditch Renovations	-	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

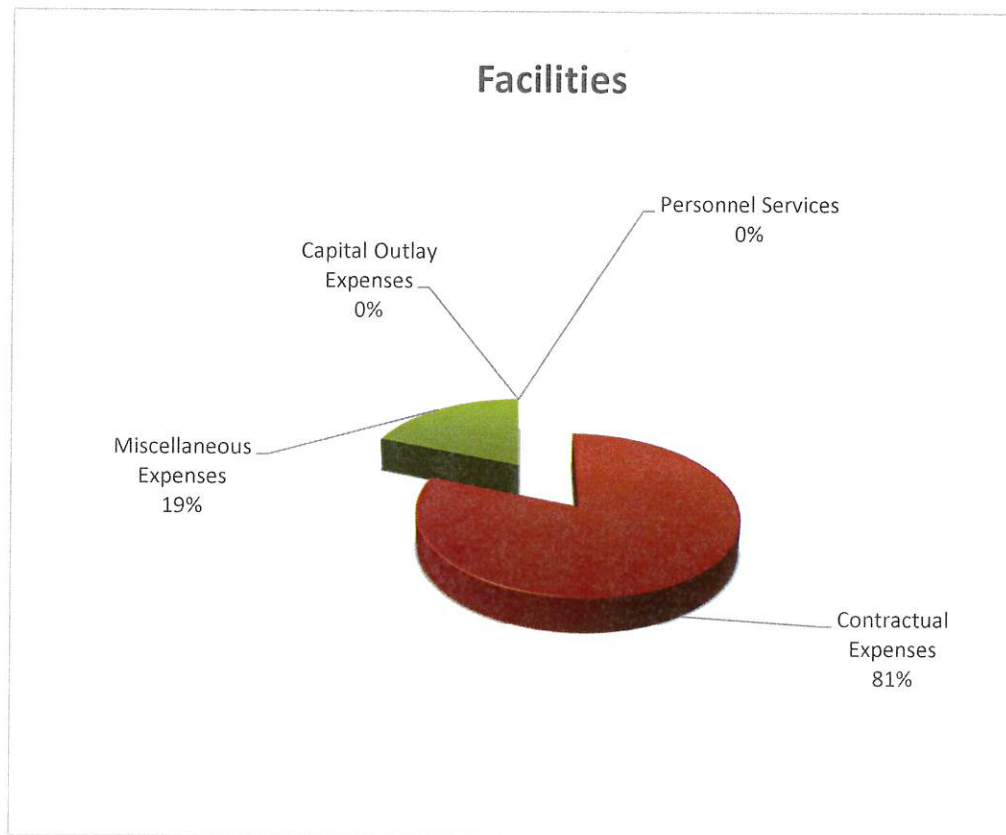
Account	Account Name	Approved Budget	Description	
503700	General Supplies	8,000	Misc supplies-marking paint, gloves, safety equipment, insect repellent, batteries, ragsinabox, shop supplies	
503744	Minor Tools & Equipment	15,344	Self-contained Ice Maker	1,200
			RRR Machine	4,493
			Leak Detector	3,651
			Flashlights, generators, rakes, shovels, saws, drills/drill bits, mowers,edgers, etc.	6,000
503749	Street Supplies	1,000	Street supply costs that aren't HB445 fund repairs	
503760	Fuel	38,000	Cost of fuel for P/W vehicles	
503761	Tires and Tubes	1,000	Cost of tires for P/W vehicles, tractors & mowers	
503762	Uniforms & Badges	5,000	Supply uniforms & cleaning	
503827	Fleet Insurance-TML	5,000	Vehicle Insurance	
503945	Other Equipment	-		
503951	Motor Vehicles			
		519,553		

FACILITIES



Facilities Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$0	\$0	\$0	\$0
Contractual Expenses	\$54,500	\$55,500	\$55,500	\$57,500
Miscellaneous Expenses	\$13,500	\$13,500	\$13,500	\$13,500
Capital Outlay Expenses	\$0	\$37,500	\$13,000	\$0
Total	\$68,000	\$106,500	\$82,000	\$71,000



City of Magnolia

Facilities	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
<u>Contractual Expenses</u>					
509603 Utilities / Electric	19,000	18,557	19,000	19,906	20,000
509605 Telephone & Internet	17,000	16,366	17,000	16,310	17,000
509632 Contractual Services	1,000	3,098	1,000	1,088	1,000
509633 Bldg Lease & Grounds Maint	5,000	2,929	5,000	4,596	5,000
509634 Heat/A/C	0	0	0	0	0
509671 Janitorial Services / Cleaning	13,500	12,783	13,500	14,948	14,500
Total Contractual Expenses	55,500	53,733	55,500	56,848	57,500
<u>Miscellaneous Expenses</u>					
509700 Supplies (Misc.)	10,000	8,965	10,000	9,094	10,000
509826 Building Insurance - TML	3,500	3,138	3,500	2,830	3,500
Total Miscellaneous Expenses	13,500	12,102	13,500	11,924	13,500
<u>Capital Expenses</u>					
509974 Capital Outlay	37,500	50,281	13,000	0	0
Total Capital Expenses	37,500	50,281	13,000	0	0
Total Facilities Expenditures	106,500	116,116	82,000	68,772	71,000

City of Magnolia

Facilities

Account	Account Name	Approved Budget	Description
509603	Utilities/Electric	20,000	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	14,500	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	-	
		71,000	

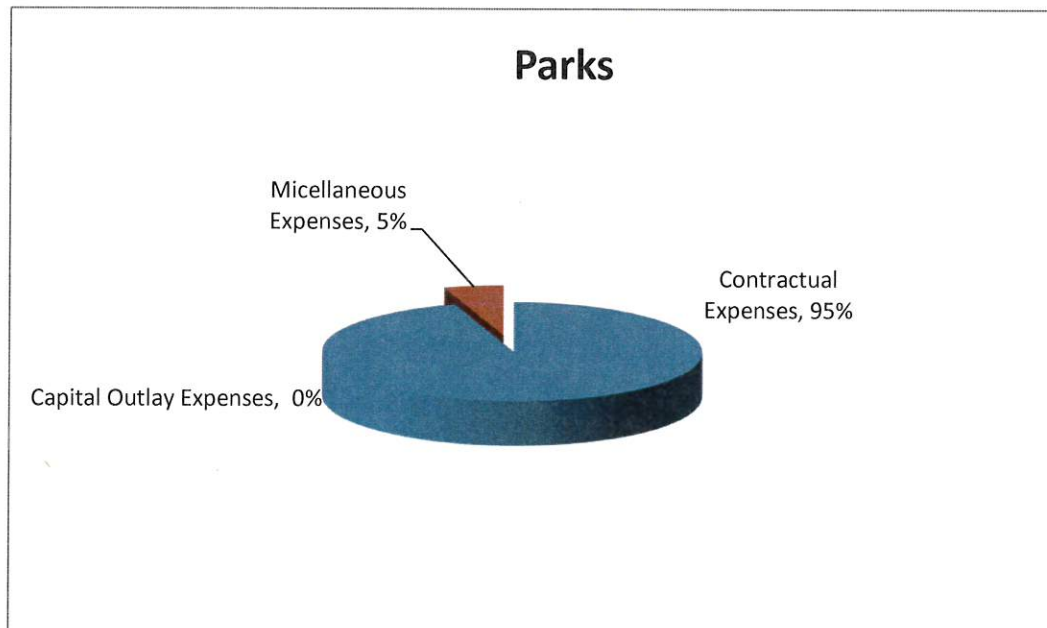
PARKS



Parks Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Contractual Expenses	\$7,500	\$7,500	\$12,500	\$22,500
Miscellaneous Expenses	\$6,000	\$500	\$0	\$1,200
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$13,500	\$8,000	\$12,500	\$23,700

Staffing	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Laborers	0	0	0	0
Total	0	0	0	0



City of Magnolia

Parks	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
<u>Contractual Expenses</u>					
511603 Utilities / Electric	6,500	5,345	6,500	5,797	6,500
511632 Contractual Services / Parks	0	32,834	0	11,402	10,000
511633 Grounds Maintenance/Mulch	0	2,480	0	1,875	2,000
511634 Building Maintenance	1,000	658	6,000	2,000	4,000
Total Contractual Expenses	7,500	41,317	12,500	21,074	22,500
<u>Miscellaneous Expenses</u>					
511744 Minor Equipment	0	0	0	0	0
511760 Gas/Oil	500	0	0	0	0
511826 Property Insurance - TML	0	0	0	1,003	1,200
Total Miscellaneous Expenses	500	0	0	1,003	1,200
Total Parks Expenditures	8,000	41,317	12,500	22,077	23,700

City of Magnolia

Parks

Account	Account Name	Approved Budget	Description
511603	Utilities/Electric	6,500	Electricity for parks, stroll
511632	Contractual Services/Parks	10,000	Contractual repairs/maintenance for Unity Park
511633	Grounds Maintenance/Mulch	2,000	Costs for maintaining the park grounds
511634	Building Maintenance	4,000	Costs for maintaining park structures
511744	Minor Equipment	-	
511760	Gas/Oil	-	Gas & oil for mowers, park equipment
511826	Property Insurance - TML	1,200	Insurance for park buildings
		23,700	

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.

2018/2019 Budget

Per our auditor's recommendation, the Water, Sewer and Impact Funds are combined into one fund.

Revenue

Revenue for the Water/Sewer Department is budgeted at \$3,717,074, which is \$1,613,974 or 76.7% more than last year's budget. \$691,861 of this budget increase was for money to be transferred in from other funds that hadn't been budgeted in the previous year. Water and sewer revenues and associated fees were increased, based on the new rate structure. Sewer impact fee revenue and impact fund interest were budgeted slightly higher, 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 \$1,946,135 or \$79,415 less than the previous year's budget. There was a large increase for interest expense on the enterprise debt service, which was budgeted through other funds in prior years. Transfers out from the Water/Sewer Fund to the General Fund and other funds decreased by \$363,804 for a combined decrease of 54.4% in total transfers out.

No water/sewer impact expenditures were budgeted for the coming year.

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 2017-2018

- Maintained Superior Water Rating from TCEQ
- Worked with the TxDot contractor to finish relocating all lines which hampered the widening of FM 1774
- 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
- Worked 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

Objectives for FY 2018-2019

- 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 2018-2019

- Continue working with Incode software support regarding self-reading meters
- 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 2017-2018

- Bills were mailed by the 5th day of the month 100% of the time
- Cut offs were highly enforced for non-payment of accounts
- Implemented use of a collection agency for collections of bad debt
- Increased late fee on bills from \$35 to \$45
- Implemented Incode module to email bills and late notices
- Joined TRRA to enable the City to collect bad debt from other cities before the resident can open a utility account with the City of Magnolia

Objectives for FY 2018-2019

- 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

Goals for FY 2018-2019

- 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

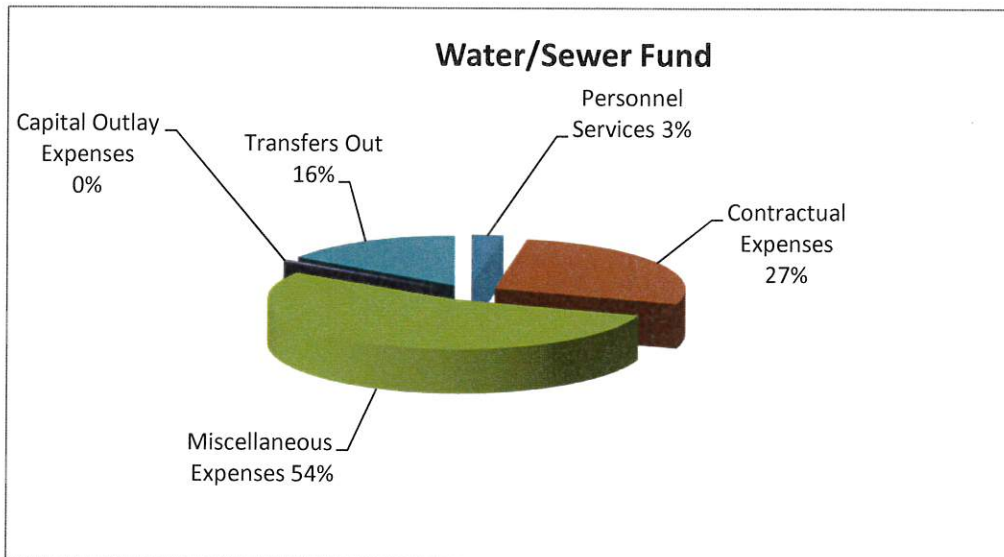
Water/Sewer Fund Revenue Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Revenue and Fees	\$1,976,600	\$2,061,600	\$2,103,100	\$3,717,074

Water/Sewer Fund Expenditure Summary

	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Personnel Services	\$302,094	\$49,286	\$50,841	\$52,702
Contractual Expenses	\$482,300	\$526,300	\$537,000	\$529,650
Miscellaneous Expenses	\$579,570	\$594,870	\$714,870	\$1,049,486
Capital Outlay Expenses	\$66,000	\$62,000	\$54,500	\$9,762
Transfers Out	\$104,450	\$576,761	\$668,339	\$304,535
Total	\$1,534,414	\$1,809,217	\$2,025,550	\$1,946,135

Staffing	Approved 2015-2016	Approved 2016-2017	Approved 2017-2018	Approved 2018-2019
Utility Maintenance Worker	2	0	0	0
Water Plant Operator	0.5	0	0	0
Mechanic	0.5	0	0	0
Utility/Permit Technician	0.67	1	1	1
Total	3.67	1	1	1



City of Magnolia

WATER/SEWER FUND - 02

Revenues		Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
<u>Revenue</u>						
40001	Water Fund Revenue	950,000	1,091,761	990,000	1,273,792	1,406,490
40002.09	Water Impact Revenue	50,000	45,000	30,000	241,500	30,000
40003.09	Sewer Impact Revenue	60,000	87,000	40,000	483,000	60,000
40004	Water Tap Fees	10,000	13,437	10,000	9,188	10,000
40005	Reconnect Fees	8,000	6,478	8,000	7,980	8,000
40006	Credit Card Fees	4,000	5,715	4,000	13,000	9,600
40012	Misc. Revenues-Water	0	0	0	(2)	0
40015	Cash Collections/Misc.	0	-	0	30	0
40016	Late Fees-Water	10,000	8,727	10,000	20,444	14,000
40018	Disconnect Fees	20,000	20,185	20,000	41,316	30,000
40020	Interest Income	100	7	100	0	0
40020.09	Impact Fund Interest	500	6,086	4,000	11,654	20,000
40024	Lone Star Groundwater	20,000	24,221	20,000	29,281	30,000
40025	San Jacinto River Authority	350,000	411,114	370,000	486,812	500,000
40026	Major Maintenance Fee	0	0	0	10,343	20,400
40027	Depreciation Fee	0	0	0	8,932	17,400
40028	TX DOT Reimbursement	0	79,593	0	0	0
40029	Institutional/Non PRF/Exempt	0	0	0	4,351	3,600
40001.03	Sewer Fund Revenue	420,000	406,771	440,000	641,566	705,723
40003.03	Road Bore Fee	2,000	0	0	0	0
40004.03	Sewer Tap Fees	12,000	4,675	12,000	7,350	6,000
40010.03	Garbage Collection Fees	1,000	1,510	1,000	1,714	1,500
40011.03	Garbage Revenue	140,000	136,692	140,000	155,357	145,000
40012.03	Misc. Revenues-Sewer	0	20,680	0	0	0
40016.03	Late Fees-Sewer	4,000	3,850	4,000	10,106	7,500
40040	Transfer In from Debt Service		1,565,850	0	0	486,438
40106	Transfer in from 4B	0	165,541	0	165,541	205,423
	Total Revenue	2,061,600	4,104,893	2,103,100	3,623,255	3,717,074
Total Revenue		2,061,600	4,104,893	2,103,100	3,623,255	3,717,074

Department Expenditures

Personnel Services

500501	Salaries	37,235	30,800	38,351	33,451	36,421
500503	Overtime	0	0	0	3,013	2,914
500515	Longevity	190	190	250	5	65
500516	T.E.C.	171	0	90	90	162
500517	T.M.R.S.	771	1,004	845	780	800
500518	Worker's Comp	95	1,618	98	95	93
500519	Compensated Absences Adj	0	10,152	0	0	0
500526	Insurance (Med/Dental/Life/Vision)	7,961	7,686	8,253	8,241	9,233
500536	Payroll Tax (F.I.C.A./Medicare)	2,863	3,031	2,953	2,897	3,014
500543	Education, Travel, Certification	0	0	0	0	0
500547	Drug Test	0	0	0	0	0
	Total Personnel Services	49,286	54,481	50,841	48,572	52,702

City of Magnolia

WATER/SEWER FUND - 02

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Contractual Expenses					
500603 Utilities / Electric-Water	55,000	66,050	65,000	65,996	66,000
500603.03 Utilities / Electric-Sewer	75,000	61,815	65,000	76,345	75,000
500605 Utilities / Telephone-Water	2,800	5,532	4,000	4,000	0
500605.03 Utilities / Telephone-Sewer	3,000	1,971	2,500	1,400	0
500627 Maintenance/ Bldg & Plant-Water	50,000	22,073	50,000	19,973	35,000
500627.03 Maintenance & Repair-Sewer	85,000	95,582	85,000	81,168	90,000
500632 Contract/Consultant Svcs-Water	22,500	21,004	22,500	25,046	16,250
500632.03 Contract/Consultant Svcs-Sewer	6,000	13,843	6,000	26,171	6,500
500633 Maint & Repair Water Equipment	6,000	1,976	6,000	3,232	6,000
500633.03 Maint & Repair Sewer Equipment	25,000	11,278	25,000	58,007	40,000
500640 Legal	0	21,157	0	0	0
500643 Engineering-Water	10,000	712	10,000	0	5,000
500643.03 Engineering-Sewer	10,000	712	10,000	0	5,000
500652 Permits, Fees, Sample Test-Water	35,000	29,114	35,000	13,085	15,000
500652.03 Permits & Testing-Sewer	10,000	0	10,000	16,133	18,000
500663 Rental of Equipment-Water	5,000	8,101	5,000	195	5,000
500663.03 Rental of Equipment-Sewer	2,000	105	2,000	0	2,000
500672.03 Garbage Service	120,000	136,157	130,000	141,765	140,000
500673 Computer Update/Software	4,000	3,289	4,000	10,500	4,900
Total Contractual Expenses	526,300	500,468	537,000	543,016	529,650
Miscellaneous Expenses					
500677 Minor Equipment-Water	2,000	1,310	7,000	7,192	7,000
500700 General Supplies-Water	50,000	43,554	50,000	16,113	30,000
500700.03 General Supplies-Sewer	20,000	5,936	20,000	4,912	10,000
500744.03 Minor Tools & Equip.-Sewer	5,000	3,042	5,000	3,902	5,000
500766 Office Supplies	1,000	24	1,000	92	500
500780 Chemicals/ Water Treatment-Water	16,000	17,693	16,000	18,325	18,000
500780.03 Chemicals/ Water Treatment-Sewer	15,000	8,169	15,000	9,870	12,000
500800 Bank Fees	2,500	5,333	2,500	4,046	4,000
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	400,000	515,803	500,000	453,935	500,000
500805 Lone Star Water Conservation	15,420	14,827	15,420	22,365	22,365
500825.03 Sewer Liability Insurance - TML	1,500	1,044	1,500	1,330	1,500
500826 Water Plant Insurance - TML	7,500	8,963	7,500	6,016	7,000
500826.03 Sewer Plant Insurance - TML	3,000	997	3,000	7,855	8,000
500827 Fleet Insurance	0	0	0	0	0
500830.03 Personal Property Ins.-TML	700	656	700	682	700
500831.03 Damage Claims	1,000	0	1,000	0	1,000
500833 Postage	4,250	2,283	4,250	3,563	4,250
500855 Bad Debts-Water	0	16,715	0	0	0
500855.03 Bad Debts-Sewer	0	0	0	0	0
500857.03 Sludge Hauling	50,000	94,715	65,000	36,623	65,000
500858 Depreciation	0	251,841	0	0	0
500034 Interest Expense-2011 SIB Loan	0	40,759	0	36,960	33,046
500035 Interest Expense-2014 C/O	0	187,100	0	183,950	180,725
500040 Interest Expense-2017 SIB Loan	0	0	0	31,500	29,622
500550 Interest Expense-2014 G/O	0	120,093	0	115,500	109,778
500099 Amortization of Premium	0	(11,807)	0	0	0
510900 Pension Expense	0	3,710	0	0	0
600001 Gain/Loss on Disposal	0	4,988	0	0	0
Total Miscellaneous Expenses	594,870	1,337,748	714,870	964,731	1,049,486

City of Magnolia

WATER/SEWER FUND - 02

		Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
<u>Capital Expenses</u>						
500920	Computer Equipment	0	0	0	0	0
500960	Capital Equipment-Water	55,000	0	7,500	7,500	0
500960.03	Capital Equipment & Tools-Sewer	7,000	0	47,000	47,000	9,762
	Total Capital Expenses	62,000	0	54,500	54,500	9,762
<u>Transfers Out</u>						
500859	Transfer to General Fund	430,711	430,711	451,464	367,961	304,535
500861	Transfer to/from Debt Service	146,050	146,050	150,000	150,000	0
	Transfer to 2017 SIB Loan	0		66,875	0	0
500863	Transfer Exp (to Cap Projects Fund)	0	605,003	0	0	0
	Total Transfers Out	576,761	1,181,764	668,339	517,961	304,535
Total Expenditures/Transfers Out		1,809,217	3,074,461	2,025,550	2,128,780	1,946,135
Total Revenue Over(Under) Expenditures/Transfers		252,383	1,030,432	77,550	1,494,475	1,770,939

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description
Revenues:			
40001	Water Fund Revenue	1,406,490	Estimated water revenue per new 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	60,000	Chgs against new development to pay for off-site construction or expansion of sewer infrastructure facilities that are necessitated by and benefit the new development
40004	Water Tap Fees	10,000	\$775/water tap
40005	Application/Connection Fees	8,000	\$35/account
40006	Credit Card Fees	9,600	Credit card fees
40016	Late Fees-Water	14,000	5% of customer's balance
40018	Disconnect Fees	30,000	\$45/disconnect
40020	Interest Income	-	Interest earned
40020.09	Impact Fund Interest	20,000	Interest earned
40024	Lone Star Groundwater Conservation	30,000	\$.165/1000 gal pumped
40025	San Jacinto River Authority	500,000	\$2.75/1000 gal pumped
40026	Major Maintenance Fee	20,400	\$.52/1000 gal pumped over base rate-water \$.33/1000 gal pumped over base rate-sewer
40027	Depreciation Fee	17,400	\$.45/1000 gal pumped over base rate
40029	Institutional/Non PRF/Exempt	3,600	1.5 multiplier over above rates
40001.03	Sewer Fund Revenue	705,723	Estimated sewer revenue per current fee schedule
40003.03	Road Bore Fee	-	Road bore costs
40004.03	Sewer Tap Fees	6,000	\$925/sewer tap
40010.03	Garbage Collection Fees/Taxes	1,500	Sales tax on garbage sales
40011.03	Garbage Revenue	145,000	Residential garbage fees
40016.03	Late Fees-Sewer	7,500	5% of customer's balance
40040	Transfer in from Debt Service	486,438	Property Tax Revenue to be used for Enterprise Fund debt service
40106	Transfer in from 4B	205,423	For 2011 SIB payment 165,423 For 2017 SIB payment 40,000

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description
Expenditures			
500501	Salaries	36,421	1 employee
500503	Overtime	2,914	Authorized overtime for non-exempt employees
500505	Cell Phone Allowance	-	Allowance for use of personal cell phones for business purposes
500515	Longevity	65	\$5 per month per year of service with City
500516	T.E.C. (Unemployment)	162	Unemployment taxes- 1.8% rate
500517	TMRS	800	Retirement cost-2.03%
500518	Worker's Compensation	93	Cost of W/C insurance
500526	Employee Insurance	9,233	Medical, dental, vision
500536	Payroll Tax	3,014	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	66,000	Electricity for water plants
500603.03	Utilities/Electric-Sewer	75,000	Electricity for sewer plants, lift stations
500605	Utilities/Telephone-Water	-	Telephone service at water plants
500605.03	Utilities/Telephone-Sewer	-	Telephone service at sewer plant(s)
500627	Maintenance & Repair-Water	35,000	Repairs to buildings, plant and water lines
500627.03	Maintenance & Repair-Sewer	90,000	Repairs to lift stations, sewer plant and sewer lines
500632	Contract/Consultant Svcs-Water	16,250	TCEQ inspections 3,750 Answering service, etc. 2,500 Misc. consulting/contract work 10,000
500632.03	Contract/Consultant Svcs-Sewer	6,500	Answering service, etc. 2,500 Misc. consulting/contract work 4,000
500633	Maint & Repair Water Equipment	6,000	Costs to repair water equipment
500633.03	Maint & Repair Sewer Equipment	40,000	Costs to repair sewer equipment

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description
Expenditures			
500643	Engineering-Water	5,000	Costs for engineering services related to water construction
500643.03	Engineering-Sewer	5,000	Costs for engineering services related to sewer construction
500652	Permits, Fees, Sample Test-Water	15,000	Water permits and water sample testing
500652.03	Permits and Testing-Sewer	18,000	Sewer sample testing & 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	140,000	Dumpster at plant/garbage residential
500673	Computer Update/Software/Maint.	4,900	Tyler (Incode) annual maintenance: Utility CIS System 1,800 Address Certification 900 Email system-billing/notices 1,200 Misc software 1,000
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	30,000	Misc operating supplies-Water
500700.03	General Supplies-Sewer	10,000	Misc operating supplies-Sewer
500744.03	Minor Tools & Equipment-Sewer	5,000	Boring equipment,sewer hose, misc. small tools
500766	Office Supplies	500	Office supplies designated for water/sewer department
500780	Chemicals/Water Treatment-Water	18,000	Cost of chemicals for water treatment
500780.03	Chemicals/Water Treatment-Sewer	12,000	Cost of chemicals to treat wastewater
500800	Bank Fees	4,000	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	22,365	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	7,000	Property insurance for water plants	
500826.03	Sewer Plant Insurance-TML	8,000	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	
500034	Interest Expense-2011 SIB Loan	33,046		
500035	Interest Expense-2014 C/O	180,725		
500040	Interest Expense-2017 SIB Loan	29,622		
500550	Interest Expense-2014 G/O	109,778		
500859	Transfer to General Fund	304,535	Transfers to cover Public Works employees & related expense, including vehicles, vehicle maintenance, fuel, insurance, etc.	
500859	Additional transfer to General Fund	-	Additional transfer to General Fund	
500960	Capital Equipment-Water			
500960.03	Capital Equipment & Tools-Sewer	9,762	Camera for sewer lines	9,762
		1,946,135		

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 2018-2019 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				2018-2019 DEBT SERVICE			
		ISSUE AMOUNT	MATURITY	OUTSTANDING PRINCIPAL BALANCE 9/2018	FISCAL PAY Principal	FISCAL PAY Interest	FISCAL PAY TOTAL P&I		
GENERAL/ENT (30% Gen)	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	\$4,820,000.00	\$275,000.00	\$156,825.00	\$431,825.00		
4A EDC	Sales Tax Refunding Bond, Series 2012 Issued January 2012 in the amount of \$2,945,000 This bond combined the 2003 Sales Tax Revenue Bond issued for the Improvements of Smith and Melton Streets , and the 2009 Sales Tax Revenue Bond issued for the creation of Unity Park and for downtown improvements.	\$2,945,000.00	09/30/2024	\$1,565,000.00	\$235,000.00	\$66,512.50	\$301,512.50		
ENTERPRISE	2011 State Infrastructure Bank- Loan Issued September 2011 in the amount of \$2,000,000 Issued for funding the relocation of utilities along FM 1774 in conjunction with the Texas Department of Transportation widening of the road to include extra lanes. *4B-CDC has agreed to assume this debt for this year.	\$2,000,000.00	02/01/2026	\$1,167,733.71	\$132,376.70	\$33,046.33	\$165,423.03		
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	\$443,813.58	\$443,813.58	\$11,918.77	\$455,732.35		
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	\$4,750,000.00	\$110,000.00	\$180,725.00	\$290,725.00		
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. *4B-CDC has agreed to assume \$40,000 of this debt for this year.	\$1,000,000.00	06/29/2032	\$940,375.00	\$60,564.09	\$29,621.82	\$90,185.91		
GENERAL	Special Assessment Revenue Bond, Series 2018 Issued January 2018 in the amount of \$1,665,000 Issued by the City of Magnolia for the Magnolia Ridge Public Improvement District (PID) to provide funds for the costs of authorized improvements.	\$1,665,000.00	09/01/2046	\$1,610,000.00	\$25,000.00	\$91,770.00	\$116,770.00		
TOTAL		\$19,130,000.00		\$15,296,922.29	\$1,281,754.37	\$570,419.42	\$1,852,173.79		

City of Magnolia

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

	Bank Balance as of 05/31/18 \$ 97,411				
	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenues</u>					
40001 Ad Valorem Tax Revenue	262,775	548,633	575,200	575,200	613,986
40199 Prop Tax Penalties/Interest	0	3,631	0	2,500	2,500
40009 Trfr due to/from Gen-Prop Tax	0	(20,325)	0	0	0
40032 Trfr from 02/Water Fund	146,050	146,050	150,000	150,000	0
40034 2014 G/O I&S Interest Earned	200	857	200	1,200	1,000
Total Revenue	409,025	678,846	725,400	728,900	617,486
Total Revenue	409,025	678,846	725,400	728,900	617,486
Expenditures					
<u>Miscellaneous Expenses</u>					
500033 2014 G/O I&S Principal Pay't	235,000	70,500	81,000	81,000	82,500
500034 2014 G/O I&S Interest Pay't	172,575	51,773	49,500	49,500	47,048
500766 2014 G/O Bank Fees	500		500	500	500
500800 Bank Fees	750	500	0	0	0
500925 Transfer to Enterprise Debt Svc	0	378,065	589,700	589,700	486,438
Total Miscellaneous Expenses	408,825	500,838	720,700	720,700	616,486
Total Expenditures	408,825	500,838	720,700	720,700	616,486
Total Revenue Over(Under) Expenditures	200	178,008	4,700	8,200	1,001

City of Magnolia

2014 General Obligation Refunding Bonds

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

Debt Service Schedule

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

City of Magnolia

2014 General Obligation Refunding Bonds

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

Debt Service Schedule

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

City of Magnolia

2014 Tax Revenue C/O I & S - 02

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

Bank Balance as of 05/31/18		\$	97		
	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
Revenues					
40001 Tax Revenue	292,100	0	0	0	0
40117 Misc Income	0	0	0	0	0
Funds from W/S Operations	0	199,338	0	0	107,315
40033 Transfer in	0	0	289,700	0	0
500861 Transfer to/from debt svc	0	378,065	300,000	589,700	486,438
Total Revenue	292,100	577,403	589,700	589,700	593,753
	292,100	577,403	589,700	589,700	593,753
Total Revenue					
Expenditures					
236 2014 C/O I&S Principal Pay't	105,000	105,000	105,000	105,000	110,000
500035 2014 C/O I&S Interest Pay't	187,100	187,100	183,950	183,950	180,725
235 2014 G/O I&S Principal Pay't	0	164,500	189,000	189,000	192,500
500550 2014 G/O I&S Interest Pay't	0	120,093	115,500	115,500	109,778
500800 Bank Fees	0	750	750	750	750
Total Expenses	292,100	577,443	594,200	594,200	593,753
	292,100	577,443	594,200	594,200	593,753
Total Expenses					
	0	(40)	(4,500)	(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

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

2011 State Infrastructure Bank Loan Debt Service - 02

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenue</u>					
40106 Revenue from 4B	165,541	165,541	165,483	165,483	165,423
Total Revenue	165,541	165,541	165,483	165,483	165,423
Total Revenue	165,541	165,541	165,483	165,483	165,423
Expenditures					
Expenses					
230 SIB Loan I & S Principal Pay't	124,781	124,781	128,523	128,523	132,377
500034 SIB Loan I & S Interest Pay't	40,759	40,759	36,960	36,960	33,046
500800 Bank Fees	0	0	0	0	0
Total Expenses	165,541	165,541	165,483	165,483	165,423
Total Expenditures	165,541	165,541	165,483	165,483	165,423
Total Revenue Over(Under) Expenditures	0	0	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

2012 Sales Tax Revenue Bond Interest & Sinking Fund - 07

	Bank Balance as of 05/31/17		(Incl w/4A Bal)		Approved Budget 2018-2019
	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	
Revenue					
<u>Revenue</u>					
EDC Funds	300,213	300,213	301,075	301,075	301,513
40120 2012 R/Bond Int & Sinking Interest Earned	150	0	150	0	0
Total Revenue	300,363	300,213	301,225	301,075	301,513
Total Revenue	300,363	300,213	301,225	301,075	301,513
Expenditures					
<u>Expenses</u>					
231 2012 R/Bond Int & Sinking Principal Pay't	215,000	215,000	225,000	225,000	235,000
500034 2012 R/Bond Int & Sinking Interest Pay't	85,213	85,213	76,075	76,075	66,513
Total Expenses	300,213	300,213	301,075	301,075	301,513
Total Expenditures	300,213	300,213	301,075	301,075	301,513
Total Revenue Over(Under) Expenditures	150	1	150	0	0

Series 2012, Sales Tax Revenue Refunding Bonds

4A- Park / Downtown Revitalization
Melton/Smith Street

Debt Service Schedule

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

City of Magnolia

2017 State Infrastructure Bank Loan Debt Service - 02

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenue</u>					
40106 Revenue from 4B	0	0	40,000	40,000	40,000
Funds from W/S Operations	0	0	66,875	51,125	50,186
Total Revenue	0	0	106,875	91,125	90,186
Total Revenue	0	0	106,875	91,125	90,186
Expenditures					
<u>Expenses</u>					
230 SIB Loan I & S Principal Pay't	0	0	75,375	59,625	60,564
500034 SIB Loan I & S Interest Pay't	0	0	31,500	31,500	29,622
500800 Bank Fees	0	0	0	0	0
Total Expenses	0	0	106,875	91,125	90,186
Total Expenditures	0	0	106,875	91,125	90,186
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

City of Magnolia

2018 Special Assessment Revenue Bond

Magnolia Ridge PID - 32

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenue</u>					
40105 Ad Valorem Tax Revenue	0	121,136	122,090	122,118	124,315
Total Revenue	0	121,136	122,090	122,118	124,315
Total Revenue	0	121,136	122,090	122,118	124,315
Expenditures					
<u>Expenses</u>					
500750 Developer Cost Expense	0	133,105	122,090	0	0
PID Bond Principal	0	0	0	55,000	25,000
PID Bond Interest	0	0	0	60,370	91,770
Total Expenses	0	133,105	122,090	115,370	116,770
Total Expenditures	0	133,105	122,090	115,370	116,770
Total Revenue Over(Under) Expenditures	0	(11,969)	0	6,748	7,545

Special Assessment Revenue Bonds, Series 2018

Magnolia Ridge Public Improvement District

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
03/01/2018		5.70%	12,917.63	12,917.63	
09/01/2018	55,000.00	5.70%	47,452.37	102,452.37	115,370.00
03/01/2019		5.70%	0.00	0.00	
09/01/2019	25,000.00	5.70%	91,770.00	116,770.00	116,770.00
03/01/2020		5.70%	0.00	0.00	
09/01/2020	25,000.00	5.70%	90,345.00	115,345.00	115,345.00
03/01/2021		5.70%	0.00	0.00	
09/01/2021	25,000.00	5.70%	88,920.00	113,920.00	113,920.00
03/01/2022		5.70%	0.00	0.00	0.00
09/01/2022	30,000.00	5.70%	87,495.00	117,495.00	117,495.00
03/01/2023		5.70%	0.00	0.00	
09/01/2023	30,000.00	5.70%	85,785.00	115,785.00	115,785.00
03/01/2024		5.70%	0.00	0.00	
09/01/2024	30,000.00	5.70%	84,075.00	114,075.00	114,075.00
03/01/2025		5.70%	0.00	0.00	
09/01/2025	35,000.00	5.70%	82,365.00	117,365.00	117,365.00
03/01/2026		5.70%	0.00	0.00	
09/01/2026	35,000.00	5.70%	80,370.00	115,370.00	115,370.00
03/01/2027		5.70%	0.00	0.00	
09/01/2027	40,000.00	5.70%	78,375.00	118,375.00	118,375.00
03/01/2028		5.70%	0.00	0.00	
09/01/2028	40,000.00	5.70%	76,095.00	116,095.00	116,095.00
03/01/2029		5.70%	0.00	0.00	
09/01/2029	45,000.00	5.70%	73,815.00	118,815.00	118,815.00
03/01/2030		5.70%	0.00	0.00	
09/01/2030	45,000.00	5.70%	71,535.00	116,535.00	116,535.00
03/01/2031		5.70%	0.00	0.00	
09/01/2031	45,000.00	5.70%	68,970.00	113,970.00	113,970.00
03/01/2032		5.70%	0.00	0.00	
09/01/2032	50,000.00	5.70%	66,120.00	116,120.00	116,120.00
03/01/2033		5.70%	0.00	0.00	
09/01/2033	55,000.00	5.70%	63,270.00	118,270.00	118,270.00
03/01/2034		5.70%	0.00	0.00	
09/01/2034	55,000.00	5.70%	60,135.00	115,135.00	115,135.00
03/01/2035		5.70%	0.00	0.00	
09/01/2035	60,000.00	5.70%	57,000.00	117,000.00	117,000.00
03/01/2036		5.70%	0.00	0.00	
09/01/2036	65,000.00	5.70%	53,580.00	118,580.00	118,580.00
03/01/2037		5.70%	0.00	0.00	
09/01/2037	65,000.00	5.70%	49,875.00	114,875.00	114,875.00
03/01/2038		5.70%	0.00	0.00	
09/01/2038	70,000.00	5.70%	46,170.00	116,170.00	116,170.00
03/01/2039		5.70%	0.00	0.00	
09/01/2039	75,000.00	5.70%	42,180.00	117,180.00	117,180.00

Special Assessment Revenue Bonds, Series 2018

Magnolia Ridge Public Improvement District

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
09/01/2040	80,000.00	5.70%	37,905.00	117,905.00	117,905.00
03/01/2041		5.70%	0.00	0.00	
09/01/2041	85,000.00	5.70%	33,345.00	118,345.00	118,345.00
03/01/2042		5.70%	0.00	0.00	
09/01/2042	90,000.00	5.70%	28,500.00	118,500.00	118,500.00
03/01/2043		5.70%	0.00	0.00	
09/01/2043	95,000.00	5.70%	23,370.00	118,370.00	118,370.00
03/01/2044		5.70%	0.00	0.00	
09/01/2044	100,000.00	5.70%	17,955.00	117,955.00	117,955.00
03/01/2045		5.70%	0.00	0.00	
09/01/2045	105,000.00	5.70%	12,255.00	117,255.00	117,255.00
03/01/2046		5.70%	0.00	0.00	
09/01/2046	110,000.00	5.70%	6,270.00	116,270.00	116,270.00
Total	1,665,000.00		1,718,215.00	3,383,215.00	3,383,215.00

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

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 two special revenue funds which are considered to be major funds for reporting purposes--the ATS-Red Light Camera Fund and the HB445 Road Repair Fund. Other funds are the Hotel/Motel Occupancy Tax Fund, Municipal Court Security Fund, Technology Fund and Judicial Efficiency Fund, which are reported as nonmajor funds. 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 05/31/18		\$ 664,171		
	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenue</u>					
40022 Red Light Camera Revenue	712,515	559,805	581,690	517,868	481,617
40020 Red Light Camera Fund Interest	1,152	4,347	3,570	8,913	9,804
Total Gross Revenue	713,667	564,152	585,260	526,781	491,422
500815 State Comptroller Fees	(242,700)	(144,569)	(171,875)	(141,063)	(134,843)
Total Net Revenue	470,967	419,583	413,384	385,719	356,579
Expenditures					
<u>Expenses</u>					
500501 Transfer out for Salary Reimb.	162,329	144,100	175,571	184,712	161,791
500630 Red Light Camera Expense	83,561	51,474	48,495	50,142	70,000
500631 Contractual-Am. Traffic Sys	65,938	59,944	65,938	59,944	59,944
500635 Refunds	500	250	500	75	250
Total Operating Expenses	312,329	255,768	290,504	294,873	291,985
Capital Expenses					
500951 Motor Vehicles	0	0	0	7,936	72,000
503945 Other Equipment	0	0	0	0	0
Total Capital Expenses	0	0	0	7,936	72,000
Total Red Light Camera Fund Expenses	312,329	255,768	290,504	302,809	363,985
Total Revenue Over(Under) Expenditures	158,639	163,815	122,881	82,909	(7,407)

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 05/31/18 \$ 1,322,788 (Bal includes \$184K Invested)

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenues</u>					
40009 HB445 Sales Tax Revenue	300,000	290,918	300,000	283,117	300,000
40020 HB445 Interest Earned	700	7,004	700	14,561	10,000
Total Revenue	300,700	297,921	300,700	297,679	310,000
Total Revenue	300,700	297,921	300,700	297,679	310,000
Expenditures					
<u>Expenses</u>					
500805 Sls Tax-Repay State of Texas	0	0	0	0	0
500850 HB445 Road Repair	300,000	24,574	300,000	282,390	300,000
Total Expenses	300,000	24,574	300,000	282,390	300,000
Total Expenditures	300,000	24,574	300,000	282,390	300,000
Total Revenue Over(Under) Expenditures	700	273,347	700	15,289	10,000

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 05/31/18 \$ 76,756

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenue</u>					
40110 Hotel/Motel Occupancy Tax Revenue	45,000	43,374	45,000	54,369	45,000
40117 Event Donations	0	0	0	0	0
Total Revenue	45,000	43,374	45,000	54,369	45,000
Total Revenue	45,000	43,374	45,000	54,369	45,000
Expenditures					
<u>Expenses</u>					
501560 Event Funding	45,000	47,103	45,000	44,020	45,000
Total Expenses	45,000	47,103	45,000	44,020	45,000
Total Expenditures	45,000	47,103	45,000	44,020	45,000
Total Revenue Over(Under) Expenditures	0	(3,729)	0	10,349	0

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

City of Magnolia

Municipal Court Security Fund - 18

Bank Balance as of 05/31/18 \$ 58,524

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenue</u>					
40408 Municipal Court Security Fund Fees	5,000	7,106	6,000	8,490	7,500
Total Revenue	5,000	7,106	6,000	8,490	7,500
Expenditures					
<u>Expenses</u>					
518850 Municipal Court Security Expense	5,000	2,083	5,000	4,727	6,000
Total Expenditures	5,000	2,083	5,000	4,727	6,000
Total Revenue Over(Under) Expenditures	0	5,024	1,000	3,763	1,500

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

City of Magnolia

Municipal Court Technology Fund - 19

Bank Balance as of 05/31/18 \$ 9,647

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenue</u>					
41906 Municipal Court Tech Fund Revenue	9,000	12,382	10,000	15,172	14,000
Total Revenue	9,000	12,382	10,000	15,172	14,000
Total Revenue	9,000	12,382	10,000	15,172	14,000
Expenditures					
<u>Expenses</u>					
519570 Municipal Court Tech Fund Expense	8,975	10,744	8,975	12,500	12,475
Total Expense	8,975	10,744	8,975	12,500	12,475
Total Expenditures	8,975	10,744	8,975	12,500	12,475
Total Revenue Over(Under) Expenditures	25	1,638	1,025	2,672	1,525

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

City of Magnolia

Municipal Court Technology Fund - 19

Account	Account Name	Approved Budget	Description
Revenues:			
41906	Muni Court Tech Fund Fees	14,000	
Expenses:			
519855	Muni Court Tech Fund Expense	12,475	Lexis Nexis Risk Mgt 1,125
			Lexis Nexis CourtLink 675
			Credit Card Fees 2,000
			Great American Financial Svcs 2,725
			Extra copies 1,200
			Language translation service 750
			IT Services/Computer equipment 4,000

City of Magnolia

Court Judicial Efficiency Fund-50

Bank Balance as of 05/31/18 \$ 3,923

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
<u>Revenue</u>					
41100 Time Pay't Plan-Local Fees Fund Fees	0	3,010	600	606	600
Total Revenue	0	3,010	600	606	600
Expenditures					
<u>Expenses</u>					
518850 Judicial Efficiency Expense	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Total Revenue Over(Under) Expenditures	0	3,010	600	606	600

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

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.

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

2018 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/Planning Technician

4A- Economic Development Corporation - 07

Bank Balance as of 05/31/18 \$ 1,415,122

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

	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
40011 4A 1/2 Sales Tax Revenue	600,000	568,310	600,000	566,235	600,000
40022 4A Interest Earned	1,000	10,033	5,000	17,902	12,000
40102 City Park Donations	0	0	0	0	0
40124 Misc Revenue	0	0	0	2,250	0
40126 Grant Proceeds	0	3,284	0	0	0
40021 Transfers In	0	97,704	0	0	0
Total Revenue	601,000	679,331	605,000	586,386	612,000
Expenses					
Personnel Services					
500501 Salary & Benefit Reimbursement	20,495	19,864	20,495	20,495	20,495
500543 Training & Travel	1,000	581	750	1,138	1,420
500550 Dues & Membership	500	0	150	0	600
Total Personnel Services	21,995	20,446	21,395	21,633	22,515
Contractual Expenses					
500632 Contract/consultant Services	17,050	16,650	17,050	16,650	17,050
500640 Legal	5,000	3,384	5,000	335	5,000
500641 Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,500
500674 Posting/Advertising	150	1,000	1,000	1,350	1,800
Total Contractual Expenses	24,700	23,534	25,550	20,835	26,350
Miscellaneous Expenses					
500742 Magazines, Maps & Books	2,000	0	3,100	2,126	3,100
500743 Copies/Admin.	200	0	200	0	200
500745 Hospitality, Refreshments	500	0	75	0	75
500766 Office Supplies	500	55	250	0	250
Total Miscellaneous Expenses	3,200	55	3,625	2,126	3,625
Expenses (continued)					
500824 Error & Omissions Insurance	1,700	1,044	1,700	2,375	2,500
500825 Liability Insurance	3,000	1,952	3,000	1,330	1,500
500836 Printing	500	0	500	0	500
500838 Promotional Expense	500	78	350	0	800
500858 Depreciation Expense	0	164,773	0	0	0
Total Expenses (continued)	5,700	167,847	5,550	3,705	5,300
Capital Expenses/Debt Svc					
500875 2012 Rev Bond Int Pay't	0	85,213		76,075	66,513
500902 2014 Loan Principal	65,017	0	66,876	0	0
500903 2014 Loan Interest	15,881	13,405	14,022	14,022	11,919
500906 Trfr to EDC Promissory Note	97,704	97,704	97,704	0	0
231 LT Debt Principal Pay't 2012 Rev Bond	300,213	0	301,075	225,000	235,000
235 2014 Promissory Note Payable		65,017	0	66,876	443,814
Total Capital Expenses	478,814	176,126	479,677	305,898	690,732 *
Total 4A E D C Expenditures/Transfers	534,409	388,007	535,797	354,197	748,522
Revenue Over(Under) Expenditures	66,591	291,324	69,203	232,190	(136,522)

*There was a formula error on this line resulting in the totals not including the 2012 Rev Bond Int Pay't amount. Therefore, the bottom line of the 2018-2019 budget should be (203,035). This correction will be made by 4A (EDC) with a budget amendment, followed by an amendment by City Council.

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.

2018 4B CDC Board of Directors:

President – Pat Zaiontz
Vice President – Brenda Hoppe
Treasurer – Barbara Gardner
David Arevalo
Clyde Hunt
Jonny Williams
Joshua Chadwick

Staff Contacts:

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

City of Magnolia

4B- Community Development Corporation - 06

Bank Balance as of 05/31/18 \$ 518,402					
	Approved 2016-2017	Actual 2016-2017	Approved 2017-2018	Projected 2017-2018	Approved Budget 2018-2019
Revenue					
40014 4B 1/4 Sales Tax Revenue	300,000	284,155	300,000	283,118	300,000
40022 4B Interest Earned	200	2,031	200	4,861	3,000
Total Revenue	300,200	286,186	300,200	287,979	303,000
Misc. Revenue					
40122 Gain on Sale of Assets	0	0	0	35,803	0
40124 Misc. Revenues	0	0	0	2,250	1,500
40127 Park Rental Fees	6,000	8,657	6,000	6,090	6,000
40128 Yellow House-Rental Fees	28,320	2,200	28,320	0	0
40131 Economic Development Grants	0	3,284	0	0	0
40133 The Stroll	5,000	9,966	5,000	8,323	6,000
Total Misc. Revenue	39,320	24,106	39,320	52,466	13,500
Total Revenue	339,520	310,292	339,520	340,444	316,500
Expenses					
Personnel Services					
500501 Salary & Benefit Reimbursement	21,000	20,005	21,000	21,169	21,000
500543 Training & Travel	1,000	581	750	1,138	875
500550 Dues & Membership	500	0	150	323	215
Total Personnel Services	22,500	20,586	21,900	22,629	22,090
Contractual Expenses					
500632 Contract/consultant Services	16,650	17,031	16,650	16,650	16,650
500640 Legal	500	6,251	5,000	945	5,000
500641 Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,500
500674 Posting/Advertising	300	1,000	1,000	1,350	1,000
500675 Promotions	1,000	78	350	59	800
Total Contractual Expenses	20,950	26,861	25,500	21,504	25,950
Miscellaneous Expenses					
500742 Magazines, Maps & Books	500	0	3,100	2,126	3,100
500743 Copies/Admin.	200	0	200	0	200
500745 Hospitality Refreshments	500	0	75	0	75
500766 Office Supplies	500	45	250	0	250
Total Miscellaneous Expenses	1,700	45	3,625	2,126	3,625
Expenses (continued)					
500824 Error & Omissions Insurance	2,500	1,952	2,500	2,375	2,500
500825 Liability Insurance	1,500	1,044	1,500	1,330	1,500
500836 Printing	2,000	0	2,000	0	2,000
500848 Park Maintenance	45,000	48,825	45,000	38,027	45,000
500850 Other Expenses	500	(25)	500	-	500
500851 Downtown Revitalization	12,000	7,895	12,000	11,390	12,000
500858 Depreciation Expense	0	9,251	0	0	0
Total Other Expenses	63,500	68,942	63,500	53,122	63,500
Capital Expenses					
500971 Yellow House	6,000	2,239	6,000	1,460	0
500924 2011 SIB Loan transfer for pmt	165,541	165,541	165,483	165,483	165,423
2017 SIB Loan transfer for pmt	0	0	40,000	40,000	40,000
Total Capital Expenses	171,541	167,780	211,483	206,943	205,423
Total 4B Community Dev. Expenditures	280,191	284,214	326,008	306,325	320,588
Revenue Over(Under) Expenditures	59,329	26,079	13,512	34,120	(4,088)

SUPPLEMENTAL INFORMATION



CITY OF MAGNOLIA

BUDGET AND TAX RATE CALENDAR

FY 2018-2019

March 8, 2018

March	13 th	Regular City Council Meeting – Request for Council Goals/Update Council Goals
April	2-30 th	Directors/supervisors develop short and long-term goals & objectives, Capital Improvement/Replacement Programs, employment recommendations; Finance Dept. works on initial draft budget documents
May	1 st	Departmental Budget worksheets to Directors and Supervisors; deadline to turn in Dept. goals & objectives
May	21-31 st	Directors and Supervisors review Departmental Budgets with Finance Dept.
May	31 st	Deadline for completion of Departmental Budgets
June	8 th	Deadline for first internal draft of Proposed Budget
June	27 th	First Draft of Proposed Budget to City Council
July	7 th	Budget Workshop – 8:00 a.m. to ?
July	25 th	Chief Appraiser Certifies Appraisal roll; Tax Assessor calculates effective & rollback rates; Tax Assessor publishes “Notice of Effective Rate & Statement of Increase/Decrease” (effective & rollback tax rates)
July	27 th	Proposed Budget Filed w/City Secretary (must be 15 days before 1 st public hearing & 30 days before tax rate adoption)
August	7 th	SPECIAL City Council Meeting – To discuss tax rate: if proposed tax rate <u>exceeds</u> the rollback rate <u>or</u> the effective tax rate (whichever is <u>lower</u>), take record vote to place proposed tax rate/increase on future agenda & set public hearings
August	8 th	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	8 th	Publish Notice of Budget Hearing (City Secretary) (has to be published 10-30 days before public hearing)
August	14 th	<u>REGULAR</u> City Council meeting
August	17 th	Publish 2nd Notice of Public Hearing on Tax Increase in Courier, including Record Vote on Proposed Tax Increase (County Tax Assessor/Collector)
August	17 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	21 st	SPECIAL City Council Meeting - 1 st PUBLIC HEARING ON TAX RATE (RESTRICTED)
August	28 th	SPECIAL 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	11 th	REGULAR City Council Meeting – Adopt: 1. Operating Budget, & 2. M&O Tax Rate (must be 3-14 days after 2nd public hearing)
September	13 th	File copy of Tax Rate w/Montgomery County Appraisal District; file copy of Budget w/City Secretary, County Clerk
October	1 st	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
2018-2019	\$211,080,946

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
2018-2019	0.1767	37.80%	0.2908	62.20%	0.4675

For Fiscal Year 2018-19 (2018 Tax Year)

Taxable Assessed Valuation	(2018-2019) \$211,080,946
Adopted Tax Rate	0.4675
Estimated Levy	\$986,803

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: 2018 As of: Certification

CMA - City Of Magnolia (ARB Approved Totals)

Number of Properties: 1565

Land Totals

Land - Homesite	(+)	\$21,652,940		
Land - Non Homesite	(+)	\$45,952,934		
Land - Ag Market	(+)	\$4,051,930		
Land - Timber Market	(+)	\$6,335,760		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$77,993,564	(+)	\$77,993,564

Improvement Totals

Improvements - Homesite	(+)	\$94,132,810		
Improvements - Non Homesite	(+)	\$122,031,750		
Total Improvements	(=)	\$216,164,560	(+)	\$216,164,560

Other Totals

Personal Property (327)		\$30,534,076	(+)	\$30,534,076
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$324,692,200		\$324,692,200
Total Homestead Cap Adjustment (180)			(-)	\$6,983,025
Total Exempt Property (99)			(-)	\$86,065,729

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$10,387,690		
Ag Use (7)	(-)	\$27,130		
Timber Use (16)	(-)	\$112,770		
Total Productivity Loss	(=)	\$10,247,790	(-)	\$10,247,790
Total Assessed			(=)	\$221,395,656

Exemptions

(HS Assd 73,577,845)

(HS) Homestead Local (455)	(+)	\$2,140,980		
(HS) Homestead State (455)	(+)	\$0		
(O65) Over 65 Local (148)	(+)	\$3,447,030		
(O65) Over 65 State (148)	(+)	\$0		
(DP) Disabled Persons Local (10)	(+)	\$0		
(DP) Disabled Persons State (10)	(+)	\$0		
(DV) Disabled Vet (21)	(+)	\$209,500		
(DVX/MAS) Disabled Vet 100% (4)	(+)	\$742,370		
(PRO) Prorated Exempt Property (1)	(+)	\$151,688		
(AUTO) Lease Vehicles Ex (11)	(+)	\$497,470		
(FP) Freeport (1)	(+)	\$4,102,101		
(HB366) House Bill 366 (21)	(+)	\$4,309		
Total Exemptions	(=)	\$11,295,446	(-)	\$11,295,446
Net Taxable (Before Freeze)			(=)	\$210,100,210

Assessment Roll Grand Totals Report

MCAD

Tax Year: 2018 As of: Certification

CMA - City Of Magnolia (Under ARB Review Totals)

Number of Properties: 32

Land Totals

Land - Homesite	(+)	\$288,950		
Land - Non Homesite	(+)	\$69,710		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$358,660	(+)	\$358,660

Improvement Totals

Improvements - Homesite	(+)	\$1,008,850		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$1,008,850	(+)	\$1,008,850

Other Totals

Personal Property (2)		\$151,862	(+)	\$151,862
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value			(=)	\$1,519,372
Total Homestead Cap Adjustment (2)				(-) \$64,900
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			(=)	\$1,454,472

Exemptions

(HS Assd 827,240)

(HS) Homestead Local (5)	(+)	\$25,000		
(HS) Homestead State (5)	(+)	\$0		
(O65) Over 65 Local (1)	(+)	\$25,000		
(O65) Over 65 State (1)	(+)	\$0		
(AUTO) Lease Vehicles Ex (1)	(+)	\$150,678		
Total Exemptions	(=)	\$200,678	(-)	\$200,678
Net Taxable (Before Freeze)			(=)	\$1,253,794

Assessment Roll Grand Totals Report

MCAD

Tax Year: 2017 As of: Certification

CMA - City Of Magnolia (2018 WithHeld Accts 2017 Values)

Number of Properties: 32

Land Totals

Land - Homesite	(+)	\$240,260		
Land - Non Homesite	(+)	\$38,210		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$0		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$278,470	(+)	\$278,470

Improvement Totals

Improvements - Homesite	(+)	\$801,490		
Improvements - Non Homesite	(+)	\$0		
Total Improvements	(=)	\$801,490	(+)	\$801,490

Other Totals

Personal Property (2)		\$138,056	(+)	\$138,056
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$1,218,016		\$1,218,016
Total Homestead Cap Adjustment (3)			(-)	\$55,480
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			(=)	\$1,162,536

Exemptions

(HS Assd 576,070)

(HS) Homestead Local (4)	(+)	\$20,000		
(HS) Homestead State (4)	(+)	\$0		
(O65) Over 65 Local (1)	(+)	\$25,000		
(O65) Over 65 State (1)	(+)	\$0		
(DP) Disabled Persons Local (1)	(+)	\$0		
(DP) Disabled Persons State (1)	(+)	\$0		
(AUTO) Lease Vehicles Ex (1)	(+)	\$136,800		
Total Exemptions	(=)	\$181,800	(-)	\$181,800
Net Taxable (Before Freeze)			(=)	\$980,736

2018 Tax Rate Calculation Worksheet

Date: 07/27/2018 02:32 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 Code

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. 2017 total taxable value. Enter the amount of 2017 taxable value on the 2017 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	\$193,962,651
2. 2017 tax ceilings. Counties, cities and junior college districts. 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 unit adopted the tax ceiling provision in 2017 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$0
3. Preliminary 2017 adjusted taxable value. Subtract Line 2 from Line 1.	\$193,962,651
4. 2017 total adopted tax rate.	\$0.4709/\$100
5. 2017 taxable value lost because court appeals of ARB decisions reduced 2017 appraised value.	
A. Original 2017 ARB Values.	\$0
B. 2017 values resulting from final court decisions.	\$0
C. 2017 value loss. Subtract B from A. ³	\$0
6. 2017 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$193,962,651
7. 2017 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2017. Enter the 2017 value of property in deannexed territory. ⁴	\$0
8. 2017 taxable value lost because property first qualified for an exemption in 2018. 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 2017 market value:	\$196,440
B. Partial exemptions. 2018 exemption amount or 2018 percentage exemption times 2017 value:	\$228,210
C. Value loss. Add A and B. ⁵	\$424,650
9. 2017 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 2018. Use only properties that qualified in 2018 for the first time; do not use properties that qualified in 2017.	
A. 2017 market value:	\$1,344,170
B. 2018 productivity or special appraised value:	\$5,800
C. Value loss. Subtract B from A. ⁶	\$1,338,370
10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$1,763,020
11. 2017 adjusted taxable value. Subtract Line 10 from Line 6.	\$192,199,631
12. Adjusted 2017 taxes. Multiply Line 4 by Line 11 and divide by \$100.	\$905,068
13. Taxes refunded for years preceding tax year 2017. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2017. 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 2017. This line applies only to tax years preceding tax year 2017. ⁷	\$1,354
14. Taxes in tax increment financing (TIF) for tax year 2017. 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 2018 captured appraised value in Line 16D, enter 0. ⁸	\$0
15. Adjusted 2017 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14. ⁹	\$906,422
16. Total 2018 taxable value on the 2018 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:	\$210,100,210
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 2018 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2018 taxes will be deposited	\$0

into the tax increment fund. Do not include any new property value that will be included in Line 21 below. ¹¹	
E. Total 2018 value. Add A and B, then subtract C and D.	\$210,100,210
17. Total value of properties under protest or not included on certified appraisal roll. ¹²	
A. 2018 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	\$980,736
B. 2018 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	\$0
C. Total value under protest or not certified: Add A and B.	\$980,736
18. 2018 tax ceilings. Counties, cities and junior colleges enter 2018 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 2017 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁵	\$0
19. 2018 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$211,080,946
20. Total 2018 taxable value of properties in territory annexed after Jan. 1, 2017. Include both real and personal property. Enter the 2018 value of property in territory annexed. ¹⁶	\$963,150
21. Total 2018 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2017. 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, 2017, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2018. ¹⁷	\$5,916,253
22. Total adjustments to the 2018 taxable value. Add Lines 20 and 21.	\$6,879,403
23. 2018 adjusted taxable value. Subtract Line 22 from Line 19.	\$204,201,543
24. 2018 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100. ¹⁸	\$0.4438/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2018 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)

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)

⁶Tex. Tax Code Section 26.012(15)

⁷Tex. Tax Code Section 26.012(13)

⁸Tex. Tax Code Section 26.03(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. 2017 maintenance and operations (M&O) tax rate.	\$0.1739/\$100
27. 2017 adjusted taxable value. Enter the amount from Line 11.	\$192,199,631
28. 2017 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$334,235
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2017. Enter amount from full year's sales tax revenue spent for M&O in 2017 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 2017: 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 2017. This line applies only to tax years preceding tax year 2017.	\$559
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 2018 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.	\$334,794

SECTION 3: Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its effective and rollback tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its effective tax rate and/or rollback tax rate because it adopted the additional sales tax.

Activity	Amount/Rate
41. Taxable Sales. For taxing units that adopted the sales tax in November 2017 or May 2018, enter the Comptroller's estimate of taxable sales for the previous four quarters. ²⁰ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2017, skip this line.	\$0
42. Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ²¹ Taxing units that adopted the sales tax in November 2017 or in May 2018. Multiply the amount on Line 41 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ²² - or - Taxing units that adopted the sales tax before November 2017. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$0
43. 2018 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.	\$211,080,946
44. Sales tax adjustment rate. Divide Line 42 by Line 43 and multiply by \$100.	\$0/\$100
45. 2018 effective tax rate, unadjusted for sales tax. ²³ Enter the rate from Line 24 or 25, as applicable, on the Effective Tax Rate Worksheet.	\$0.4438/\$100
46. 2018 effective tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2017 or in May 2018. Subtract Line 44 from Line 45. Skip to Line 47 if you adopted the additional sales tax before November 2017.	\$0.4438/\$100
47. 2018 rollback tax rate, unadjusted for sales tax. ²⁴ Enter the rate from Line 39 or 40, as applicable, of the Rollback Tax Rate Worksheet.	\$0.4679/\$100
48. 2018 rollback tax rate, adjusted for sales tax. Subtract Line 44 from Line 47.	\$0.4679/\$100

¹⁷Tex. Tax Code Section 26.012(17)

¹⁸Tex. Tax Code Section 26.04(c)

¹⁹Tex. Tax Code Section 26.04(d)

²⁰Tex. Tax Code Section 26.041(d)

²¹Tex. Tax Code Section 26.041(i)

²²Tex. Tax Code Section 26.041(d)

²³Tex. Tax Code Section 26.04(c)

²⁴Tex. Tax Code Section 26.04(c)

SECTION 4: Additional Rollback Protection for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Additional Rollback Protection for Pollution Control Activity	Amount/Rate
49. Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ²⁵ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ²⁶	\$0
50. 2018 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.	\$211,080,946
51. Additional rate for pollution control. Divide Line 49 by Line 50 and multiply by \$100.	\$0/\$100
52. 2018 rollback tax rate, adjusted for pollution control. Add Line 51 to one of the following lines (as applicable): Line 39, Line 40 (counties) or Line 48 (taxing units with the additional sales tax).	\$0.4679/\$100

SECTION 5: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

Effective tax rate (Line 24; line 25 for counties; or line 46 if adjusted for sales tax)	\$0.4438
Rollback tax rate (Line 39; line 40 for counties; or line 48 if adjusted for sales tax)	\$0.4679
Rollback tax rate adjusted for pollution control (Line 52)	\$0.4679

SECTION 6: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the taxing unit.

print here

Printed Name of Taxing Unit Representative

sign here _____

Taxing Unit Representative

Date

²⁵Tex. Tax Code Section 26.045(d)

²⁶Tex. Tax Code Section 26.045(i)

ORDINANCE NO. O-2018-012

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS, APPROVING AND ADOPTING THE FISCAL YEAR 2018-2019 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 27th day of July 2018, the Mayor filed with the City Secretary a proposed budget of expenditures for the City of Magnolia for the fiscal year 2018-2019, 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 28th day of August 2018, 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 2018-2019"

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

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

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

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

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

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

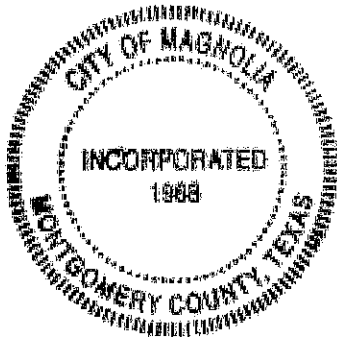
City Council Members Present Were:

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

Member(s) Present But Not Voting:

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

DULY PASSED BY THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS on this the 11th day of September 2018.



THE CITY OF MAGNOLIA, TEXAS

By: Todd Kana
Todd Kana, Mayor

ATTEST:

Lynne George
Lynne George, TRMC, CPM, City Secretary

ORDINANCE NO. O-2018-016

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 2018 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 eight hundredths cents (0.2908)** for debt service and a tax rate of **seventeen and sixty seven hundredths cents (0.1767)** 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 11th day of September 2018, 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 2018 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 2018, and for each year thereafter until otherwise provided, and ad valorem tax at the rate of **forty six and seventy five hundredths cents (0.4675)** 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 2018-2019, 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 2018 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 **forty six and seventy five hundredths cents (0.4675)** on each One Hundred Dollars (\$100.00) of assessed valuation.

Section 5. All ad valorem taxes levied hereby, in the total amount of **forty six and seventy five hundredths cents (0.4675)** 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, 2019. All ad valorem taxes due the City of Magnolia, Texas, and not paid on or before January 31, 2019 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 11th day of September 2018.



THE CITY OF MAGNOLIA, TEXAS

By: _____

Todd Kana, Mayor

ATTEST:


Lynne George, TRMC, CPM, City Secretary

ORDINANCE NO. O-2018-014

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
MAGNOLIA, TEXAS, AMENDING THE FISCAL YEAR 2017-2018
ANNUAL BUDGET, ORDINANCE NO. O-2017-023 TO AMEND
ADOPTED EXPENDITURES AND REVENUES OF THE BUDGET;
AND DECLARING AN EFFECTIVE DATE.**

* * * * *

WHEREAS, the 2017-2018 Annual Budget was adopted by Ordinance O-2017-023 on September 12, 2017;

WHEREAS, various unforeseen circumstances affecting the City have presented themselves during the course of the fiscal year;

WHEREAS, the City Council considered the circumstances independently, deliberating appropriately on the associated revenues and expenditures and the overall impact on the general financial status of the City;

WHEREAS, pursuant to the laws of the State of Texas, the City Council has determined that it will be beneficial and advantageous to the citizens of the City of Magnolia to amend the 2017-2018 budget as set forth herein; and

WHEREAS, this ordinance combines the independent Council actions into one budget amendment document;

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

Section 1. The findings set forth above are incorporated into the body of this ordinance.

Section 2. The annual budget for fiscal year 2017-2018 is hereby amended to include the expenditures and revenues described in Exhibit "A" attached hereto and made a part of this ordinance as if set out verbatim herein.

Section 3. All ordinances of the City in conflict with the provisions of this ordinance 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 4. Should any section, portion, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, it shall not invalidate or impair the force or effect of any other section or portion of this ordinance.

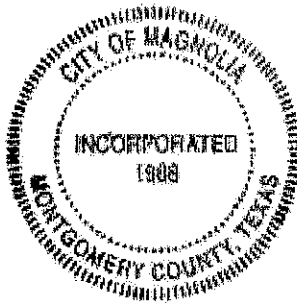
Section 5. The necessity for amending the budget for the fiscal year, as required by the laws of the State of Texas, requires that this ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

Section 6. This ordinance shall take effect immediately after its passage.

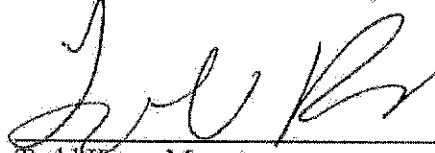
Section 7. The City Secretary is hereby directed to attach a copy of this Ordinance to the City Budget for Fiscal Year 2017-2018, which is on file in her office.

Section 8. The City Secretary is hereby directed to file a copy of this Ordinance with the County Clerk of Montgomery County.

PASSED AND APPROVED on this the 11th day of September 2018.



THE CITY OF MAGNOLIA, TEXAS



Todd Kana, Mayor

ATTEST:



Lynne George, City Secretary

EXHIBIT A

City of Magnolia Proposed Budget Amendments for FY 2017-2018					
General Fund					
	Revenue				Proposed
Fund	Codes	Description	Current Budget	Projected	Budget Amendment
01	40118	Licenses and Permits	100,000	178,006	78,006
01	40120	Franchise Tax Revenue	240,000	248,227	8,227
01	40129	Sales of Assets	-	13,000	13,000
01	40410	Traffic Fine Revenue	300,000	339,256	39,256
01	40413	Bond Escrow/Bond Refund	25,000	45,038	20,038
01	41100	TP-JE (Time Pmt Plan-Local)	800	-	(800)
01	41180	Security Fund Revenue	6,000	-	(6,000)
01	41190	Tech Fund Revenue	10,000	-	(10,000)
01	49902	Intra-Fund Transfer from (02) Water	451,464	346,121	(105,343)
		Increase to Revenue Fund 01			36,584
Expense					
Fund	Code	Description	Current Budget	Projected	Proposed Budget Amendment
01	501629	Inspection Services	70,000	116,307	46,307
01	501632	Consultant/Contract Services	50,000	39,115	(10,885)
01	501640	Legal	60,000	73,521	13,521
01	501643	Engineering	10,000	24,060	14,060
01	501673	Computer Software	35,000	27,000	(8,000)
01	502501	Salaries	762,454	733,073	(29,381)
01	502510	Salary & Benefit Reimbursement	175,571	161,261	(14,310)
01	502625	Maintenance & Repair Vehicles	29,000	37,119	8,119
01	502760	Fuel	45,000	63,985	18,985
01	502827	Fleet Insurance-TML	15,000	21,044	6,044
01	502951	Motor Vehicles	-	32,075	32,075
01	503501	Salaries	285,490	227,107	(58,383)
01	503503	Overtime	15,000	5,316	(9,684)
01	503528	Insurance (Med/Dental/Life/Vision)	66,028	58,926	(7,102)
01	503536	Payroll Tax (FICA, Medicare)	23,211	17,800	(5,411)
01	503604	Electric Street Lights	18,000	27,218	9,218
01	503650	Mowing	25,000	18,760	(6,240)
01	503760	Fuel	31,000	40,687	9,687
01	504632	Contract/Outside Services	18,000	12,000	(6,000)
01	504673	Incode Software & Support	5,000	22,168	17,168
01	504814	Collection Agency Fees	20,000	30,470	10,470
01	504850	Security Fund Expense	5,000	-	(5,000)
01	504855	Tech Fund Expense	8,975	-	(8,975)
01	505501	Salaries	71,624	73,989	2,365
01	510543	Education, Travel & Certification	500	3,375	2,875
01	511632	Contractual Services/Parks	-	11,744	11,744
		Increase/(Decrease) to Expenses Fund 01			33,267
		Net positive effect to General Fund		3,317	

Enterprise (Water/Sewer) Fund					
Revenue		Current		Proposed	
Fund	Codes	Description	Budget	Projected	Budget Amendment
02	40001	Water Fund Revenue	990,000	1,271,753	281,753
02	40002.09	Water Impact Revenue	30,000	244,500	214,500
02	40003.09	Sewer Impact Revenue	40,000	486,000	446,000
02	40016	Late Fees-Water	10,000	29,430	19,430
02	40018	Disconnect Fees	20,000	44,628	24,628
02	40025	San Jacinto River Authority-Rev.	370,000	446,652	76,652
02	40001.03	Sewer Fund Revenue	440,000	705,392	265,392
02	40011.03	Garbage Revenue	140,000	155,950	15,950
02	40900.03	Grant Revenue-Sewer	-	33,021	33,021
Increase to Revenue Fund 02					1,377,326
Expense		Current		Proposed	
Fund	Code	Description	Budget	Projected	Budget Amendment
02	500603.03	Utilities/Electric-Sewer	65,000	76,299	11,299
02	500633.03	Maint. & Repair-Sewer Equipment	25,000	56,216	31,216
02	500643	Engineering-Water	10,000	-	(10,000)
02	500643.03	Engineering-Sewer	10,000	65	(9,935)
02	500672.03	Garbage Service	130,000	143,382	13,382
02	500700.03	General Supplies-Water	50,000	17,749	(32,251)
02	500700.03	General Supplies-Sewer	20,000	4,278	(15,722)
02	500804	San Jacinto River Authority	500,000	566,491	66,491
02	500859	Transfer to General Fund	451,464	346,121	(105,343)
02	500863	Transfer to 2017 SIB Loan	66,875	-	(66,875)
Increase/(Decrease) to Expenses/Trfrs Out Fund 02					(117,738)
Net positive effect to Water/Sewer Fund =				1,495,064	

		Other Funds			
	Expense		Current		Proposed
Fund	Code	Description	Budget	Projected	Budget Amendment
		Capital Projects-Enterprise Fund			
04	500950.05	Engineering-WWTP Pkg Plant	0	68,000	68,000
		Net negative effect to Capital Proj-Enterprise Fund			(68,000)
		Red Light Camera Fund			
10	500951	Motor Vehicles	0	75,000	75,000
		Net negative effect to Red Light Camera Fund			(75,000)
		Capital Projects-General Fund			
30	500851	Project Expense-Unity Park Drainage	0	162,474	162,474
30	500950.05	Engineering-Unity Park Drainage	0	5,000	5,000
		Net negative effect to Capital Projects-General Fund			(167,474)
		Municipal Court Security Fund *			
18	40408	MC Security Fund Fees Revenue	0	6,000	6,000
18	504565	MC Security Expense	0	5,000	5,000
		Net positive effect to Muni Court Security Fund			1,000
		Municipal Court Technology Fund*			
19	41190	MC Technology Fund Fees Revenue	0	10,000	10,000
19	519570	MC Technology Fund Expenses	0	8,975	8,975
		Net positive effect to Muni Court Technology Fund			1,025
		Municipal Court Judicial Efficiency Fund*			
50	41190	Judicial Efficiency Fund Fee Revenue	0	600	600
		Net positive effect to Muni Court Judicial Eff. Fund			600
		*These 3 Court Funds were originally included in Fund 01 for the 2017-2018 Budget			

City of Magnolia

Budgeting Process

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

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

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

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

City of Magnolia

Financial Policies:

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

Accounting

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

Annual Reporting

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

Interim Reporting

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

Budgeting

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

Revenues

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

Capital Equipment

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

City of Magnolia

Long-Term Debt

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

City of Magnolia

Comprehensive Plan

Five years ago, 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.

This last year has shown great strides for the City of Magnolia. We have hired Tana Ross as our Planner and developed a Planning Department. This allows us to streamline the platting and development process saving time and effort for both the City and the Developer. We have also devised an escrow fee which covers the City's soft cost and professional expenses for lawyers, engineers and experts support.

Magnolia adopted a Unified Development Code and zoning following two years of implementation of its Comprehensive Plan. The City is continuing to tweak and tune the zoning to where it serves both the needs of the City and citizens of Magnolia. The City continues to grow with more land owners asking to be included in the City limits. This has expanded our extraterritorial jurisdiction ("ETJ"), pushing the City limits to the FM 149 Spur at FM 1488, where the ETJ reaches an additional one half mile. The City is focused on the future and prepared with a positive plan.

The area's growth is driving the changes in infrastructure and transportation improvements and City services are a must. 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. Magnolia is about to have a new look.

Strategic Recommendations Remain the Same

- Stress Quality Appearance and Function
- Preservation Magnolia's Community Character
- Destination for Housing, Entertainment, Service, and Jobs

If you have development questions or need details of the City of Magnolia's Comprehensive Plan, please visit the City's website. The Comprehensive Plan speaks for itself, you will see the vision of city leaders who listened to the community. Continually striving to make Magnolia a better place to live, work and play.

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