

ANNUAL OPERATING BUDGET

**OCTOBER 1, 2020
TO
SEPTEMBER 30, 2021**

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 property taxes than last year's budget by an amount of \$2,188, which is a .20 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$3,657.

A record vote was conducted of the City Council on August 25, 2020 for approval of an ordinance adopting the City of Magnolia 2020-2021 Fiscal Year Annual Budget as follows:

City Council	Aye	Nay	Absent
Daniel Miller, Position 1			X
Matthew Dantzer, 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	2020	2019
Fiscal Year	2020-2021	2019-2020
Total Adopted Rate	\$ 0.4529	\$ 0.4645
Adopted Operating Rate	\$ 0.1696	\$ 0.1784
Adopted Debt Rate	\$ 0.2833	\$ 0.2861
No-New-Revenue Tax Rate	\$ 0.4529	\$ 0.4378
No-New-Revenue Operating Rate (M&O)	\$ 0.1742	\$ 0.1655
Voter-Approval Operating Rate (M&O)	\$ 0.1802	\$ 0.1787
Debt Rate (I&S)	\$ 0.2833	\$ 0.2861
Voter Approval Rate	\$ 0.4635	\$ 0.4648

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	\$ 27,600,366	\$ 1,843,530
Self-Supporting	\$ 4,238,455	\$ 415,032
Total Debt	\$ 31,838,821	\$ 2,258,562

Welcome!

This City of Magnolia, Texas annual budget is for the fiscal year beginning October 1, 2020, and ending September 30, 2021. 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 2020-2021 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 2020 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 2019 actual. The ending balance of the actual year becomes the beginning balance of the projected current fiscal year, FY 2020. 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 2021 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



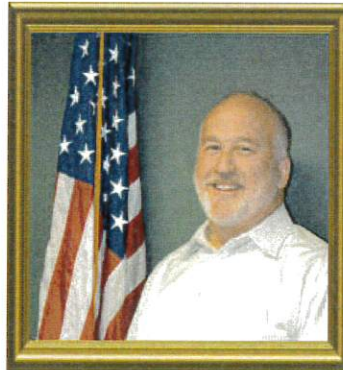
Daniel Miller
Position 1
Elected May 2019-2021
dmiller@cityofmagnolia.com



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



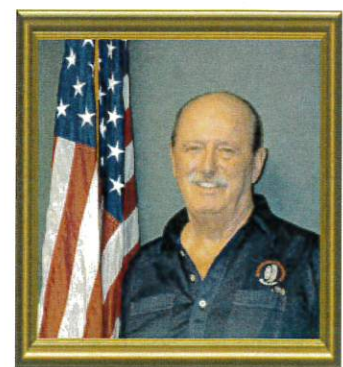
Matthew Dantzer
Position 2
Elected May 2019-2021
mdantzer@cityofmagnolia.com



Rick Carby
Mayor Pro Tem/Position 3
Re-elected May 2019-2021
rcarby@cityofmagnolia.com



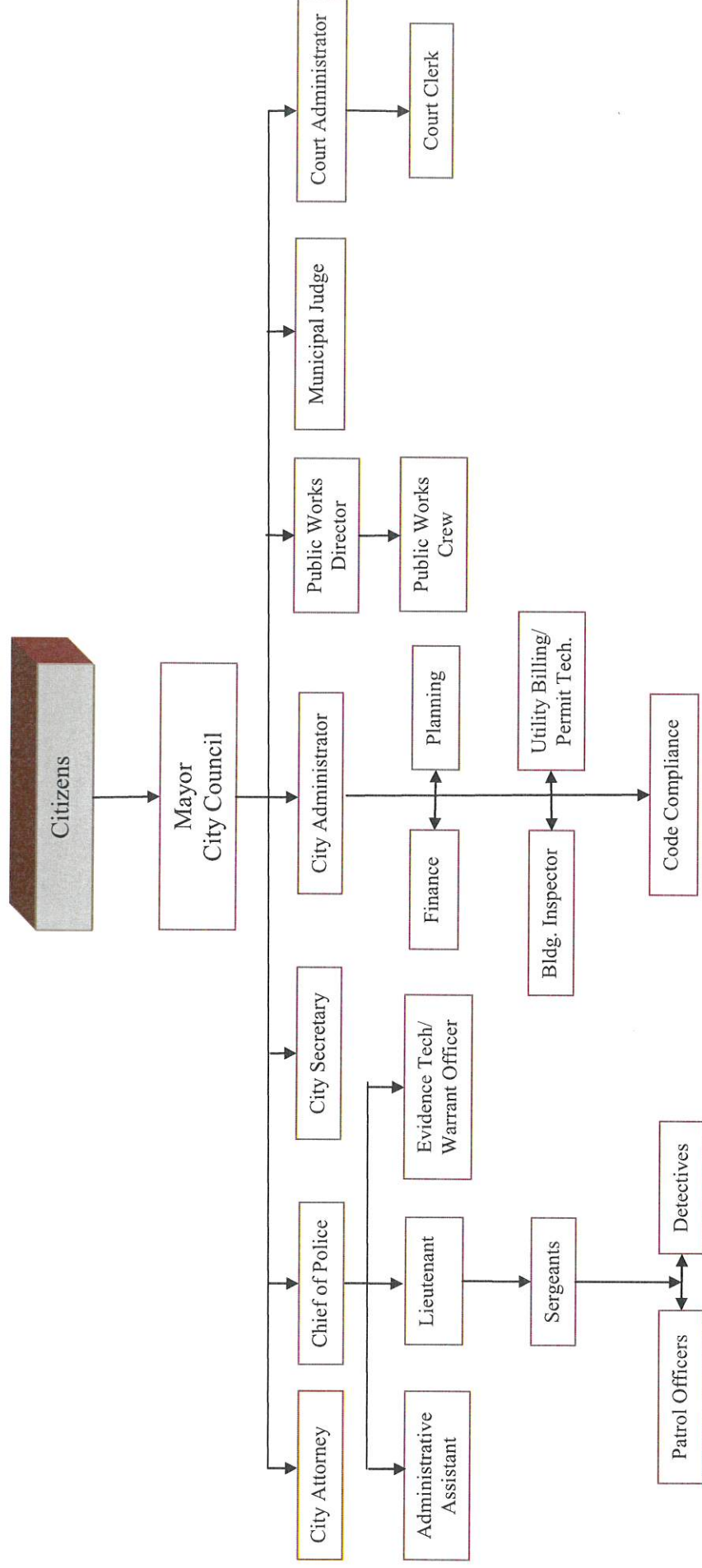
Brenda Hoppe
Position 4
Re-Elected May 2018-2020
bhoppe@cityofmagnolia.com



Jonny Williams
Position 5
Re-elected May 2018-2020
jwilliams@cityofmagnolia.com

ORGANIZATIONAL CHART

CITY OF MAGNOLIA



City of Magnolia

Fast Facts

Magnolia, Texas is located in southwest Montgomery County, which is nationally ranked as 6th in growth among Texas counties. A short drive from Houston, Magnolia is adding rooftops daily with the arrival of the SH 249 Toll Way. At the crossroads of progress, Magnolia is still a place where neighbors help neighbors — a place to call home *and* grow your business.

Demographics -

Population/Income -

2019 Population – 2,111 inside city limits/142,000 in trade area

2023 Population projection – 2,814 inside city limits/3.37% growth rate

Median age: 41.1

Median household income: \$65,035 inside city limits

Average family income in trade area: \$110,807

City Size & Taxes -

City size in square miles: approx. 5.5 square miles

Property tax rate (2020): \$0.4529 per \$100 valuation

Property tax rate (2019): \$0.4645 per \$100 valuation

Sales tax collected for FY 2018-19: approximately \$3.1 million

Housing -

Median home value in trade area: \$205,290

Homeowners 81.27%

Renters 18.736%

Permit valuation added in fiscal year 2019-20: Not available

Residential: Not available

Non-residential/Commercial: Not available

Education/Labor Force -

Bachelor's Degree or higher 19.79%

Associate's degree or higher 6.27%

Some College 22.09%

High school diploma or higher 85.57%

Blue Collar 37%

White Collar 62%

Job growth rate 2.40%

Number of colleges/universities within an hour's drive – 52

Key Regional Industries -

Construction

Engineering services

Business consulting services

Medical and specialized hospitals

Production, transportation, material moving

Pipe & other metal manufacturing

Educational services

2019 Local Tax Rates /\$100 Valuation	
Magnolia ISD	1.3095
City of Magnolia	0.4645
Mont Co Hospital Dist	0.0589
Lone Star College	0.1078
Montgomery County	0.4475
Mont Co ESD 10	0.1000

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**CITY OF MAGNOLIA
APPROVED BUDGET
FISCAL YEAR 2020-2021**

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INTRODUCTION



A Message from Mayor Kana

August 27, 2020

Greetings Friends:

The first thing I want you to know is, the City of Magnolia is in very good shape. The financial condition of the City is sound and the stability of our municipal government is sound.

State of the City:

When I last addressed you at the end of Fiscal Year 2018-2019, little did any of us know the world would unleash a historic pandemic changing our lives in almost every way. During the spring shut-down, your city adjusted. We never missed a day of delivering vital services and customer care, thanks to a dedicated staff.

But even before COVID-19 took residence in our lives, we at the City were adjusting to the loss of a true friend. As many of you know, we lost City Administrator Paul Mendes on August 21, 2019. To many Paul was the Face of Magnolia. Paul's advice, wit and leadership have been greatly missed.

This void was filled in January with Don Doering. Don has 15 years' experience in City management and most recently served as City Manager of Edna, Texas. As City Administrator, Don has brought a culture of communication, accountability and transparency to City Hall. As a local resident, Don has a handle on what his Magnolia neighbors need and want. Stop in and say hello to your new administrator when you get a chance.

In December 2019 the City appointed Kyle Montgomery as Police Chief. Kyle followed Terry Enloe, who served the City four years and retired in October 2019. Kyle has been in law enforcement for 15 years and joined the Magnolia Police Department in 2007. Kyle is the right man for the job and is leading MPD with skill and experience.

Budget Highlights:

This year's \$3.5 million budget will produce a slim but solid surplus. Importantly, it gives our police force competitive wages, which has long been a goal of the City. With this goal accomplished and in place, the City's police force can build on its longevity. Other highlights of this year's budget include:

- property tax rate of \$0.4529 per \$100 valuation, a decrease of -\$0.0116
- continuation of sewer plant expansion
- capital improvements to water plant
- \$85,000 for retention of police officers
- 3% salary increase for all City staff

City Growth:

One of the City's strong revenue sources is sales tax. The City's recent sales tax revenues have been strong due to food and beverage sales. With this in mind, I am sure you have noticed the recent addition of Whataburger to our offerings in Magnolia. This along with so many other local and national offerings are good for the residents and good for the City.

Many are wondering when H.E.B. will open at FM 1488 and Spur 149. When the developers of the project delivered the news of a "pause" earlier this year due to COVID-19, we were very disappointed. All developments of this type are redesigning public spaces in response to the emerging guidelines since the pandemic. We were assured H.E.B., the neighboring destination shopping center and multi-family residence complex will begin construction in 2021.

In the meantime, I am happy to report loyalty to Magnolia offerings is constant. In fact, some of our food establishments have been changing their menus and offerings in response to the local market. Be on the lookout for more new openings soon.

Roadways:

While the pandemic has shifted our focus, roadways in the City of Magnolia are still the main driving force behind our growth. Maybe you were able to catch the recent virtual grand opening of the 249 Toll Road at FM 1488 in Magnolia. I certainly hope you have driven the route. It is an amazing view. The roadway opened ahead of schedule. And, the second phase of the 249 Magnolia route from FM 1488 to FM 1774 is due to open in late 2021.

The 249 sparked a chain of events in growth and development that will have a positive and lasting impact on Magnolia. Fortunately, you the people of Magnolia, participated in the planning of this growth with the City's Comprehensive Plan adopted in 2013. The Plan serves as a map for growth and the way you want your city to develop.

The FM 1774 railroad flyover opened in late 2019 and relieves traffic headed beyond our city. For the first time this year, we will experience the benefit of the flyover for annual Texas Renaissance festival-goers. This much-anticipated relief is a preview of other roadways to come.

Our work in 2016 with Montgomery County and developers to implement a Transportation Plan that ties all area roads together is becoming a reality. This fall the City is participating in a review of county transportation with the Houston-Galveston Area Council, an important flow-through funding agency.

Lastly, growth is not without "growing pains" and over the next 2 years we will experience the widening of FM 1488. City Council worked hard to prevent the widening of 1488 through our commercial district and strongly suggested diverting resources to the planned Relief Route. But this approach was declined. The widening will be done in two phases: one from east FM 1488 to

FM 1774, and one from the Waller County line to FM 1774. Utilities along both routes will be relocated by the City, which is a major undertaking.

Final Comments:

Your City Council continues to work hard to position the City for the changes we know are coming. While infrastructure takes priority, the visible and desirable benefits to the community are forthcoming. With all this going on, we have stabilized your taxes and increased the City's reserves.

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

Long before the pandemic and long before "Together We Are Stronger," Magnolia was known as the *Community of Unity*. I want to encourage you to continue this tradition. Check on your family members, check on your neighbors, contact local non-profits and help out if you are able. Most of all be safe, take care, and be kind to one another.

Mayor Todd Kana

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. The red light camera was removed June 2019 due to a change in the law; however, the fund is still included in this year's budget since there are remaining funds to be used.

City of Magnolia

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business activities are accounted for through proprietary funds. The proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise fund:

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

City of Magnolia

Authorized Positions by Department

		Approved 2016-2017	Approved 2017-2018	Approved 2018-2019	Proposed 2019-2020
CITY COUNCIL	Mayor and Council	6	6	6	6
	Total	6	6	6	6
ADMINISTRATION	City Manager/Administrator	1	1	1	1
	Clerical	0	0	0	0.5
	Code Enforcement Officer	0	1	1	1
	Total	1	2	2	2.5
POLICE	Chief of Police	1	1	1	1
	Lieutenant	1	1	1	1
	Sargeant	3	3	3	3
	Detective	1	1	1	1
	Investigator	0	1	1	1
	Patrol Officers	9	9	9.5	7
	Reserve Officers	9	9	1	1
	Administrative Asst/Dispatch	1	1	1	2
	Code Compliance Officer	1	0	0	0
	Executive Officer	0	0	0	0
	Evidence Clerk	1	1	1	1
	Total	27	27	19.5	18
PUBLIC WORKS	Director	1	1	1	1
	Water/Wastewater Plant Operator	1	1	1	1
	Utility/Maintenance Worker	4	4	4	4
	Laborers	1	1	1	1.5
	Mechanic	1	1	1	1
	Total	8	8	8	8.5
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	0	0	0	0
	Water/Wastewater Plant Operator	0	0	0	0
	Mechanic	0	0	0	0
	Utility/Permit Technician	1	1	1	1.5
	Total	1	1	1	1.5
Grand Total (Excl. Council)		43.5	44.5	37	37

City of Magnolia

2020-2021 Approved Budget Major Items

Revenue

Total property tax M&O estimated at \$.1696 on valuation of \$237,007,566	\$	401,965
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Overall

17% increase in health insurance rates	\$	58,500
3% salary increases for personnel (other than P/D)	\$	20,164

Police Dept

New salary grid proposal increases for P/D	\$	85,126
New server	\$	15,000-\$ 20,000

Public Works

Mower	\$	15,000
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Court

4 new computers	\$	5,000
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Facilities

New generator for City Hall		
Option A or	\$	45,000
Option B	\$	30,605

Water/Sewer

Sewer Jetter	\$	59,000
New water line at Dogwood Trails	\$	25,000
Capital improvements to water tank	\$	20,000

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
				Tax Fund	Funds	Funds	Funds
REVENUES:							
Property Taxes	401,965				799,150		1,201,115
Sales Taxes	1,200,000	300,000					1,500,000
Other Taxes	20,000						20,000
Franchise Fees	234,000						234,000
Licenses & Permits	631,500						631,500
Fines & Forfeitures	344,500					17,100	361,600
Hotel Occupancy Tax				45,000			45,000
Interest Income	-	12,000	1,500		1,400		14,900
Water User Fees							-
Sewer User Fees							-
Other Revenue	7,000		-				7,000
Miscellaneous	4,500						4,500
State Comptroller Fees			-				-
Total Revenues	2,843,465	312,000	1,500	45,000	800,550	17,100	4,019,615
TRANSFERS:							
Intra-Fund Transfer (06)4B	11,060						11,060
Intra-Fund Transfer (07)4A	2,783						2,783
Intra-Fund Trfr (10)Red Lt Camera(TC)	194,779						194,779
Intra-Fund Transfer (02) Water/Sewer Fund	401,044						401,044
Total Intra-Fund Transfers	609,666	-	-	-	-	-	609,666
Total Revenues/Transfers	3,453,131	312,000	1,500	45,000	800,550	17,100	4,629,281
EXPENDITURES:							
Personnel Services	2,407,983						2,407,983
Contractual Expenses	689,087		-				689,087
Miscellaneous Expenses	261,200		50,000		500	20,600	332,300
Capital Expenses/Road Repair	90,590	300,000	-				390,590
Tourism				45,000			45,000
Bond/Loan Principal Payments					113,500		113,500
Bond/Loan Interest Payments					130,838		130,838
Intra-Fund Trfrs Out			194,779		544,000		738,779
Total Expenditures/Transfers	3,448,860	300,000	244,779	45,000	788,838	20,600	4,848,076
Total Revenue Over/(Under)	4,271	12,000	(243,279)	-	11,713	(3,500)	(218,796)
Expenditures							
Projected Beginning Fund Balance/ Retained Earnings	1,348,678	1,528,268	383,208	75,875	653,725	60,951	4,050,705
Projected Ending Fund Balance/ Retained Earnings	1,352,949	1,540,268	139,929	75,875	665,438	57,451	3,831,909
*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.

2020/2021 Budget

Revenues

Revenues including transfers from other funds are budgeted at \$3,453,131 which is approximately 10.4% more than last year. This increase is mainly due to higher license and permit fee revenue being budgeted over the previous year, more in line with the projected number for FY 2020. That increase was somewhat offset by lower court revenue.

Expenditures

The budget for operating expenditures for FY 2021 is \$3,448,860 or 10.4% more than the adopted budget for FY 2020. Most of the increase is in the area of personnel and related benefits. Included in the budget are 3% salary adjustments for most employees except those in the Police Department, who received increases based on a new salary structure implemented in FY 2021. Total personnel costs in the General Fund increased by approximately 7.8%, which included employee health insurance projected increases of 17%. Budgeted contractual expenses increased by 11.4%. The capital outlay budget includes a server for the Police Department, a generator for City Hall and a mower for Public Works.

City of Magnolia

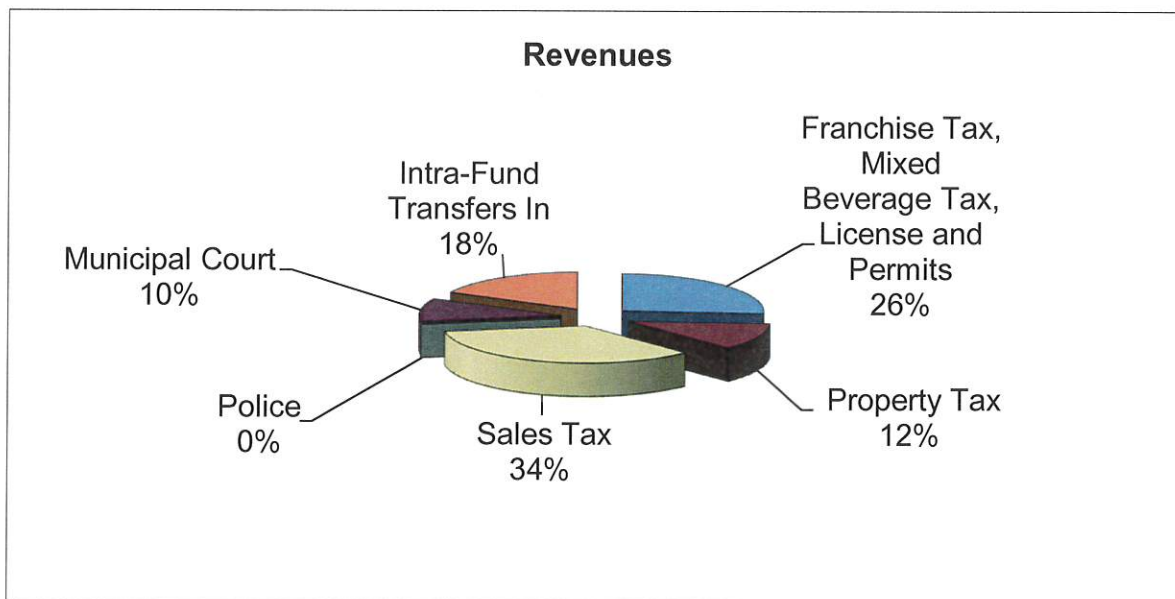
SUMMARY-Approved Budget 2020-2021

GENERAL FUND

REVENUE SUMMARY	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021	-/+ % Change
City Hall / Administration	\$2,011,780	\$2,079,810	\$2,498,965	20.15%
Police Department	\$10,000	\$10,000	\$4,000	(60.00%)
Municipal Court	\$440,500	\$447,000	\$340,500	(23.83%)
Intra-Fund Transfers In	\$507,326	\$590,034	\$609,666	3.33%
TOTAL REVENUE	\$2,969,606	\$3,126,844	\$3,453,131	10.44%
EXPENDITURE SUMMARY				
City Hall / Administration	\$503,781	\$524,284	\$623,459	18.92%
Police Department	\$1,410,355	\$1,406,997	\$1,532,545	8.92%
Public Works	\$519,553	\$624,923	\$676,287	8.22%
Municipal Court	\$166,289	\$190,441	\$182,455	(4.19%)
Finance	\$112,524	\$117,646	\$131,097	11.43%
City Secretary	\$108,868	\$115,108	\$129,693	12.67%
Facilities	\$71,000	\$89,500	\$130,200	45.47%
City Council	\$27,879	\$30,708	\$35,724	16.33%
Parks	\$23,700	\$23,900	\$7,400	(69.04%)
TOTAL EXPENDITURES	\$2,943,948	\$3,123,507	\$3,448,860	10.42%
REVENUE OVER (UNDER) EXPENDITURES	\$25,658	\$3,337	4,271	

Revenue Summary - General Fund

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
General Fund				
Franchise, Beverage, Permits, Misc.	\$377,300	\$438,800	\$465,500	\$897,000
Property Tax	\$336,751	\$372,980	\$409,310	\$401,965
Sales Tax	\$1,200,000	\$1,200,000	\$1,205,000	\$1,200,000
Police	\$10,000	\$10,000	\$10,000	\$4,000
Municipal Court	\$421,600	\$440,500	\$447,000	\$340,500
Intra-Fund Transfers In	\$668,034	\$507,326	\$590,034	\$609,666
Total	\$3,013,685	\$2,969,606	\$3,126,844	\$3,453,131



City of Magnolia

General Fund - 01

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenues					
General and Administrative					
40016 Grants 4269/4272-April 2016	0	0	0	131,224	0
40102 Gen/Admin Donations	0	5,300	2,000	0	0
40104 Liquor License Fee	500	88	500	1,333	500
40105 Ad Valorem Tax Revenue	372,980	376,168	409,310	409,055	401,965
40107 Mix Beverage Tax Revenue	18,000	21,270	18,000	22,143	20,000
40110 Wrecker Permit Fees	1,300	950	1,000	0	1,000
40116 Sales Tax Revenue	1,200,000	1,257,607	1,205,000	1,200,000	1,200,000
40117 Misc. Income	5,000	16,601	5,000	2,245	2,500
40118 License and Permits	150,000	267,279	165,000	635,126	625,000
40119 Sign Permit Revenue	12,000	6,420	10,000	2,400	5,000
40120 Franchise Tax Revenue	240,000	234,839	240,000	230,658	230,000
40120.01 In Kind Franchise Income	5,000	6,600	5,000	2,649	4,000
40122 Interest Income/Gen Fund	0	77	0	60	0
40127 Rendition Penalty/Montg. Co.	0	0	0	0	0
40128 Vehicle & Equip. Sales	0	0	10,000	18,518	0
40129 Sale of Assets	0	0	0	0	0
40133 Plat Fee Revenue	5,000	27,186	7,000	6,525	7,000
40199 Prop Tax Penalties/Interest	2,000	3,258	2,000	2,000	2,000
Total General and Administrative	2,011,780	2,223,642	2,079,810	2,663,936	2,498,965
Police					
40203 Police Department Donations	0	0	0	0	0
40204 Police Department Grants	5,000	9,200	5,000	86,935	0
40209 Police Grant - TAPEIT	0	500	0	850	0
40223 Police Forfeited Prop Revenue	2,000	0	2,000	0	2,000
40224 Police-Asset Forfeiture	3,000	(2,115)	3,000	72	2,000
40233 S.T.E.P. Revenue	0	0	0	0	0
Total Police	10,000	7,585	10,000	87,857	4,000
Courts					
40401 Summoning Jury Fee	0	0	0	18	0.00
40407 OMNI Revenue	2,500	1,911	2,500	1,726	2,000
40409 Warrant Fee Revenue	35,000	22,875	30,000	20,258	20,000
40410 Court Fine Revenue	330,000	237,952	330,000	166,091	250,000
40413 Bond Escrow/Bond Refund	30,000	46,144	40,000	29,936	35,000
40414 C.O.L.A.G.Y.	40,000	30,783	40,000	31,845	32,000
40416 Child Safety Seat Fee	0	(541)	0	186	0
40423 Bond	3,000	471	3,000	(3,215)	0
40424 Truancy Prevention Fund	0	1,245	1,500	1,828	1,500
Total Courts	440,500	340,840	447,000	248,673	340,500
Intra-Fund Transfers					
49902 Intra-Fund Transfer (02) Water	304,535	317,432	383,760	383,760	401,044
49906 Intra-Fund Transfer (06)4B	21,000	19,770	21,000	8,664	11,060
49907 Intra-Fund Transfer (07)4A	20,000	19,279	21,000	2,762	2,783
49910 Intra-Fund Trfr (10)Red Lt Camera	161,791	165,875	164,274	188,307	194,779
Total Intra-Fund Transfers	507,326	522,357	590,034	583,493	609,666
Total Revenue	2,969,606	3,094,423	3,126,844	3,583,959	3,453,131

City of Magnolia

Revenues

Account	Account Name	Approved Budget	Description
40102	Gen/Admin Donations	-	
40104	Liquor License Fee	500	Fees paid in order to sell alcohol within City limits
40105	Ad Valorem Tax Revenue	401,965	M&O proposed tax rate of \$.1696 based on estimated valuation of \$ 237,007,566
40107	Mixed Beverage Tax Revenue	20,000	Locally collected taxes on the sale and consumption of alcohol. Tax rate established by State.
40110	Wrecker Permit Fees	1,000	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	2,500	Miscellaneous receipts which do not fall within any other category
40118	Licenses and Permits	625,000	Fees paid as established by ordinance for construction of structures inside the City
40119	Sign Permit Revenue	5,000	Fees paid to enable a business to install a sign within the City/annual renewal required
40120	Franchise Tax Revenue	230,000	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	4,000	
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	7,000	
40199	Prop Tax Penalties/Interest	2,000	
40204	Police Department Grants	-	
40223	Police/Forfeited Prop Rev	2,000	
40224	Asset Forfeitures	2,000	

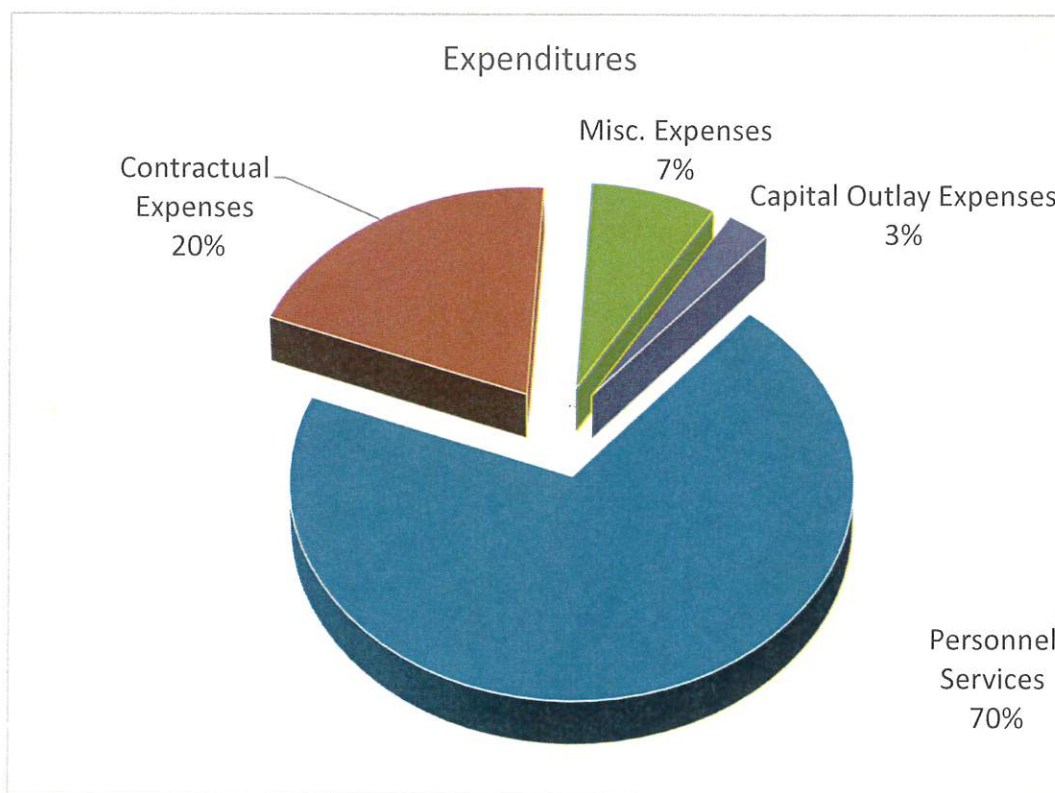
City of Magnolia

Revenues

Account	Account Name	Approved Budget	Description
Court Fees and Fines, as limited by State law:			
40407	OMNI Revenue	2,000	
40409	Warrant Fee Revenue	20,000	
40410	Court Fines	250,000	
40413	Bond Escrow/Bond Refund	35,000	
40414	C.O.L.A.G.Y.	32,000	Collection agency fees
40423	Bond	-	
40425	Truancy Prevention Fee	1,500	
Intra-Fund Transfers:			
49902	Intra-Fund Transfer (02) Water	401,044	Funds transferred in from Water/Sewer Fund
49906	Intra-Fund Transfer (06) 4B	11,060	Funds transferred in from Community Development Fund
49907	Intra-Fund Transfer (07) 4A	2,783	Funds transferred in from Economic Development Fund
49910	Intra-Fund Trfr (10) Red Lt Camera	194,779	Funds transferred in from Red Light Camera Fund
		3,453,131	

Expenditure Summary - General Fund

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
General Fund				
Personnel Services	\$2,081,635	\$2,138,074	\$2,234,053	\$2,407,983
Contractual Expenses	\$513,300	\$557,460	\$618,614	\$689,087
Miscellaneous Expenses	\$283,485	\$242,824	\$265,250	\$261,200
Capital Outlay Expenses	\$122,851	\$5,590	\$5,590	\$90,590
Total	\$3,001,271	\$2,943,948	\$3,123,507	\$3,448,860



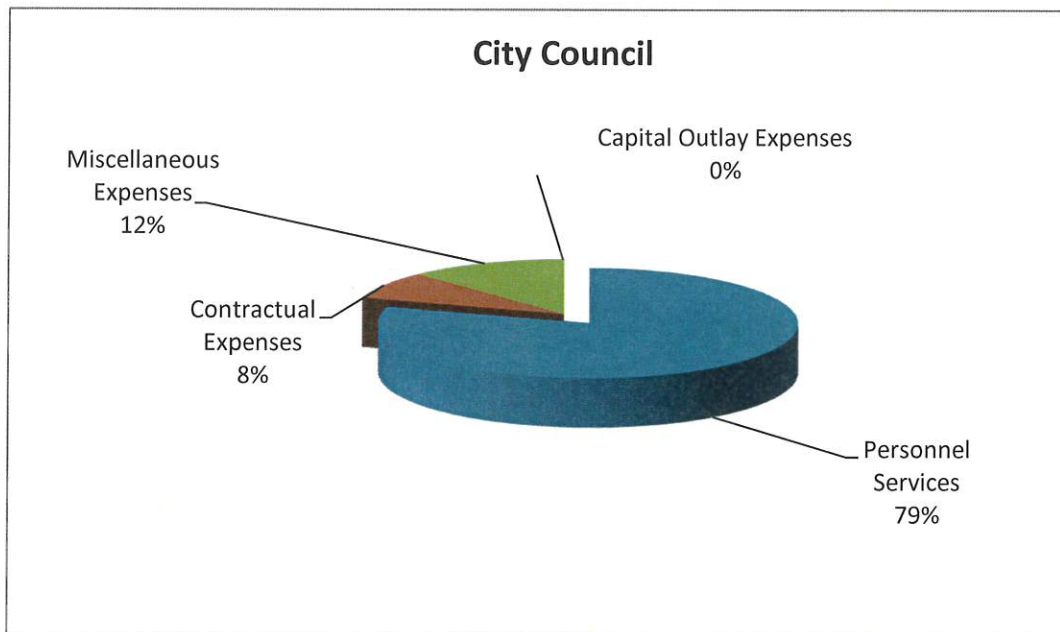
CITY COUNCIL



City Council Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$17,007	\$20,179	\$23,458	\$28,474
Contractual Expenses	\$800	\$500	\$400	\$2,900
Miscellaneous Expenses	\$5,200	\$7,200	\$6,850	\$4,350
Capital Outlay Expenses	\$10,000	\$0	\$0	\$0
Total	\$33,007	\$27,879	\$30,708	\$35,724

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Mayor and Council	6	6	6	6
Total	6	6	6	6



City of Magnolia

City Council	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Personnel Services</u>					
510526 Insurance(Med,Dental,Vision)	19,179	18,435	20,958	22,185	25,974
510543 Education, Travel, & Certification	1,000	994	2,500	0	2,500
Total Personnel Services	20,179	19,430	23,458	22,185	28,474
<u>Contractual Expenses</u>					
510604 Cell Phones	0	0	0	2,593	2,500
510642 Dues & Memberships	500	200	400	200	400
Total Contractual Expenses	500	200	400	2,793	2,900
<u>Miscellaneous Expenses</u>					
510744 Minor Equipment	4,000	508	4,000	2,152	2,000
510766 Office Supplies	700	125	350	256	350
510879 Elected Officials-Errors/Omissions Ins.	2,500	1,849	2,500	1,490	2,000
Total Miscellaneous Expenses	7,200	2,482	6,850	3,898	4,350
<u>Capital Expenses</u>					
510920 Computers & Equipment	0	0	0	0	0
Total Capital Expenses	0	0	0	0	0
Total City Council Expenditures	27,879	22,111	30,708	28,876	35,724

City of Magnolia

City Council

Account	Account Name	Approved Budget	Description
510526	Employee Insurance	25,974	Medical, dental, vision
510543	Education, Travel, Certifications	2,500	Training, travel & certifications
510604	Cell Phones	2,500	Cell phones for council members
510642	Dues & Memberships	400	HGAC 200 Misc. 200
510744	Minor Equipment	2,000	Tablets, misc.
510766	Office Supplies	350	Business cards, name plates, etc.
510879	Elected Officials- Errors & Omissions Ins.	2,000	
510920	Computers & Equipment	-	
		35,724	

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 2019-2020

- Oversaw preparation of FY 2020-2021 Annual Budget
- Continued the improvement of City's reserve funds
- Continued assisting multiple developers with expansion of development
- In process of re-organizing City Hall operations
- Initiated weekly department head meetings
- Current trend is that sales tax revenue continues to increase

Objectives for FY 2020-2021

- 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
- Continue to 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

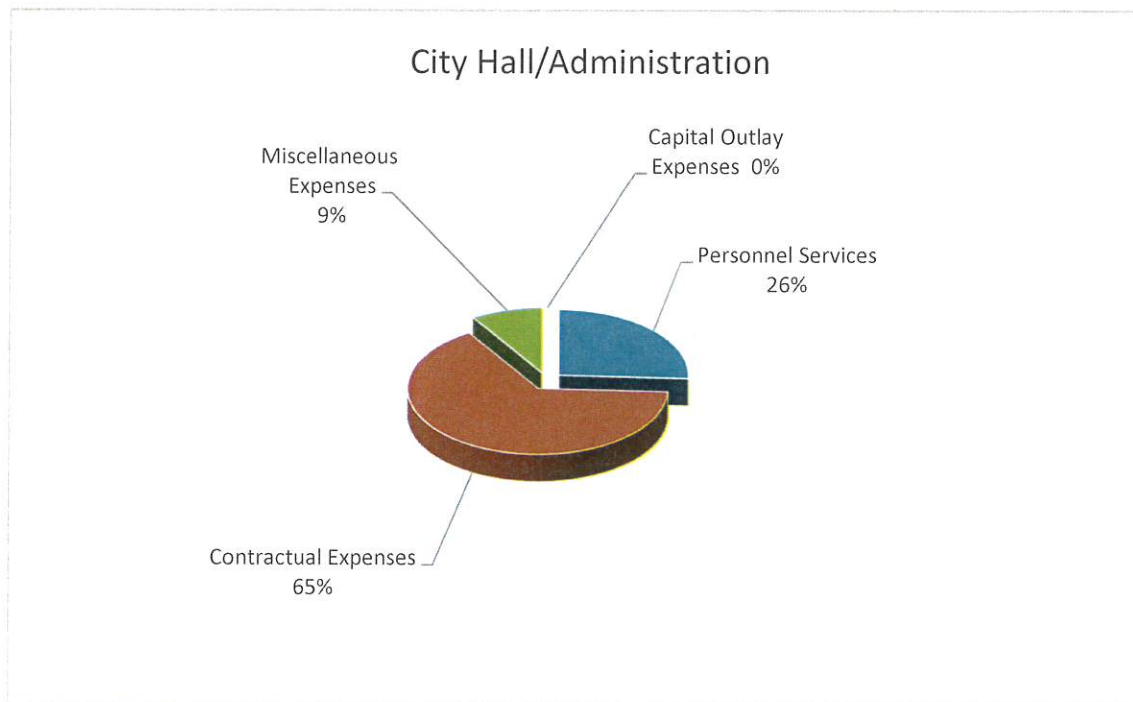
Goals for FY 2020-2021

- Oversee development of additional financial written policies, as needed
- Develop and refine ordinances to support future zoning
- Continue to assist developers with expansion of existing development in Magnolia
- Continue working to attract additional commercial and residential development within the City
- Improve the City's level of transparency on funds and all activities
- Continue to hold weekly department head meetings in order to promote open communication and information sharing

City Hall/Administration Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$147,691	\$151,186	\$158,319	\$160,584
Contractual Expenses	\$250,500	\$310,515	\$325,415	\$407,425
Miscellaneous Expenses	\$53,360	\$42,080	\$40,550	\$55,450
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$451,551	\$503,781	\$524,284	\$623,459

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
City Manager/Administrator	1	1	1	1
City Secretary	0	0	0	0
Permit Technician	0	0	0	0
Clerical	0	0	0	0.5
Finance	0	0	0	0
Executive Assistant	0	0	0	0
Code Enforcement Officer (Contract)	1	1	1	1
Total	2	2	2	2.5



City of Magnolia

Department Expenditures City Hall/Administration

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Personnel Services					
501501 Salaries	82,064	85,770	84,526	79,347	120,665
501502 Car Allowance	8,400	7,754	8,400	4,038	6,000
501505 Cell Phone Allowance	840	770	840	0	0
501506 Salary 4B	16,487	15,345	16,487	0	0
501507 Salary 4A	16,487	15,345	16,487	0	0
501515 Longevity	505	505	565	0	60
501516 T.E.C.(Unemployment)	162	9	90	320	360
501517 TMRS	2,533	2,554	6,111	4,311	6,275
501518 Worker's Compensation	294	304	300	183	308
501526 Insurance (Med./Dental/Vision/Life)	9,233	7,670	10,105	7,909	12,552
501536 Payroll Tax (F.I.C.A/Medicare)	9,546	9,717	9,739	6,379	9,694
501543 Education,Travel, & Certifications	3,000	2,418	3,000	760	3,000
501547 Drug Test	200	0	200	0	200
501550 Dues and Memberships	1,435	763	1,470	1,470	1,470
Total Personnel Services	151,186	148,925	158,319	104,717	160,584
Contractual Expenses					
501625 Maint & Repair Vehicle	0	454	0	528	500
501629 Inspection Services	105,000	136,315	115,500	224,303	160,000
501632 Consultant/Contract Services	50,000	41,233	50,000	90,563	50,000
501640 Legal	60,000	62,664	65,000	97,822	80,000
501640 Legal-Disaster	0	0	0	3,106	0
501641 Accounting	16,000	13,850	16,400	16,400	16,400
501643 Engineering	30,000	32,642	25,000	60,858	50,000
501670 Rental of Office Equipment/copier	6,500	5,552	6,500	5,140	5,500
501673 Computer Software (S/W)	35,015	13,057	32,015	25,000	30,025
501677 Computer Assistance (IT Services)	8,000	23,474	15,000	15,642	15,000
Total Contractual Expenses	310,515	329,240	325,415	539,362	407,425
Miscellaneous Expenses					
501744 Minor Equipment	4,200	1,365	3,000	0	1,000
501766 Office Supplies	5,000	6,486	6,000	4,816	5,500
501768 Planning Commission Expenses	8,250	6,110	9,650	8,000	9,650
501774 Phones/Comm. Equipmen	900	488	900	955	900
501775 Ref. Books, Reports, Subscriptions	5,000	2,789	5,000	3,000	3,000
501778 Flower Fund	500	392	500	150	500
501779 Morale/Welfare	1,500	1,506	1,500	403	750
501800 Bank Fees	1,000	259	1,000	30,573	18,000
501801 Mayor/Council Christmas Reception	0	0	0	0	0
501806 City Administrators Fund	3,500	3,130	3,500	569	650
501807 Community Special Events	6,000	5,857	6,000	13,699	12,000
501810 Advertising	2,730	100	0	0	0
501833 Postage	3,500	3,133	3,500	2,207	3,500
Total Miscellaneous Expenses	42,080	31,615	40,550	64,372	55,450
Capital Expenses					
501920 Computer Equipment	0	0	0	0	0
Total Capital Expenses	0	0	0	0	0
Total City Hall/Administration Expenditures	503,781	509,780	524,284	708,451	623,459

City of Magnolia

City Hall/Administration

Account	Account Name	Approved Budget	Description
501501	Salaries	120,665	City Administrator & p/t clerical
501502	Car Allowance	6,000	Annual car allowance for City Administrator
501505	Cell Phone Allowance	-	Allowance for use of personal cell phone for business purposes
501506	Salary 4B	-	Transfer amount of payroll expenses for 4B portion of City Administrator's salary
501507	Salary 4A	-	Transfer amount of payroll expenses for 4A portion of City Administrator's salary
501515	Longevity	60	\$5 per month per year of service with City
501516	T.E.C. (Unemployment)	360	Unemployment taxes- 2.0% rate
501517	TMRs	6,275	Retirement cost-5.20% (3 Mos.@ 5.74%-9 Mos.@ 5.02%)
501518	Worker's Compensation	308	Premiums paid to TML for W/C ins.
501526	Employee Insurance	12,552	Medical, dental, vision
501536	Payroll Tax	9,694	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	1,470	Tx City Mgt Ass'n 50 TFMA 100 Amex 110 TML 600 Tx Social Security Admin Fee 35 International Code Council 125 Sam's Club 100 Greater Magnolia Pkwy Chamber 200 Misc. 150
501625	Maint & Repair/Vehicle	500	Maintenance costs for code compliance vehicle
501629	Inspection Services	160,000	Inspections and reviews of construction
501632	Consultant/Contract Services	50,000	Consultants, i.e. Kendig Keast, 15,000 Municode, on-site shredding Contract-planning, dev salary 10,300 Code enforcement salary 24,700
501640	Legal	80,000	Attorney fees
501641	Accounting	16,400	Fees for annual audit, accounting support

City of Magnolia

City Hall/Administration

Account	Account Name	Approved Budget	Description
501643	Engineering	50,000	General engineering fees
501670	Rental of Office Equipment/Copier	5,500	Rental expense of copier, extra costs for b/w and color copies
501673	Computer Software (S/W)	30,025	Tyler (Incode) annual maint. 15,000 McAfee support 1,000 iBackup.com 500 Domain renewal 75 Gov.office (website hosting) 650 enCodePlus annual s/w licensing 6,250 Constant Contact 250 Google Earth Professional 300 Additional software purchase/ maintenance & support 6,000
501677	Computer Assistance (IT Services)	15,000	Technical services for admin
501744	Minor Equipment	1,000	Miscellaneous 1,000
501766	Office Supplies	5,500	Paper, pens, staples, clips, toner, file folders, note pads, etc.
501768	Planning Commission Expenses	9,650	Consulting 3,500 Memberships 500 Training 1,400 Travel 1,250 Scenic City update 2,500 Supplies 500
501774	Cell Phones	900	Cost of cell phones and usage for Code Enforcement
501775	Ref. Books, Reports, Subscriptions	3,000	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	750	Employee luncheons, birthday cakes, etc.
501806	City Administrator's Fund	650	Misc. expenses of City Administrator, including business lunches
501800	Bank Fees	18,000	Cost of printed deposit slips, account analysis fees, etc.
501807	Community Special Events	12,000	Fireworks for July 4th, other events
501810	Advertising	-	Impact News annual community publication ad (to be pd by HMOT)
501833	Postage	3,500	Admin mailing costs including Pitney Bowes mail machine lease, mail permits, Fedex charges
		623,459	

CITY SECRETARY



City Secretary

Department Mission:

To maintain the permanent 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.

Scope of business:

- Uphold the integrity of public service by providing professional assistance and direction in a fair and timely manner.
- Prepare, publish, record and maintain city records to include Council agendas, minutes, ordinances, resolutions, deeds, contracts, agreements, easements, and other legal documents in accordance with policies set by Council, Code of Ordinances and laws of the State.
- Serve as Election Administrator for municipal elections; coordinate with Montgomery County for all City elections.
- Coordinate Council agenda process, attend meetings, record and prepare official minutes.
- Serve as Records Management Officer and administer and coordinate organization-wide records management program.
- Post and publish all legal notices in accordance with the Texas Local Government Code, Texas Open Meetings Act, City Codes and all other State laws.
- Ensure the codification of ordinances adopted by Council.
- Serve as Public Information Officer and Chief Custodian of Records.
- Attend 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.
- Provide leadership, oversight, assistance and guidance for other administrative departments.
- Maintain and update City website as necessary or required.
- Update applications and forms used in the Permit/Utility Billing Dept.
- Ensure compliance of operating budget for the Department.
- Complete inventory and destruction of municipal records.
- Coordinate supplements for the City's Code of Ordinances.
- Provide information and documentation in a timely and efficient manner and in accordance with State and federal laws.

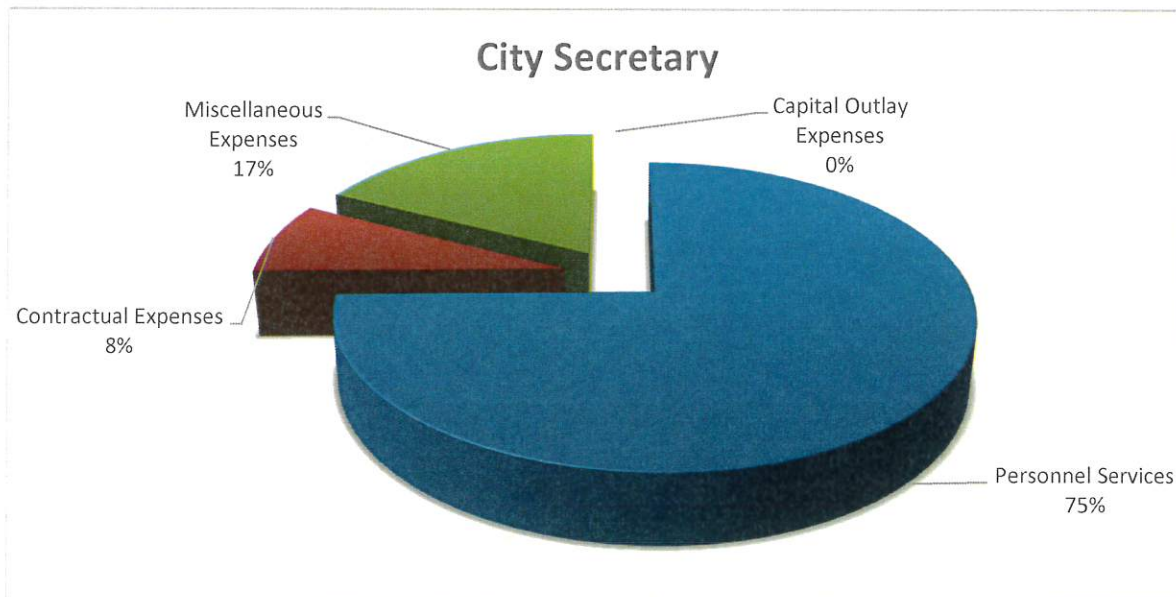
Goals:

- Utilize best management practices and stay informed of the latest laws and the newest technology to ensure the integrity of the records and history of our local government.
- Upgrade the City's internet web page presence.
- Consult and train other departments on records management, policies, standards, and guidelines.

City Secretary Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$84,267	\$86,818	\$91,808	\$96,893
Contractual Expenses	\$10,000	\$10,000	\$10,000	\$10,000
Miscellaneous Expenses	\$11,500	\$12,050	\$13,300	\$22,800
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$105,767	\$108,868	\$115,108	\$129,693

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
City Secretary	1	1	1	1
Deputy City Secretary	0	0	0	0
Total	1	1	1	1



City of Magnolia

City Secretary	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Personnel Services</u>					
506501 Salaries	63,749	63,874	65,661	68,186	67,631
506506 Salary 4B	2,541	2,549	2,541	2,654	2,600
506507 Salary 4A	2,466	2,474	2,466	2,550	2,466
506515 Longevity	500	500	560	560	620
506516 T.E.C.	162	9	90	144	180
506517 T.M.R.S.	1,406	1,398	3,419	3,351	3,812
506518 Worker's Comp	163	168	168	168	173
506526 Insurance (Med/Dental/Life/Vision)	9,233	8,517	10,105	10,689	12,552
506536 Payroll Tax (F.I.C.A./Medicare)	5,298	5,293	5,449	5,657	5,609
506543 Education, Travel, Certification	1,000	0	1,000	0	1,000
506550 Dues and Memberships	300	238	350	250	250
Total Personnel Services	86,818	85,020	91,808	94,210	96,893
<u>Contractual Expenses</u>					
506674 Posting and Advertising	10,000	1,733	10,000	10,000	10,000
Total Contractual Expenses	10,000	1,733	10,000	10,000	10,000
<u>Miscellaneous Expenses</u>					
506769 Office Equipment	500	0	2,000	2,000	1,000
506773 Cost of Election	10,500	9,581	10,500	0	21,000
506775 Magazines, Maps & Books	300	354	300	288	300
506834 Recording Fees	750	43	500	0	500
Total Miscellaneous Expenses	12,050	9,978	13,300	2,288	22,800
Total City Secretary Expenditures	108,868	96,731	115,108	106,498	129,693

City of Magnolia

City Secretary

Account	Account Name	Approved Budget	Description
506501	Salaries	67,631	1 full time
506506	Salary 4B	2,600	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	620	\$5 per month per year of service with City
506516	T.E.C. (Unemployment)	180	Unemployment taxes- 2.0% rate
506517	TMRS	3,812	Retirement cost-5.20% (3 Mos.@ 5.74%-9 Mos.@ 5.02%)
506518	Worker's Compensation	173	Cost of W/C insurance
506526	Employee Insurance	12,552	Medical, dental, vision
506536	Payroll Tax	5,609	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	250	TMCA 100 Notary renewal 150
506674	Posting & Advertising	10,000	Posting legal notices, ordinances, election information
505766	Office Supplies	-	
506769	Office Equipment	1,000	Minor office equipment
506773	Cost of Election	21,000	Paid to the County for elections (2)
506775	Magazines, Maps & Books	300	Updates of TX Local Gov't Code, etc.
506833	Postage	-	
506834	Recording Fees	500	Costs for recording items with County or State
		129,693	

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 2019-2020

- 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
- Updated Personnel Policy Handbook
- Conducted cyber-security training

Objectives for FY 2020-2021

- 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

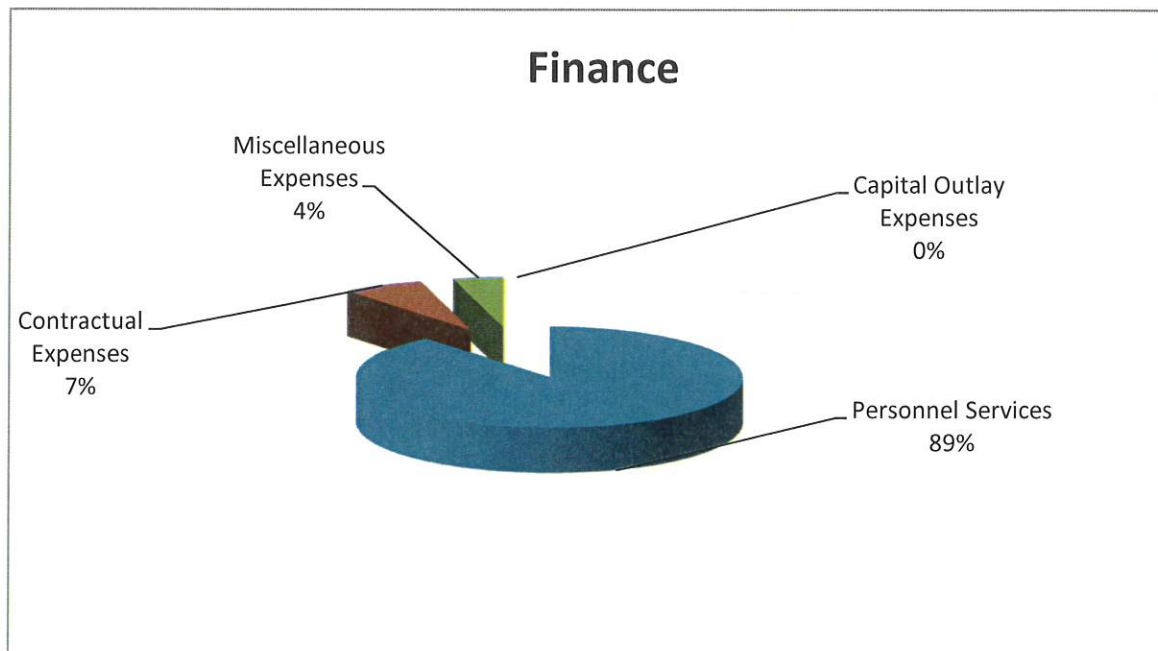
Goals for FY 2020-2021

- Become a more efficient finance department by reducing/eliminating some of the paper-based processes
- Develop additional financial policies as needed
- Make monthly financials available on website
- Streamline A/P process-A/P Automation

Finance Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$96,913	\$102,574	\$107,196	\$116,597
Contractual Expenses	\$8,000	\$8,500	\$9,000	\$9,000
Miscellaneous Expenses	\$1,450	\$1,450	\$1,450	\$5,500
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$106,363	\$112,524	\$117,646	\$131,097

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
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 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Personnel Services</u>					
505501 Salaries	75,775	76,581	78,049	85,572	80,390
505503 Overtime	7,000	6,139	7,000	8,328	8,000
505506 Salary 4B	0	0	0	1,569	2,400
505515 Longevity	720	720	780	780	840
505516 T.E.C.	324	18	180	288	360
505517 T.M.R.S.	1,255	1,254	3,017	3,053	3,570
505518 Worker's Comp	194	199	199	218	225
505526 Insurance (Med/Dental/Life/Vision)	9,233	8,549	10,105	10,728	12,552
505536 Payroll Tax (F.I.C.A./Medicare)	6,387	6,326	6,566	7,363	7,010
505543 Education, Travel, Certification	1,500	272	1,000	300	1,000
505547 Drug Test	0	0	0	0	0
505550 Dues and Memberships	185	254	300	250	250
Total Personnel Services	102,574	100,311	107,196	118,447	116,597
<u>Contractual Expenses</u>					
505632 Contract/Outside Services	0	0	0	0	0
505644 Appraisal District Fee	8,500	8,614	9,000	8,892	9,000
Total Contractual Expenses	8,500	8,614	9,000	8,892	9,000
<u>Miscellaneous Expenses</u>					
505766 Office Supplies	800	567	800	1,000	1,000
505775 Ref Books, Reports, Subscriptions	200	0	200	50	200
505800 Bank Fees	300	250	300	300	300
505820 Surety&Fidelity Bonds	150	150	150	7,156	4,000
Total Miscellaneous Expenses	1,450	968	1,450	8,506	5,500
Total Finance Expenditures	112,524	109,893	117,646	135,845	131,097

City of Magnolia

Finance

Account	Account Name	Approved Budget	Description
505501	Salaries	80,390	1 administrator, 1 part time clerk
505503	Overtime	8,000	Authorized overtime for non-exempt employees
505506	Salary 4B	2,400	Transfer amount of payroll expenses for 4B portion of Finance Director's salary
505515	Longevity	840	\$5 per month per year of service with City
505516	T.E.C. (Unemployment)	360	Unemployment taxes- 2.0% rate
505517	TMRS	3,570	Retirement cost 5.20% (3 Mos.@ 5.74%-9 Mos.@ 5.02%)
505518	Worker's Compensation	225	Cost of W/C insurance
505526	Employee Insurance	12,552	Medical, dental, vision
505536	Payroll Tax	7,010	Social Security & Medicare-7.65% rate
505543	Education, Travel, Certifications	1,000	Training, travel & certifications
505547	Drug Test	-	Pre-employment & post-accident testing
505550	Dues, Memberships & Promotions	250	National Notary Assoc., misc.
505644	Appraisal District Fee	9,000	Qtrly fee paid to Montgomery Co. Central Appraisal District
505766	Office Supplies	1,000	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	4,000	Bonding for Finance Dept.
		131,097	

POLICE





MAGNOLIA POLICE DEPARTMENT

Kyle Montgomery
Chief of Police

Police Department Budget Review **2020-2021**

In the next 5 years, we must continue in strategic planning to prepare for the upcoming challenges that come with residential and commercial growth. We must remain progressive minded and forecast potential problems, rather than be fixated on only the problems that we've seen. If we're able to be progressive and look to the future, this will lessen the challenges that other small cities see during times of growth and change.

- a. Traffic safety and mobility improvement.
- b. Continue to develop internal leadership so the additional responsibilities can be delegated and handled with a progressive mindset.
- c. Use our training program to help identify officers that have specific career goals that coincide with the needs to the agency. We can then train those officers to help fill those needs as they come.
- d. Implement a fleet management program so that vehicles are decommissioned at a set mileage, to avoid high mileage maintenance costs.
- e. Work towards implementing a competitive pay scale and benefits package, to improve officer recruitment and retention. This will help to ensure that staffing levels remain sufficient and allow us to provide a high level of service to our citizens.
- f. Develop a higher level of community partnership, so that their voice is better heard within the agency.
- g. Continue specialized tactical training for all officers, to enhance both officer and community.
- h. Continue to provide officers with the tools and technology to complete their duties safely and efficiently.



MAGNOLIA POLICE DEPARTMENT

Kyle Montgomery
Chief of Police

Fleet Review

The current Patrol fleet in Magnolia Police Department consists of 10 marked vehicles and 3 unmarked vehicles. We have 3 marked vehicles that have over 100k miles, 1 unmarked vehicle that has over 100k miles and a spare marked vehicle with over 100k miles. Currently, the 3 marked vehicles over 100k are assigned to supervisors and the other vehicle over 100k is assigned to CID. This helps prevent these vehicles from being in use every day, like the other vehicles and thus, keeps the maintenance costs from increasing.

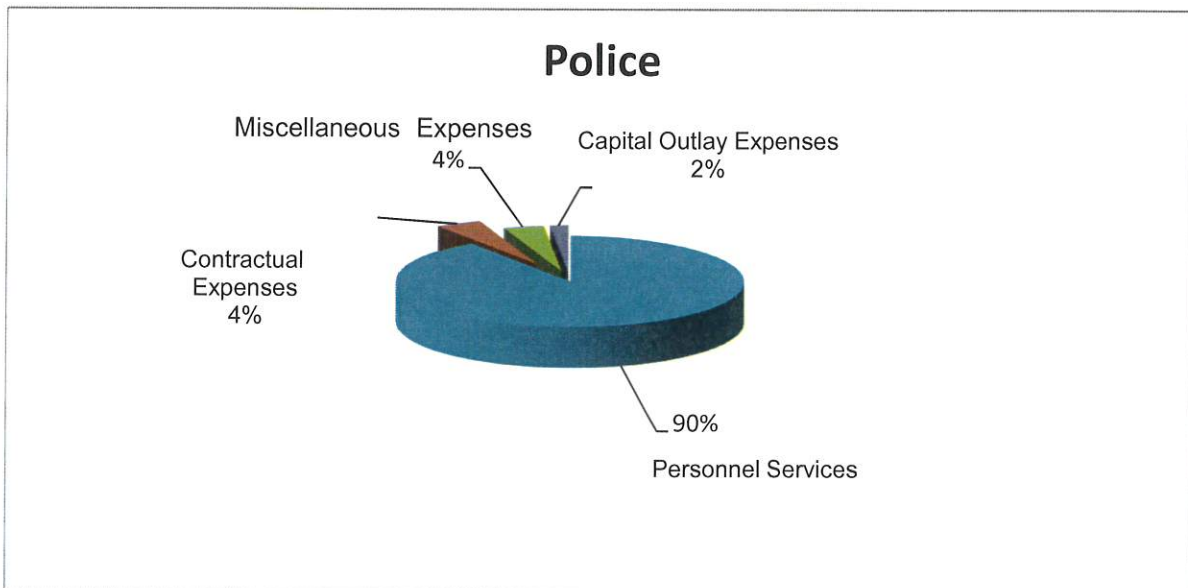
The patrol vehicles and exact mileage are as follows:

SHOP #	MILEAGE	
0703-	157,728	(Seized vehicle)
1002-	117,132	
1102-	45717	(Seized vehicle)
1201-	70,523	
1204-	140,495	
1302-	110,464	
1303-	145,667	
1601-	75,554	
1801-	41,607	
1901-	26,739	
1902-	42,808	
1903-	43,075	
2001-	213	

Police Department Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$1,230,734	\$1,300,820	\$1,267,408	\$1,384,993
Contractual Expenses	\$61,800	\$46,745	\$71,599	\$65,562
Miscellaneous Expenses	\$94,200	\$57,200	\$62,400	\$56,400
Capital Outlay Expenses	\$13,851	\$5,590	\$5,590	\$25,590
Total	\$1,400,585	\$1,410,355	\$1,406,997	\$1,532,545

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Chief of Police	1	1	1	1
Captain	0	0	0	0
Lieutenant	1	1	1	1
Sergeant	3	3	3	3
Detective	1	1	1	1
Investigator	1	1	1	1
Patrol Officers	9	9.5	10	7
Reserve Officers	9	1	1	1
Dispatch	0	0	0	0
Administrative Asst/Dispatch	1	1	1	2
Code Compliance Officer	0	0	0	0
Executive Officer	0	0	0	0
Evidence Clerk	1	1	1	1
Total	27	19.5	20	18



City of Magnolia

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Police Department					
<u>Personnel Services</u>					
502501 Salaries	809,652	706,444	750,937	713,293	796,386
502503 Overtime	27,000	18,143	27,000	23,009	27,000
502504 S.T.E.P. Overtime	2,000	-	2,000	0	0
502510 Salary and Benefit Reimbursement	161,791	151,046	164,274	164,867	172,600
502515 Longevity	4,535	4,685	5,520	5,245	5,700
502516 T.E.C.(Unemployment)	2,916	439	1,710	2,551	3,060
502517 TMRS	20,401	17,962	45,027	39,994	52,088
502518 Worker's Compensation	22,000	20,564	22,000	19,122	22,000
502526 Insurance (Med./Dental/Vision/Life)	170,816	131,662	161,674	171,473	213,380
502536 Payroll Tax (F.I.C.A/Medicare)	64,504	66,852	71,761	69,341	76,629
502543 Education,Travel, & Certifications	14,000	12,101	14,000	14,000	14,000
502544 State P. D. Education	0	0	0	(1,194)	0
502547 Drug Test	700	342	1,000	629	1,600
502550 Dues, Memberships, & Promotions	505	411	505	633	550
Total Personnel Services	1,300,820	1,130,650	1,267,408	1,222,963	1,384,993
<u>Contractual Expenses</u>					
502604 Police Dept Cell Phones	11,000	11,572	13,000	10,218	12,000
502625 Maintenance & Repair Vehicle	15,000	32,008	30,000	21,388	26,000
502630 Outside Services	2,000	3,545	2,000	2,000	2,000
502633 Maintenance & Repair/Bldg/Equip	0	672	0	0	0
502634 Maintenance & Repair Office Equip.	500	0	500	0	500
502637 Radios	3,000	3,970	4,362	4,152	4,062
502670 Copy Machine/Lease of Office Equip.	5,000	3,997	5,000	3,611	4,000
502673 Computer Software	6,245	11,041	7,737	8,638	8,000
502677 Computer Assistance (IT Services)	4,000	6,011	9,000	9,052	9,000
Total Contractual Expenses	46,745	72,815	71,599	59,059	65,562
<u>Miscellaneous Expenses</u>					
502744 Minor Equipment	1,000	5,519	1,000	1,000	1,000
502760 Fuel	0	1,106	0	(74)	0
502762 Uniforms & Badges	8,500	8,247	12,500	12,500	9,000
502766 Office Supplies	6,000	8,685	7,200	7,673	7,200
502769 Evidence Supplies	2,500	2,067	2,500	2,500	2,500
502770 Special Operations	3,000	148	3,000	0	1,500
502827 Fleet Insurance - TML	24,000	20,605	24,000	20,684	22,000
502828 Law Enforcement Liability	12,000	10,590	12,000	8,459	13,000
502833 Postage	200	0	200	0	200
Total Miscellaneous Expenses	57,200	56,967	62,400	52,742	56,400
<u>Capital Expenses</u>					
502920 Computer Equipment	0	16,211	0	0	20,000
502921 Radios	0	0	0	80,882	0
502922 Tasers	2,640	2,640	2,640	2,640	2,640
502924 Safety Vests	2,950	1,785	2,950	2,950	2,950
502951 Motor Vehicles	0	0	0	0	0
502960 Capital-Office Furniture	0	19,012	0	0	0
Total Capital Expenses	5,590	39,647	5,590	86,472	25,590
Total Police Department Expenditures	1,410,355	1,300,080	1,406,997	1,421,235	1,532,545

City of Magnolia

Police Department

Account	Account Name	Approved Budget	Description	
502501	Salaries	796,386	14 employees	
502503	Overtime	27,000	Authorized overtime for non-exempt employees	
502504	S.T.E.P. Overtime	-	State funds	
502510	Salary & Benefit Reimb (TC)	172,600	Salary for 3 employees-red light camera	
502515	Longevity	5,700	\$5 per month per year of service with City	
502516	T.E.C. (Unemployment)	3,060	Unemployment taxes- 2.0% rate	
502517	TMRs	52,088	Retirement cost-5.20% (3 Mos.@ 5.74%-9 Mos.@ 5.02%)	
502518	Worker's Compensation	22,000	Premiums paid to TML for W/C ins.	
502526	Employee Insurance	213,380	Medical, dental, vision for 17 empl.	
502536	Payroll Tax	76,629	Social Security & Medicare-7.65% rate	
502543	Education, Travel, Certifications	14,000	Misc education, travel expense	
502547	Drug Tests	1,600	Pre-employment & post-accident testing & polygraphs for new hires	
502550	Dues, Memberships & Promotions	550	IACP	150
			Amex, Sam's	100
			Misc	300
502604	Cell Phones	12,000	Cost of cell phones & usage (Includes notebook computer usage)	
502625	Maintenance & Repair Vehicles	26,000	Oil changes, inspection, repairs, maintenance of police vehicles	
502630	Outside Services	2,000	Contracted expenses	
502634	Maint/Repair of Office Equipment	500	Routine maintenance or repair costs of office equipment	
502637	Radios	4,062	Annual contract with Montgomery Co.	2,462
			Radio programming	1,000
			Radio repairs/parts	600
502670	Copy Machine/Lease-Office Equip.	4,000	Lease payments for copier and charge for extra copies	

City of Magnolia

Police Department

Account :	Account Name	Approved Budget	Description	
502673	Computer Software	8,000	Annual renewal of TCLEDDS	330
			TLO	1,345
			Adobe Software Subscription	325
			Citation Issue Device Interface	1,000
			Cell Phone Download Program	1,500
			Misc	3,500
502677	Computer Assistance (IT Services)	9,000	Technical services for P/D	
502744	Minor Equipment (Ammo)	1,000	Ammunition for training, etc.	
502760	Fuel (Paid w/Red Lt Camera Funds)	-	Fuel for police vehicles	
502762	Uniforms & Badges	9,000	Uniforms & badges, new or replacement	
502766	Office Supplies	7,200	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	
502773	Special Operations	1,500	Surveillance & tactical operations	
502827	Fleet Insurance-TML	22,000	Vehicle insurance	
502828	Law Enforcement Liability	13,000	Police officers' liability insurance	
502833	Postage	200	Cost to send certified letters	
502920	Computer Equipment	20,000	New server	
502921	Radios	-	Handheld radios	
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	-		
		1,532,545		

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. Each case is handled in a timely manner with the most efficient and courteous service possible. The Court will adhere to the Code of Judicial Conduct and incorporate a standard of excellence as well as maintain a productive and enjoyable work environment.

The 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 defendants' expectations.

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.

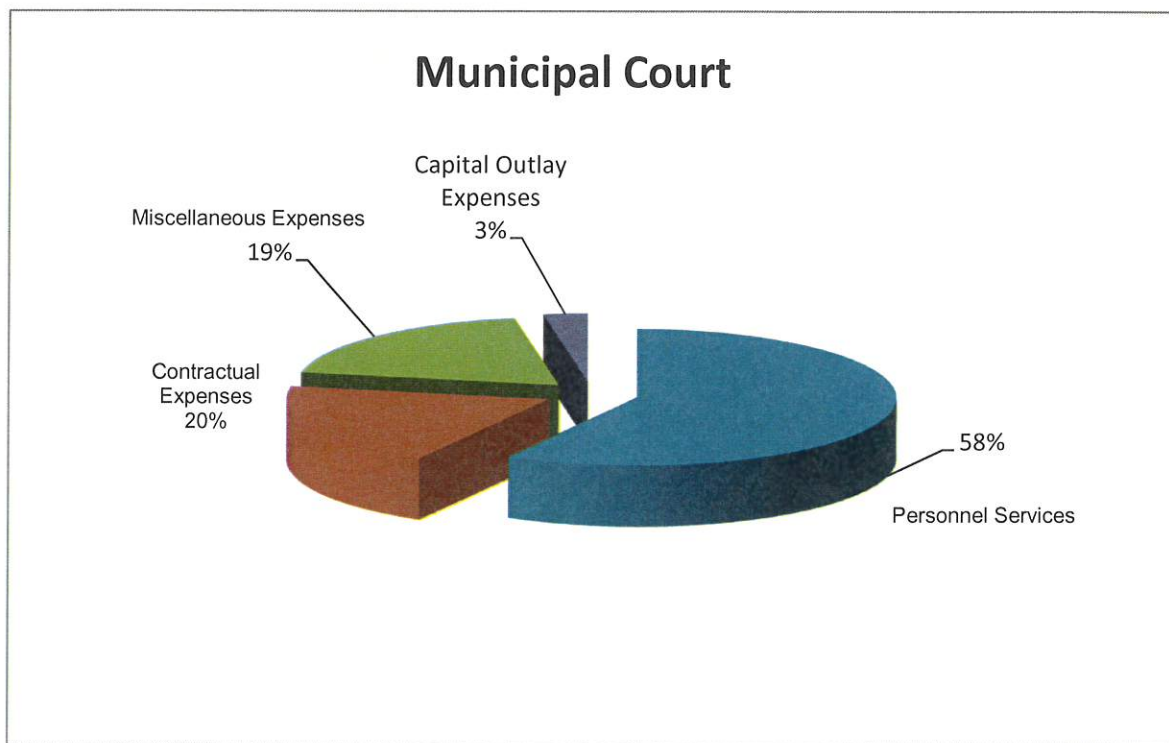
Goals for FY 2020-2021:

- The Court has a responsibility to take steps and provide measures to ensure the health and safety of those entering the court building for any kind of proceedings. We are implementing permanent Health and Safety Guidelines to ensure that all visitors are safe from the spread of viruses.
- We will continue to implement our Warrant Resolution Program to help defendants clear up their warrants without the fear of being arrested and offering alternative payment solutions for those that may have financial difficulties.
- All clerks will continue their education to stay current of the latest updated laws and court procedures.

Municipal Court Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$95,009	\$100,489	\$106,641	\$106,155
Contractual Expenses	\$35,000	\$31,000	\$37,000	\$36,000
Miscellaneous Expenses	\$40,775	\$34,800	\$46,800	\$35,300
Capital Outlay Expenses	\$0	\$0	\$0	\$5,000
Total	\$170,784	\$166,289	\$190,441	\$182,455

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
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 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Municipal Court					
<u>Personnel Services</u>					
504501 Salaries	71,611	73,229	73,758	65,902	68,932
504503 Overtime	0	0	0	0	0
504515 Longevity	540	540	660	400	395
504516 T.E.C.	324	18	180	288	360
504517 T.M.R.S.	1,465	1,478	3,572	3,099	3,605
504518 Worker's Comp	183	177	189	213	176
504526 Insurance (Med/Dental/Life/Vision)	18,467	17,098	20,209	22,349	25,104
504536 Payroll Tax (F.I.C.A./Medicare)	5,520	5,593	5,693	5,072	5,304
504543 Education, Travel, Certification	2,000	1,503	2,000	2,000	2,000
504547 Drug Test	50	0	50	35	50
504550 Dues and Memberships	330	220	330	220	230
Total Personnel Services	100,489	99,856	106,641	99,577	106,155
<u>Contractual Expenses</u>					
504632 Contract/Outside Services	14,000	12,218	14,000	12,000	13,000
504640 Legal	12,000	9,450	12,000	7,400	12,000
504673 Incode Software & Support	5,000	4,858	11,000	11,209	11,000
504677 Computer Assistance/IT Services	0	0	0	0	0
Total Contractual Expenses	31,000	26,526	37,000	30,609	36,000
<u>Miscellaneous Expenses</u>					
504766 Office Supplies	3,000	1,792	3,000	2,769	2,500
504775 Ref. Books, Rpts, Subscriptions	300	60	300	0	300
504803 Over/Short Cash	0	(30)	0	(8)	0
504810 Court Jurors	500	408	500	0	500
504814 C.O.L.A.G.Y.	28,000	33,601	40,000	31,125	30,000
504833 Postage	3,000	1,574	3,000	1,500	2,000
Total Miscellaneous Expenses	34,800	37,405	46,800	35,387	35,300
<u>Capital Expenses</u>					
501920 Computer Equipment	0	0	0	0	5,000
Total Capital Expenses	0	0	0	0	5,000
Total Municipal Court Expenditures	166,289	163,787	190,441	165,573	182,455

City of Magnolia

Municipal Court

Account	Account Name	Approved Budget	Description
504501	Salaries	68,932	1 administrator, 1 clerk
504503	Overtime	-	Authorized overtime for non-exempt employees
504515	Longevity	395	\$5 per month per year of service with City
504516	T.E.C. (Unemployment)	360	Unemployment taxes- 2.0% rate
504517	TMRS	3,605	Retirement cost-5.20% (3 Mos.@ 5.74%-9 Mos.@ 5.02%)
504518	Worker's Compensation	176	Cost of W/C insurance
504526	Employee Insurance	25,104	Medical, dental, vision
504536	Payroll Tax	5,304	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	230	TMCCA 150 TCCA 80
504632	Contract/Outside Services	13,000	Fees paid to judge 12,000 Other court contractual services 1,000
504640	Legal	12,000	Fees paid to prosecutor
504673	Incode Software & Support	11,000	Tyler (Incode) annual maint.
504766	Office Supplies	2,500	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
504814	C.O.L.A.G.Y.	30,000	Collection agency fees
504833	Postage	2,000	Costs for court mailings
504920	Computer Equipment	5,000	4 new computers
		182,455	

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 2019-2020

- Replaced street signs throughout the City
- Maintained roads/repared potholes
- Trimmed vegetation along right-of-ways
- Completed Timberbrook drainage improvements
- Maintained updated safety supplies for all personnel
- Maintained all equipment for special events/Unity Park kitchen
- Supplied personnel as needed for special events
- Installed/maintained banners on FM1774 and Stroll area and flags throughout the City
- Maintained lights, etc., and completed other maintenance at Stroll and Unity Park
- Maintained Public Works/Police vehicles as needed
- Completed street rehabilitation on the following streets: Unity Park Drive, Melton, Charlie, Placid Lake, 6th Street (by cemetery), R L Butler/Heflin

Objectives for FY 2020-2021

- 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

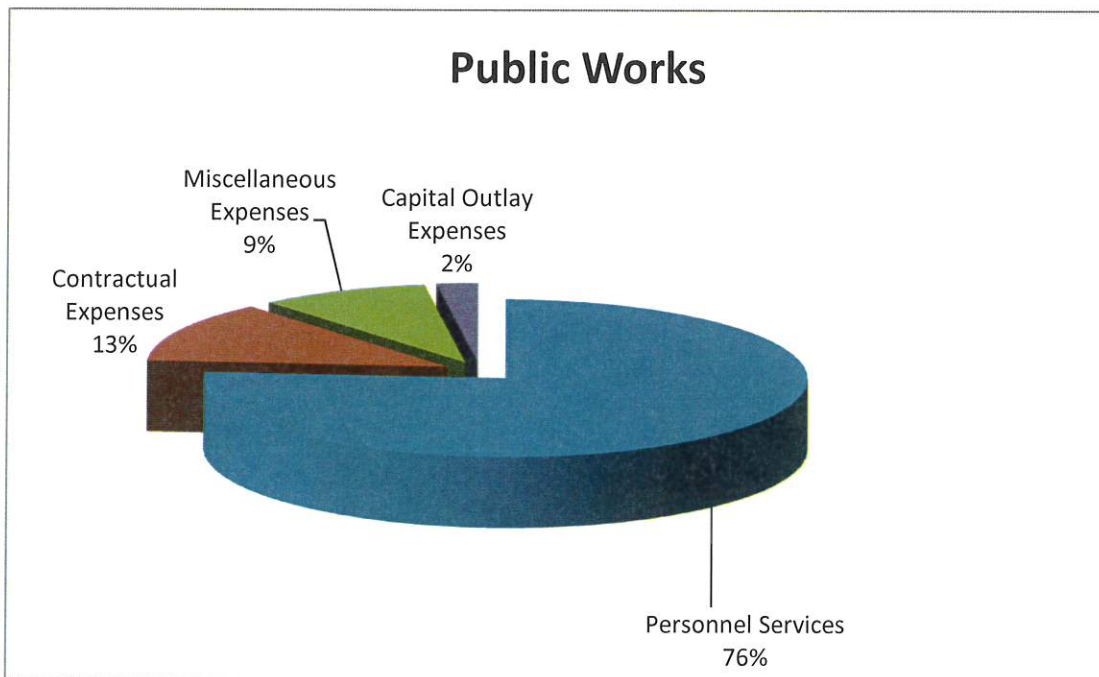
Goals for FY 2020-2021

- Continue to conduct monthly 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/projects for City Hall as requested
- Continue mowing at City Hall, water wells and sewer plant
- Complete street rehabilitation projects as determined by Council

Public Works Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$410,014	\$376,009	\$479,223	\$514,287
Contractual Expenses	\$79,200	\$70,200	\$71,200	\$85,000
Miscellaneous Expenses	\$63,500	\$73,344	\$74,500	\$62,000
Capital Outlay Expenses	\$96,000	\$0	\$0	\$15,000
Total	\$648,714	\$519,553	\$624,923	\$676,287

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Public Works Director	1	1	1	1
Water/Sewer Plant Operator	1	1	1	1
Utility Maintenance Worker	4	4	5	5
Laborers	1	1	1	0.5
Mechanic	1	1	1	1
Total	8	8	9	8.5



City of Magnolia

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Public Works					
<u>Personnel Services</u>					
503501 Salaries	258,538	266,667	321,777	315,705	336,048
503503 Overtime	5,000	7,395	7,500	7,638	8,000
503505 Cell Phone Allowance	1,400	1,820	1,800	2,014	2,000
503506 Salary 4B	0	0	0	3,692	4,800
503515 Longevity	1,175	1,150	1,570	1,515	1,995
503516 T.E.C.	1,296	348	720	1,152	1,440
503517 T.M.R.S.	5,402	5,451	15,967	14,592	18,098
503518 Worker's Comp	6,375	8,049	8,000	9,255	9,000
503526 Insurance (Med/Dental/Life/Vision)	73,866	70,157	90,941	83,398	100,414
503536 Payroll Tax (F.I.C.A./Medicare)	20,358	20,785	25,448	25,288	26,992
503543 Education, Travel, Certification	2,000	3,111	5,000	3,000	5,000
503547 Drug Test	600	180	500	150	500
Total Personnel Services	376,009	385,113	479,223	467,400	514,287
<u>Contractual Expenses</u>					
503604 Electric (Street Lights)	22,000	24,223	23,000	21,388	35,000
503625 Maint/Repair-Vehicle(parts,inspection)	10,000	8,591	10,000	10,452	11,000
503632 Contract/Consulting Services	8,200	7,848	8,200	10,240	9,000
503633 Maint. & Repair Equip-Heavy	4,000	4,401	4,000	2,564	4,000
503650 Mowing	20,000	18,523	20,000	20,649	20,000
503653 Ditch Renovations	0	2,549	0	0	0
503655 Street Signs & Flags	3,000	1,653	3,000	1,880	3,000
503663 Rental of Equipment	3,000	0	3,000	0	3,000
Total Contractual Expenses	70,200	67,788	71,200	67,173	85,000
<u>Miscellaneous Expenses</u>					
503700 General Supplies	8,000	8,844	9,000	6,213	8,000
503744 Minor Tools and Equipment	15,344	12,604	11,000	5,148	6,500
503749 Street Supplies	1,000	293	1,000	1,000	1,000
503760 Fuel	38,000	23,863	38,000	14,218	30,000
503761 Tires and Tubes	1,000	1,002	1,000	990	1,000
503762 Uniforms and Badges	5,000	6,565	7,000	8,011	8,000
503827 Fleet Insurance - TML	5,000	7,528	7,500	7,451	7,500
503831 Damage Claims	0	57	0	0	0
Total Miscellaneous Expenses	73,344	60,757	74,500	43,032	62,000
<u>Capital Expenses</u>					
503945 Other Equipment	0	6,700	0	0	15,000
503951 Motor Vehicles	0	26,536	0	0	0
Total Capital Expenses	0	33,236	0	0	15,000
Total Public Works Expenditures	519,553	546,894	624,923	577,605	676,287

City of Magnolia

Public Works

Account	Account Name	Approved Budget	Description	
503501	Salaries	336,048	8 full-time employees & 1 part time	
503503	Overtime	8,000	Authorized overtime for non-exempt employees	
503505	Cell Phone Allowance	2,000	Allowance for use of personal cell phones for business purposes	
503506	Salary 4B	4,800	Transfer amount of payroll expenses for 4B portion of Public Works salaries	
503515	Longevity	1,995	\$5 per month per year of service with City	
503516	T.E.C. (Unemployment)	1,440	Unemployment taxes- 2.0% rate	
503517	TMRS	18,098	Retirement cost-5.20% (3 Mos.@ 5.74%-9 Mos.@ 5.02%)	
503518	Worker's Compensation	9,000	Cost of W/C insurance	
503526	Employee Insurance	100,414	Medical, dental, vision for 8 employees	
503536	Payroll Tax	26,992	Social Security & Medicare-7.65% rate	
503543	Education, Travel, Certifications	5,000	Training, travel & certifications	
503547	Drug Test	500	Pre-employment & post-accident testing	
503604	Electric (Street Lights)	35,000	Expense for all street lights in the City	
503625	Maintenance & Repair Vehicles	11,000	Oil changes, inspection, repairs, maintenance of P W vehicles	
503632	Contract/Consulting Services	9,000	Contract svcs for W/S operator Tree removal, etc.	7,200 1,800
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

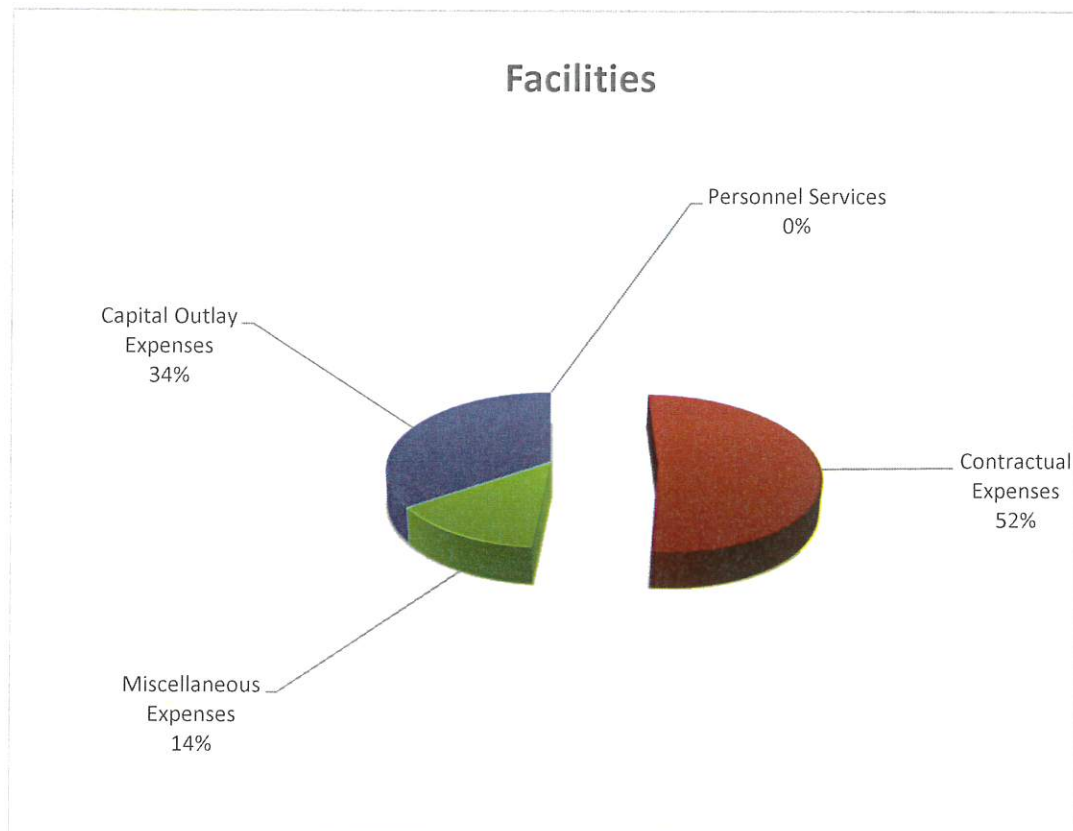
Account	Account Name	Approved Budget	Description
503700	General Supplies	8,000	Misc supplies-marking paint, gloves, safety equipment, insect repellent, batteries, ragsinabox, shop supplies
503744	Minor Tools & Equipment	6,500	Flashlights, generators, rakes, shovels, saws, drills/drill bits, mowers,edgers, etc.
503749	Street Supplies	1,000	Street supply costs that aren't HB445 fund repairs
503760	Fuel	30,000	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	8,000	Supply uniforms & cleaning
503827	Fleet Insurance-TML	7,500	Vehicle insurance
503945	Other Equipment	15,000	Kubota ZD Mower
503951	Motor Vehicles	-	
		676,287	

FACILITIES



Facilities Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$0	\$0	\$0	\$0
Contractual Expenses	\$55,500	\$57,500	\$71,500	\$67,200
Miscellaneous Expenses	\$13,500	\$13,500	\$18,000	\$18,000
Capital Outlay Expenses	\$13,000	\$0	\$0	\$45,000
Total	\$82,000	\$71,000	\$89,500	\$130,200



City of Magnolia

Facilities	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Contractual Expenses</u>					
509603 Utilities / Electric	20,000	21,775	22,000	20,305	22,000
509605 Telephone & Internet	17,000	17,654	19,000	17,180	18,000
509632 Contractual Services	1,000	685	1,000	1,194	1,200
509633 Building & Grounds Maint	5,000	13,499	7,500	5,382	7,500
509634 Heat/A/C	0	2,846	7,500	3,000	4,000
509671 Janitorial Services / Cleaning	14,500	13,872	14,500	14,535	14,500
Total Contractual Expenses	57,500	70,330	71,500	61,596	67,200
<u>Miscellaneous Expenses</u>					
509700 Supplies (Misc.)	10,000	15,359	15,000	13,292	15,000
509826 Building Insurance - TML	3,500	2,358	3,000	2,587	3,000
Total Miscellaneous Expenses	13,500	17,717	18,000	15,878	18,000
<u>Capital Expenses</u>					
509950 Capital-Bldg Improvements	0	9,766	0	0	
509974 Capital Outlay	0	8,129	0	6,937	45,000
Total Capital Expenses	0	17,895	0	6,937	45,000
Total Facilities Expenditures	71,000	105,942	89,500	84,411	130,200

City of Magnolia

Facilities

Account	Account Name	Approved Budget	Description
509603	Utilities/Electric	22,000	Electricity for City Hall, some stations
509605	Telephone & Internet	18,000	Stationary phone usage for facilities/ethernet access
509632	Contractual Services	1,200	ADT security services, etc.
509633	Building/Grounds Maint.	7,500	Fire extinguisher service, lock svc., misc. building/grounds maint. costs
509634	Heat & A/C	4,000	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.)	15,000	Rug service, kitchen/bathroom supplies, trash bags, coffee, etc.
509826	Building Insurance-TML	3,000	Property insurance
509974	Capital Outlay	45,000	Emergency generator for City Hall
		130,200	2 options

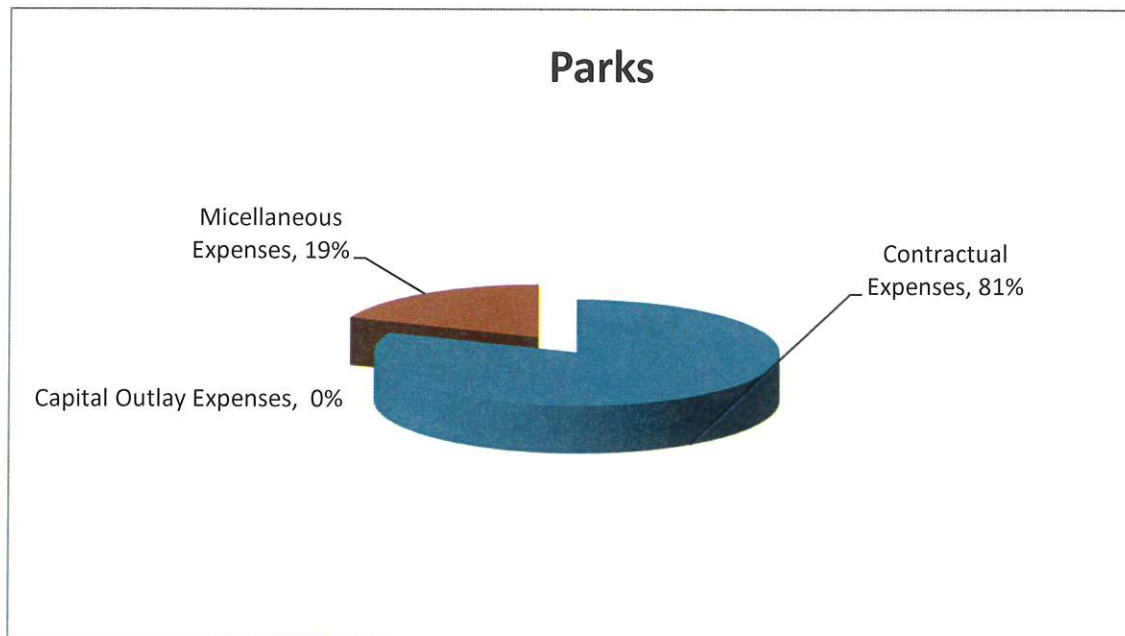
PARKS



Parks Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Contractual Expenses	\$12,500	\$22,500	\$22,500	\$6,000
Miscellaneous Expenses	\$0	\$1,200	\$1,400	\$1,400
Capital Outlay Expenses	\$0	\$0	\$0	\$0
Total	\$12,500	\$23,700	\$23,900	\$7,400

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Laborers	0	0	0	0
Total	0	0	0	0



City of Magnolia

Parks	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Contractual Expenses</u>					
511603 Utilities / Electric	6,500	4,329	6,500	3,968	4,500
511632 Contractual Services / Parks	10,000	576	10,000	615	1,000
511633 Grounds Maintenance/Mulch	2,000	0	2,000	8	500
511634 Building Maintenance	4,000	12	4,000		0
Total Contractual Expenses	22,500	4,916	22,500	4,591	6,000
<u>Miscellaneous Expenses</u>					
511700 Supplies	0	0	0	0	0
511744 Minor Equipment	0	0	0	0	0
511760 Gas/Oil	0	0	0	0	0
511826 Property Insurance - TML	1,200	1,286	1,400	1,411	1,400
Total Miscellaneous Expenses	1,200	1,286	1,400	1,411	1,400
Total Parks Expenditures	23,700	6,202	23,900	6,002	7,400

City of Magnolia

Parks

Account	Account Name	Approved Budget	Description
511603	Utilities/Electric	4,500	Electricity for parks, stroll
511632	Contractual Services/Parks	1,000	Contractual repairs/maintenance for Unity Park
511633	Grounds Maintenance/Mulch	500	Costs for maintaining the park grounds
511634	Building Maintenance	-	Costs for maintaining park structures
511744	Minor Equipment	-	
511760	Gas/Oil	-	Gas & oil for mowers, park equipment
511826	Property Insurance - TML	1,400	Insurance for park buildings
		7,400	

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.

2020/2021 Budget

The Water, Sewer and Impact Funds are combined into one fund.

Revenue

Revenue for the Water/Sewer Department is budgeted at \$4,239,162, which is \$190,196 or 4.7% more than last year's budget. Impact fee revenue accounts for most of the increase and was budgeted based on 2019-2020 projections.

Expenditures/Transfers Out

Expenditures/transfers out for the Water/Sewer Fund are budgeted at \$3,075,553 or \$97,096 less than the previous year's budget. Contractual expenses were up by nearly \$275,000, largely due to budgeting for increased consultant fees in regard to litigation. Water/Sewer impact expense was budgeted \$810,500 less than the previous year because the majority of the projects for which the funds were being used were expected to be completed by the end of FY 2020. Total interest expense for the proprietary fund share of debt service was budgeted \$221,357 higher than the previous year. \$104,000 was budgeted for capital outlay this fiscal year, whereas nothing had been budgeted in FY 2020.

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 2019-2020

- Maintained Superior Water Rating from TCEQ
- Updated and repaired lift stations and both water wells
- 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
- Developed plans to extend water service to the newly annexed properties at Mill Creek and Audubon
- Completed Phase I of the wastewater treatment plant expansion/sanitary sewer replacement (Nichols Sawmill Interceptor)
- Monitored and did smoke testing for infiltration and leakage in collection system

Objectives for FY 2020-2021

- 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/sewer 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
- Install new water line at Lookout Lake
- Continue monitoring and smoke testing program for infiltration and leakage in collection system
- Check more sewer lines with camera equipment
- Complete Phase II of the wastewater treatment plant expansion/sanitary sewer replacement
- Begin Phase III of the wastewater treatment plant expansion/sanitary sewer replacement

Goals for FY 2020-2021

- 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

- Continue upgrading sewer lift stations
- Stress education of personnel in order to become more efficient
- Work toward certification of additional water/sewer operators
- Work with engineers and contractors on construction of new wastewater treatment plant
- Secure additional equipment and train employees to do more jobs in house to lower outside contract expense

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 2019-2020

- Bills were mailed by the 5th day of the month 100% of the time
- Cut offs were highly enforced for non-payment of accounts until the impact of COVID-19; then that process was temporarily discontinued
- Increased bad debt collections through use of a collection agency
- Began using PAYSTAR for online payment of water/sewer bills

Objectives for FY 2020-2021

- Continue to 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
- Begin enforcing cut offs for non-payment of accounts again once customers are no longer impacted by COVID-19

Goals for FY 2020-2021

- 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
- Continue to provide excellent customer service

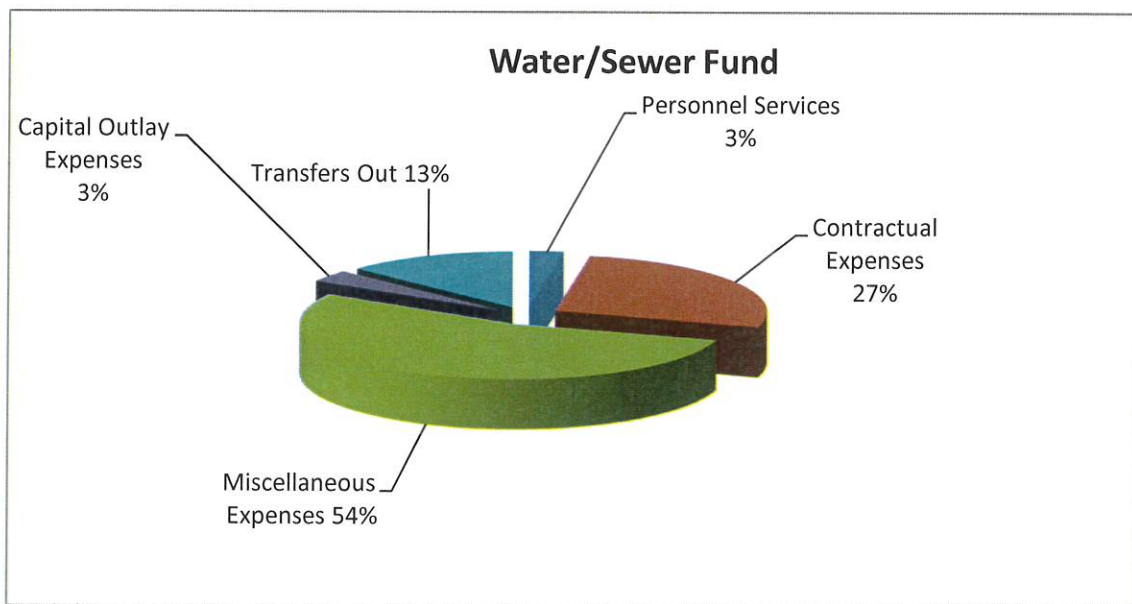
Water/Sewer Fund Revenue Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Revenue and Fees	\$2,103,100	\$3,717,074	\$4,048,966	\$4,239,162

Water/Sewer Fund Expenditure Summary

	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Personnel Services	\$50,841	\$52,702	\$54,039	\$79,399
Contractual Expenses	\$537,000	\$529,650	\$556,650	\$831,620
Miscellaneous Expenses	\$714,870	\$1,049,486	\$2,178,200	\$1,659,490
Capital Outlay Expenses	\$54,500	\$9,762	\$0	\$104,000
Transfers Out	\$668,339	\$304,535	\$383,760	\$401,044
Total	\$2,025,550	\$1,946,135	\$3,172,649	\$3,075,553

Staffing	Approved 2017-2018	Approved 2018-2019	Approved 2019-2020	Approved 2020-2021
Utility Maintenance Worker	0	0	0	0
Water Plant Operator	0	0	0	0
Mechanic	0	0	0	0
Utility/Permit Technician	1	1	1	1.5
Total	1	1	1	1.5



City of Magnolia

WATER/SEWER FUND - 02

Revenues		Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Revenue</u>						
40001	Water Fund Revenue	1,406,490	1,267,444	1,500,000	1,138,126	1,500,000
40002.09	Water Impact Revenue	30,000	928,195	30,000	140,250	140,000
40003.09	Sewer Impact Revenue	60,000	1,855,294	60,000	187,350	187,000
40003	Road Bore Fee	0	4,058	3,000	2,250	3,000
40004	Water Tap Fees	10,000	15,528	10,000	55,492	30,000
40005	Reconnect Fees	8,000	7,455	8,000	7,350	8,000
40006	Credit Card Fees	9,600	11,095	9,600	12,822	11,000
40012	Misc. Revenues-Water	0	25,902	0	10,088	0
40015	Cash Collections/Misc.	0	(133)	0	19	0
40016	Late Fees-Water	14,000	3,649	14,000	18,804	14,000
40018	Disconnect Fees	30,000	32,606	30,000	16,605	15,000
40020	Interest Income	0	1	0	0	0
40020.09	Impact Fund Interest	20,000	101,269	60,000	74,287	60,000
40024	Lone Star Groundwater	30,000	28,412	30,000	22,324	30,000
40025	San Jacinto River Authority	500,000	429,773	500,000	368,812	450,000
40026	Major Maintenance Fee	20,400	19,362	20,400	20,347	20,400
40027	Depreciation Fee	17,400	17,990	17,400	17,777	17,400
40029	Institutional/Non PRF/Exempt	3,600	1,320	3,600	805	2,500
40001.03	Sewer Fund Revenue	705,723	866,452	850,000	712,417	800,000
40003.03	Road Bore Fee	0	3,420	4,000	0	0
40004.03	Sewer Tap Fees	6,000	13,875	6,000	58,688	30,000
40010.03	Garbage Collection Fees	1,500	1,949	1,500	1,875	1,500
40011.03	Garbage Revenue	145,000	162,282	150,000	182,034	160,000
40012.03	Misc. Revenues-Sewer	0	17,182	0	0	0
40016.03	Late Fees-Sewer	7,500	7,516	7,500	11,502	10,000
40900.03	Grant Revenue-Sewer	0	18,750	0	0	0
40040	Transfer In from Debt Service	486,438	486,438	528,604	528,604	544,000
40106	Transfer in from 4B	205,423	205,423	205,362	205,362	205,362
	Insurance Recoveries	0	72,515	0		
	Total Revenue	3,717,074	6,605,020	4,048,966	3,793,987	4,239,162
Total Revenue		3,717,074	6,605,020	4,048,966	3,793,987	4,239,162

Department Expenditures

Personnel Services

500501	Salaries	36,421	36,910	37,513	39,301	58,638
500503	Overtime	2,914	263	1,000	0	0
500515	Longevity	65	65	125	125	185
500516	T.E.C.	162	0	90	144	180
500517	T.M.R.S.	800	749	1,855	1,801	3,059
500518	Worker's Comp	93	91	96	91	150
500526	Insurance (Med/Dental/Life/Vision)	9,233	8,549	10,105	10,728	12,337
500536	Payroll Tax (F.I.C.A./Medicare)	3,014	2,834	2,956	3,021	4,500
500543	Education, Travel, Certification	0	0	0	0	0
500547	Drug Test	0	0	0	0	50
500548	Dues and Memberships	0	0	300	0	300
	Total Personnel Services	52,702	49,461	54,039	55,210	79,399

City of Magnolia

WATER/SEWER FUND - 02

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Contractual Expenses</u>					
500603 Utilities / Electric-Water	66,000	64,956	66,000	61,566	66,000
500603.03 Utilities / Electric-Sewer	75,000	80,092	77,000	72,179	77,000
500605 Utilities / Telephone-Water	0	4,022	5,000	5,390	8,000
500627 Maintenance & Repair-Water	35,000	131,499	70,000	62,184	75,000
500627.03 Maintenance & Repair-Sewer	90,000	156,574	100,000	91,314	100,000
500632 Contract/Consultant Svcs-Water	16,250	96,441	16,250	128,224	131,250
500632.03 Contract/Consultant Svcs-Sewer	6,500	96,794	6,500	120,955	125,500
500633 Maint & Repair Water Equipment	6,000	9,490	6,000	6,169	6,000
500633.03 Maint & Repair Sewer Equipment	40,000	11,525	15,000	17,590	15,000
500640 Legal-Water	0	95,128	0	221	0
500640.03 Legal-Sewer	0	0	0	221	0
500643 Engineering-Water	5,000	1,964	5,000	4,012	5,000
500643.03 Engineering-Sewer	5,000	13,166	5,000	23,176	20,000
500652 Permits, Fees, Sample Test-Water	15,000	28,217	15,000	26,239	25,000
500652.03 Permits & Testing-Sewer	18,000	5,626	18,000	9,635	10,000
500663 Rental of Equipment-Water	5,000	10,500	5,000	5,000	5,000
500663.03 Rental of Equipment-Sewer	2,000	1,395	2,000	7,088	4,000
500672.03 Garbage Service	140,000	150,816	140,000	152,963	150,000
500673 Computer Update/Software	4,900	4,107	4,900	9,182	8,870
Total Contractual Expenses	529,650	962,311	556,650	803,307	831,620
<u>Miscellaneous Expenses</u>					
500677 Minor Equipment-Water	7,000	9,065	7,000	6,348	7,000
500700 General Supplies-Water	30,000	25,088	30,000	50,306	35,000
500700.03 General Supplies-Sewer	10,000	4,731	10,000	4,436	6,000
500744.03 Minor Tools & Equip.-Sewer	5,000	288	5,000	1,085	3,000
500766 Office Supplies	500	1,432	1,500	2,211	2,000
500780 Chemicals/ Water Treatment-Water	18,000	21,752	20,000	14,870	20,000
500780.03 Chemicals/ Water Treatment-Sewer	12,000	11,870	14,000	6,965	14,000
500800 Bank Fees	4,000	6,690	6,000	8,796	8,000
500802.09 Water Impact Expense	0	0	0	95,752	120,000
500803.09 Sewer Impact Expense	0	0	1,130,500	839,650	200,000
500804 San Jacinto River Authority	500,000	596,382	500,000	572,165	550,000
500805 Lone Star Water Conservation	22,365	14,454	22,365	22,219	30,000
500825.03 Sewer Liability Insurance - TML	1,500	1,101	1,500	888	1,500
500826 Water Plant Insurance - TML	7,000	7,716	8,000	8,465	8,000
500826.03 Sewer Plant Insurance - TML	8,000	11,073	10,000	11,052	11,000
500830.03 Personal Property Ins.-TML	700	903	700	941	1,000
500831.03 Damage Claims	1,000	0	1,000	0	1,000
500833 Postage	4,250	4,250	4,250	3,870	4,250
500857.03 Sludge Hauling	65,000	61,534	65,000	62,636	75,000
500858 Depreciation	0	449,638	0	0	0
500034 Interest Expense-2011 SIB Loan	33,046	33,046	29,015	29,015	24,864
500035 Interest Expense-2014 C/O	180,725	180,725	177,425	177,425	174,050
500033.01 Interest Expense-2017 SIB Loan	29,622	26,525	21,484	21,484	19,982
500045 Interest Expense-2019 W/F Brdg Loan	0	0	9,563	9,563	0
500050 Interest Expense-2019 Tax/Rev	0	0	0	112,550	246,038
500550 Interest Expense-2014 G/O	109,778	109,778	103,898	103,898	97,808
500036 Adj Interest Expense	0	(5,604)	0	0	0
500099 Amortization of Premium	0	(11,807)	0	0	0
510900 Pension Expense	0	4,436	0	0	0
600001 Gain/Loss on Disposal	0	(1,613)	0	0	0
Total Miscellaneous Expenses	1,049,486	1,563,454	2,178,200	2,166,590	1,659,490

City of Magnolia

WATER/SEWER FUND - 02

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Capital Expenses</u>					
500920 Computer Equipment	0	0	0	0	0
500960 Capital Outlay-Water	0	0	0	10,466	45,000
500960.03 Capital Equipment & Tools-Sewer	9,762	0	0	0	59,000
Total Capital Expenses	9,762	0	0	10,466	104,000
<u>Transfers Out</u>					
500859 Transfer to General Fund	304,535	317,432	383,760	383,760	401,044
500861 Transfer to/from Debt Service	0	0	0	0	0
Transfer to 2017 SIB Loan	0	0	0	0	0
500863 Transfer Exp (to Cap Projects Fund)	0	0	0	0	0
Total Transfers Out	304,535	317,432	383,760	383,760	401,044
Total Expenditures/Transfers Out	1,946,135	2,892,658	3,172,649	3,419,334	3,075,553
Total Revenue Over(Under) Expenditures/Transfers	1,770,939	3,712,362	876,317	374,654	1,163,609

City of Magnolia

WATER/SEWER FUND - 02

Account Revenues:	Account Name	Approved Budget	Description
40001	Water Fund Revenue	1,500,000	Estimated water revenue per fee schedule
40002.09	Water Impact Revenue	140,000	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	187,000	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
40003	Road Bore Fees	3,000	Road bore costs
40004	Water Tap Fees	30,000	\$650/water tap-residential 5/8" meter
40005	Application/Connection Fees	8,000	\$35/account
40006	Credit Card Fees	11,000	Credit card fees
40016	Late Fees-Water	14,000	5% of customer's balance
40018	Disconnect Fees	15,000	\$45/disconnect
40020.09	Impact Fund Interest	60,000	Interest earned
40024	Lone Star Groundwater Conservation	30,000	\$.165/1000 gal pumped
40025	San Jacinto River Authority	450,000	\$2.73/1000 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	2,500	1.5 multiplier over above rates
40001.03	Sewer Fund Revenue	800,000	Estimated sewer revenue per current fee schedule
40003.03	Road Bore Fee	-	Road bore costs
40004.03	Sewer Tap Fees	30,000	\$925/sewer tap-4" tap \$1200/sewer tap-6" tap
40010.03	Garbage Collection Fees/Taxes	1,500	Sales tax on garbage sales
40011.03	Garbage Revenue	160,000	Residential garbage fees
40016.03	Late Fees-Sewer	10,000	5% of customer's balance
40040	Transfer in from Debt Service	544,000	Property Tax used for Enterprise debt svc.
40106	Transfer in from 4B	205,362	For 2011 SIB payment 165,362 For 2017 SIB payment 40,000
		4,239,162	

City of Magnolia

WATER/SEWER FUND - 02

Account	Account Name	Approved Budget	Description
Expenditures			
500501	Salaries	58,638	1 employee, possible add'l p/t employee
500503	Overtime	-	Authorized overtime for non-exempt employees
500505	Cell Phone Allowance	-	Allowance for use of personal cell phones for business purposes
500515	Longevity	185	\$5 per month per year of service with City
500516	T.E.C. (Unemployment)	180	Unemployment taxes- 2.0% rate
500517	TMRS	3,059	Retirement cost-5.20% (3 Mos.@ 5.74%-9 Mos.@ 5.02%)
500518	Worker's Compensation	150	Cost of W/C insurance
500526	Employee Insurance	12,337	Medical, dental, vision
500536	Payroll Tax	4,500	Social Security & Medicare-7.65% rate
500543	Education, Travel, Certifications	-	Training, travel & certifications
500547	Drug Test	50	Pre-employment & post-accident testing
500548	Dues and Membership	300	Tx Revenue Recovery Assoc. dues
500602	Utilities/Water-Montgomery County	-	
500603	Utilities/Electric-Water	66,000	Electricity for water plants
500603.03	Utilities/Electric-Sewer	77,000	Electricity for sewer plants, lift stations
500605	Utilities/Telephone-Water	8,000	Telephone service at water plants
500605.03	Utilities/Telephone-Sewer	-	Telephone service at sewer plant(s)
500627	Maintenance & Repair-Water	75,000	Cleaning & repairs to buildings, plant and water lines
500627.03	Maintenance & Repair-Sewer	100,000	Repairs to lift stations, sewer plant and sewer lines
500632	Contract/Consultant Svcs-Water	131,250	TCEQ inspections 3,750 Answering service, etc. 2,500 Misc. consulting/contract work 10,000 Legal consulting 115,000
500632.03	Contract/Consultant Svcs-Sewer	125,500	Answering service, etc. 2,500 Misc. consulting/contract work 8,000 Legal consulting 115,000
500633	Maint & Repair Water Equipment	6,000	Costs to repair water equipment
500633.03	Maint & Repair Sewer Equipment	15,000	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	20,000	Costs for engineering services related to sewer construction
500652	Permits, Fees, Sample Test-Water	25,000	Water permits and water sample testing
500652.03	Permits and Testing-Sewer	10,000	Sewer sample testing & permit renewal
500663	Rental of Equipment-Water	5,000	Cost to rent work equipment-Water
500663.03	Rental of Equipment-Sewer	4,000	Cost to rent work equipment-Sewer
500672	Garbage Service	150,000	Dumpster at plant/garbage residential
500673	Computer Update/Software/Maint.	8,870	Tyler (Incode) annual maintenance: Utility CIS System 1,950 Address Certification 900 Email system-billing/notices 1,200 Hosting,READy Water,Drive-by 1,630 Tyler U Maint. 1,550 Utility Meter Reader Interface 640 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	35,000	Misc operating supplies-Water
500700.03	General Supplies-Sewer	6,000	Misc operating supplies-Sewer
500744.03	Minor Tools & Equipment-Sewer	3,000	Boring equipment,sewer hose, misc. small tools
500766	Office Supplies	2,000	Office supplies designated for water/sewer department
500780	Chemicals/Water Treatment-Water	20,000	Cost of chemicals for water treatment
500780.03	Chemicals/Water Treatment-Sewer	14,000	Cost of chemicals to treat wastewater
500800	Bank Fees	8,000	Credit card processing fees
500802.09	Water Impact Expense	120,000	Cost for construction or expansion of water infrastructure facilities
500803.09	Sewer Impact Expense	200,000	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	550,000	Cost to participate in WRAP approx \$3.00/1000 gal. pumped	
500805	Lone Star Water Conservation	30,000	Cost for historical & operating permit renewals @ \$.165/1000 gal.	
500825.03	Sewer Liability Insurance-TML	1,500	Liability insurance-sewer	
500826	Water Plant Insurance-TML	8,000	Property Insurance for water plants	
500826.03	Sewer Plant Insurance-TML	11,000	Property insurance for sewer plant	
500827	Fleet Insurance-TML	-	Vehicle insurance	
500830.03	Personal Property Insurance-TML	1,000	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	75,000	Cost to haul sludge	
500034	Interest Expense-2011 SIB Loan	24,864		
500035	Interest Expense-2014 C/O	174,050		
500040	Interest Expense-2017 SIB Loan	19,982		
500050	Interest Expense-2019 Tax Rev C/O	246,038		
500550	Interest Expense-2014 G/O	97,808		
500859	Transfer to General Fund	401,044	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 Outlay-Water	45,000	New water line at Dogwood Trails	25,000
			Capital improvements to water plant	20,000
500960.03	Capital Equipment & Tools-Sewer	59,000	Sewer Jetter	
		3,075,553		

City of Magnolia

04-Enterprise Capital Project Fund

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
FEMA Grant			391,500	391,500	0
CDBG Grant			1,800,000	250,000	1,550,000
Trfr from W/S-Unity Pk to Commerce			373,850	0	373,850
Trfr from Impact Funds-to Unity Pk Dr			130,500	50,000	80,500
Trfr from Impact Funds-1488			1,000,000	700,000	200,000
USDA Loan-Sewer Interceptor			1,000,000		1,000,000
2019 Rev/Tax C/O-WWTP			14,000,000	11,200,000	0
Total Revenue	0	0	18,695,850	12,591,500	3,204,350
Expenditures					
500940.01 WWTP to Unity Park Drive			522,000	1,157,000	0
500940.03 Unity Pk Dr to Commerce			2,173,850		2,173,850
500950.06 New WWTP			14,000,000	1,000,000	9,000,000
500950.07 FM1488 Utility Relocations			1,000,000	700,000	300,000
500950.09 Sewer Interceptor Buddy Riley			1,000,000	0	1,000,000
Total Expenditures	0	0	18,695,850	2,857,000	12,473,850
Total Revenue Over(Under) Expenditures	0	0	0	9,734,500	(9,269,500)

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

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

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

City of Magnolia 2020-2021 Debt Service

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

BOND INFORMATION							
FUND	BOND ISSUED	ISSUE AMOUNT	MATURITY	OUTSTANDING PRINCIPAL BALANCE 9/2020	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	\$4,260,000.00	\$295,000.00	\$139,725.00	\$434,725.00
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	\$1,085,000.00	\$255,000.00	\$46,112.50	\$301,112.50
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. *48-CDC has agreed to assume this debt for this year.	\$2,000,000.00	02/01/2026	\$899,010.88	\$140,434.63	\$24,863.76	\$165,298.39
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	\$4,530,000.00	\$115,000.00	\$174,050.00	\$289,050.00
ENTERPRISE	2017 State Infrastructure Bank-Loan Issued June 2017 in the amount of \$1,000,000 in Issued for funding the relocation of utilities along FM 1774 in conjunction widening of the road to include extra lanes. *48-CDC has agreed to assume \$40,000 of this debt for this year.	\$1,000,000.00	06/29/2032	\$612,849.72	\$48,437.25	\$19,981.50	\$68,418.75
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	\$1,560,000.00	\$25,000.00	\$88,920.00	\$113,920.00
GENERAL	2019 Tax & Revenue Certificates of Obligation Issued 2019 in the amount of \$11,255,000 Issued by the City of Magnolia for improvements to the Water/ Sewer System to include expansion of WWTP	\$11,255,000.00		\$11,255,000.00	\$640,000.00	\$246,037.50	\$886,037.50
TOTAL		\$29,685,000.00		\$24,201,860.60	\$1,518,871.88	\$739,690.26	\$2,258,562.14

City of Magnolia

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

	Bank Balance as of 05/31/20 \$ 101,546				
	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenues</u>					
40001 Ad Valorem Tax Revenue	613,986	609,277	656,632	656,632	672,335
40199 Prop Tax Penalties/Interest	2,500	5,017	2,500	2,500	2,500
40032 Trfr from 02/Water Fund	0	0	0	0	0
40034 2014 G/O I&S Interest Earned	1,000	2,363	1,500	1,870	1,400
Total Revenue	617,486	616,657	660,632	661,002	676,235
Total Revenue	617,486	616,657	660,632	661,002	676,235
Expenditures					
<u>Miscellaneous Expenses</u>					
500033 2014 G/O I&S Principal Pay't	82,500	82,500	85,500	85,500	88,500
500034 2014 G/O I&S Interest Pay't	47,048	47,048	44,528	44,528	41,918
500766 2014 G/O Bank Fees	500	500	500	500	500
500925 Transfer to Enterprise Debt Svc	486,438	486,438	528,604	528,604	544,000
Total Miscellaneous Expenses	616,486	616,486	659,132	659,132	674,918
Total Expenditures	616,486	616,486	659,132	659,132	674,918
Total Revenue Over(Under) Expenditures	1,001	172	1,501	1,870	1,318

City of Magnolia

2014 General Obligation Refunding Bonds

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

Debt Service Schedule

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

City of Magnolia

2014 General Obligation Refunding Bonds

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

Debt Service Schedule

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

City of Magnolia

2014 Tax Revenue C/O I & S - 02

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

		Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue						
<u>Revenues</u>						
40001	Tax Revenue	0	0	0	0	0
40117	Misc Income	0	0	0	0	0
	Funds from W/S Operations	107,315	65,000	65,000	65,000	395,000
40033	Transfer in	0	0	0	0	0
40040	Transfer in from debt svc	486,438	486,438	528,604	528,604	200,000
	Total Revenue	593,753	551,438	593,604	593,604	595,000
		593,753	551,438	593,604	593,604	595,000
Total Revenue						
Expenditures						
236	2014 C/O I&S Principal Pay't	110,000	110,000	110,000	110,000	115,000
500035	2014 C/O I&S Interest Pay't	180,725	180,725	177,425	177,425	174,050
235	2014 G/O I&S Principal Pay't	192,500	192,500	199,500	199,500	206,500
500550	2014 G/O I&S Interest Pay't	109,778	109,778	103,898	103,898	97,808
500800	Bank Fees	750	750	750	750	750
	Total Expenses	593,753	593,753	591,573	591,573	594,108
Total Expenses		593,753	593,753	591,573	591,573	594,108
Total Revenue Over(Under) Expenditures		-	(42,315)	2,032	2,031	893

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 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
40106 Revenue from 4B	165,423	165,423	165,362	165,362	165,298
Total Revenue	165,423	165,423	165,362	165,362	165,298
Total Revenue	165,423	165,423	165,362	165,362	165,298
Expenditures					
<u>Expenses</u>					
229 2011 SIB Loan Principal Pay't	132,377	132,377	136,346	136,346	140,435
500034 2011 SIB Loan Interest Pay't	33,046	33,046	29,015	29,015	24,864
500800 Bank Fees	0	0	0	0	0
Total Expenses	165,423	165,423	165,362	165,362	165,298
Total Expenditures	165,423	165,423	165,362	165,362	165,298
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 05/31/20		(Incl w/4A Bal)		Approved
	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Budget 2020-2021
Revenue					
<u>Revenue</u>					
EDC Funds	301,513	299,292	301,525	301,525	301,113
40120 2012 R/Bond Int & Sinking Interest	0	0	0	0	0
Total Revenue	301,513	299,292	301,525	301,525	301,113
Total Revenue	301,513	299,292	301,525	301,525	301,113
Expenditures					
<u>Expenses</u>					
231 2012 Rev Bond Principal Pay't	235,000	235,000	245,000	245,000	255,000
500875 2012 Rev Bond Interest Pay't	66,513	64,292	56,525	56,525	46,113
Total Expenses	301,513	299,292	301,525	301,525	301,113
Total Expenditures	301,513	299,292	301,525	301,525	301,113
Total Revenue Over(Under) Expenditures	0	0	0	0	0

Series 2012, Sales Tax Revenue Refunding Bonds

4A- Park / Downtown Revitalization
Melton/Smith Street

Debt Service Schedule

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

City of Magnolia

2017 State Infrastructure Bank Loan Debt Service - 02

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
40106 Revenue from 4B	40,000	40,000	40,000	40,000	40,000
Funds from W/S Operations	50,186	244,881	29,170	29,170	28,419
Total Revenue	90,186	284,881	69,170	69,170	68,419
Total Revenue	90,186	284,881	69,170	69,170	68,419
Expenditures					
<u>Expenses</u>					
230 2017 SIB Loan Principal Pay't	60,564	258,355	47,686	47,686	48,437
500033.01 2017 SIB Loan Interest Pay't	29,622	26,525	21,484	21,484	19,982
500800 Bank Fees	0	0	0	0	0
Total Expenses	90,186	284,881	69,170	69,170	68,419
Total Expenditures	90,186	284,881	69,170	69,170	68,419
Total Revenue Over(Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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	
01/11/2019	210,654.37	3.15%	987.39	211,641.76	
06/29/2019	47,701.10	3.15%	10,726.90	58,428.00	284,880.67
12/29/2019		3.15%	10,741.81	10,741.81	
06/29/2020	47,686.19	3.15%	10,741.81	58,428.00	69,169.81
12/29/2020		3.15%	9,990.75	9,990.75	
06/29/2021	48,437.25	3.15%	9,990.75	58,428.00	68,418.75
12/29/2021		3.15%	9,227.86	9,227.86	
06/29/2022	49,200.14	3.15%	9,227.86	58,428.00	67,655.86
12/29/2022		3.15%	8,452.96	8,452.96	
06/29/2023	49,975.04	3.15%	8,452.96	58,428.00	66,880.96
12/29/2023		3.15%	7,665.85	7,665.85	
06/29/2024	50,762.15	3.15%	7,665.85	58,428.00	66,093.85
12/29/2024		3.15%	6,866.35	6,866.35	
06/29/2025	51,561.65	3.15%	6,866.35	58,428.00	65,294.35
12/29/2025		3.15%	6,054.25	6,054.25	
06/29/2026	52,373.75	3.15%	6,054.25	58,428.00	64,482.25
12/29/2026		3.15%	5,229.37	5,229.37	
06/29/2027	53,198.63	3.15%	5,229.37	58,428.00	63,657.37
12/29/2027		3.15%	4,391.49	4,391.49	
06/29/2028	54,036.51	3.15%	4,391.49	58,428.00	62,819.49
12/29/2028		3.15%	3,540.41	3,540.41	
06/29/2029	54,887.59	3.15%	3,540.41	58,428.00	61,968.41
12/29/2029		3.15%	2,675.94	2,675.94	
06/29/2030	55,752.06	3.15%	2,675.94	58,428.00	61,103.94
12/29/2030		3.15%	1,797.84	1,797.84	
06/29/2031	56,630.16	3.15%	1,797.84	58,428.00	60,225.84
12/29/2031		3.15%	905.92	905.92	
06/29/2032	57,518.41	3.15%	905.92	58,424.33	59,330.25
Total	1,000,000.00		213,106.80	1,213,106.80	1,213,106.80

City of Magnolia

2018 Special Assessment Revenue Bond

Magnolia Ridge PID - 32

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
40105 Ad Valorem Tax Revenue	124,315	125,891	124,315	124,315	124,315
Total Revenue	124,315	125,891	124,315	124,315	124,315
Total Revenue	124,315	125,891	124,315	124,315	124,315
Expenditures					
<u>Expenses</u>					
500033 PID Bond Principal	25,000	25,000	25,000	25,000	25,000
500034 PID Bond Interest	91,770	91,770	90,345	90,345	88,920
500800 Bank Fees	0	2,700	0	0	0
Total Expenses	116,770	119,470	115,345	115,345	113,920
Total Expenditures	116,770	119,470	115,345	115,345	113,920
Total Revenue Over(Under) Expenditures	7,545	6,421	8,970	8,970	10,395

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

City of Magnolia

2019 Tax & Revenue Certificate of Obligation-02

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
Funds from W/S Operations	0	0	0	112,550	543,000
40040 Transfer in from Debt Svc					344,000
Total Revenue	0	0	0	112,550	887,000
Total Revenue	0	0	0	112,550	887,000
Expenditures					
Expenses					
237 2019 Tax/Rev C/O Principal	0	0	0	0	640,000
500050 2019 Tax/Rev C/O Interest	0	0	0	112,550	246,038
Bank Fees	0	0	0	0	750
Total Expenses	0	0	0	112,550	886,788
Total Expenditures	0	0	0	112,550	886,788
Total Revenue Over(Under) Expenditures	0	0	0	-	213

2019 Tax & Revenue Certificate of Obligation

Improvements to Water & Sewer System to include expansion of Wastewater Treatment Plant

Debt Service Schedule

Date	Principal	Rate	Interest	Debt Service	Annual Debt Service
05/01/2020		2.25%	112,550.00	112,550.00	
09/30/2020					112,550.00
11/01/2020	640,000.00	2.25%	126,618.75	766,618.75	
05/01/2021		2.25%	119,418.75	119,418.75	886,037.50
11/01/2021	655,000.00	2.25%	119,418.75	774,418.75	
05/01/2022		2.25%	112,050.00	112,050.00	886,468.75
11/01/2022	665,000.00	2.25%	112,050.00	777,050.00	
05/01/2023		2.25%	104,568.75	104,568.75	881,618.75
11/01/2023	680,000.00	2.25%	104,568.75	784,568.75	
05/01/2024		2.25%	96,918.75	96,918.75	881,487.50
11/01/2024	700,000.00	2.25%	96,918.75	796,918.75	
05/01/2025		2.25%	89,043.75	89,043.75	885,962.50
11/01/2025	715,000.00	2.25%	89,043.75	804,043.75	
05/01/2026		2.25%	81,000.00	81,000.00	885,043.75
11/01/2026	730,000.00	2.25%	81,000.00	811,000.00	
05/01/2027		2.25%	72,787.50	72,787.50	883,787.50
11/01/2027	745,000.00	2.25%	72,787.50	817,787.50	
05/01/2028		2.25%	64,406.25	64,406.25	882,193.75
11/01/2028	765,000.00	2.25%	64,406.25	829,406.25	
05/01/2029		2.25%	55,800.00	55,800.00	885,206.25
11/01/2029	780,000.00	2.25%	55,800.00	835,800.00	
05/01/2030		2.25%	47,025.00	47,025.00	882,825.00
11/01/2030	800,000.00	2.25%	47,025.00	847,025.00	
05/01/2031		2.25%	38,025.00	38,025.00	885,050.00
11/01/2031	815,000.00	2.25%	38,025.00	853,025.00	
05/01/2032		2.25%	28,856.25	28,856.25	881,881.25
11/01/2032	835,000.00	2.25%	28,856.25	863,856.25	
05/01/2033		2.25%	19,462.50	19,462.50	883,318.75
11/01/2033	855,000.00	2.25%	19,462.50	874,462.50	
05/01/2034		2.25%	9,843.75	9,843.75	884,306.25
11/01/2034	875,000.00	2.25%	9,843.75	884,843.75	
		2.25%			884,843.75
	11,255,000.00		2,117,581.25	13,372,581.25	13,372,581.25

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 8.

City of Magnolia

ATS-Red Light Camera -10

Bank Balance as of 05/31/20 \$ 491,927

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
40022 Red Light Camera Revenue	481,617	579,323	0	1,689	0
40020 Red Light Camera Fund Interest	9,804	19,322	5,000	10,000	1,500
Total Gross Revenue	491,422	598,644	5,000	11,689	1,500
500815 State Comptroller Fees	(134,843)	(116,867)	-	-	0
Total Net Revenue	356,579	481,777	5,000	11,689	1,500
Expenditures					
<u>Expenses</u>					
500501 Transfer out for Salary Reimb.	161,791	165,875	164,274	182,198	194,779
500630 Red Light Camera Expense	70,000	69,378	0	78,563	0
500631 Contractual-Am. Traffic Sys	59,944	49,162	0	0	0
500635 Refunds	250	300	0	450	0
500760 Fuel	0	36,561	50,000	45,000	50,000
Total Operating Expenses	291,985	321,277	214,274	306,211	244,779
Capital Expenses					
500920 Computer Equipment	0	12,120	0	7,872	0
500951 Motor Vehicles	72,000	0	36,000	53,221	0
503945 Other Equipment	0	0	0	0	0
Total Capital Expenses	72,000	12,120	36,000	61,094	0
Total Red Light Camera Fund Expenses	363,985	333,397	250,274	367,304	244,779
Total Revenue Over(Under) Expenditures	(7,407)	148,381	(245,274)	(355,616)	(243,279)

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 was limited to traffic safety programs, including pedestrian safety programs, public safety programs, intersection improvements, and traffic enforcement. Red light camera was removed June 2019 due to change in law.

City of Magnolia

HB445 Road Repair - 11

Bank Balance as of 05/31/20 \$ 1,648,147 (Bal includes \$185K Invested)

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenues</u>					
40009 HB445 Sales Tax Revenue	300,000	314,805	300,000	300,000	300,000
40020 HB445 Interest Earned	10,000	26,411	10,000	19,500	12,000
Total Revenue	310,000	341,216	310,000	319,500	312,000
Total Revenue	310,000	341,216	310,000	319,500	312,000
Expenditures					
<u>Expenses</u>					
500850 HB445 Road Repair	300,000	30,004	300,000	300,000	300,000
500999 Due to State Payment	0	0	0	0	0
Total Expenses	300,000	30,004	300,000	300,000	300,000
Total Expenditures	300,000	30,004	300,000	300,000	300,000
Total Revenue Over(Under) Expenditures	10,000	311,212	10,000	19,500	12,000

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 05/31/20

\$ 77,517

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
40110 Hotel/Motel Occupancy Tax	45,000	42,515	45,000	43,134	45,000
40117 Event Donations	0	6,373	0	0	0
Total Revenue	45,000	48,888	45,000	43,134	45,000
Total Revenue	45,000	48,888	45,000	43,134	45,000
Expenditures					
<u>Expenses</u>					
501560 Event Funding	45,000	58,088	50,000	40,000	45,000
Total Expenses	45,000	58,088	50,000	40,000	45,000
Total Expenditures	45,000	58,088	50,000	40,000	45,000
Total Revenue Over(Under) Expenditures	0	(9,200)	(5,000)	3,134	-

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 05/31/20 \$ 60,685

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
40408 Municipal Court Security Fund Fees	7,500	6,085	7,500	5,202	5,500
Total Revenue	7,500	6,085	7,500	5,202	5,500
Expenditures					
<u>Expenses</u>					
504565 Municipal Court Security Expense	6,000	5,504	6,000	4,256	5,000
Total Expenditures	6,000	5,504	6,000	4,256	5,000
Total Revenue Over(Under) Expenditures	1,500	581	1,500	947	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 05/31/20 \$ (279)

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
41190 Municipal Court Tech Fund Rev.	14,000	10,548	12,000	6,770	11,000
Total Revenue	14,000	10,548	12,000	6,770	11,000
Total Revenue	14,000	10,548	12,000	6,770	11,000
Expenditures					
<u>Expenses</u>					
519570 Municipal Court Tech Fund Exp.	12,475	13,011	12,475	14,192	15,600
Total Expense	12,475	13,011	12,475	14,192	15,600
Total Expenditures	12,475	13,011	12,475	14,192	15,600
Total Revenue Over(Under) Expenditures	1,525	(2,462)	(475)	(7,422)	(4,600)

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	11,000	
Expenses:			
519855	Muni Court Tech Fund Expense	15,600	
			Lexis Nexis Risk Mgt 1,125
			Credit Card Fees 1,800
			Great American Financial Svcs 2,725
			Extra copies 700
			Language translation service 250
			IT Services/Computer equipment 9,000

City of Magnolia

Court Judicial Efficiency Fund-50

Bank Balance as of 05/31/20 \$ 2,773

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
Revenue					
<u>Revenue</u>					
41190 Judicial Efficiency Fund Fee Fund Fees	600	532	600	608	600
Total Revenue	600	532	600	608	600
Expenditures					
<u>Expenses</u>					
500766 Office Expense	0	240	0	0	0
518850 Judicial Efficiency Expense	0	0	0	0	0
Total Expenditures	0	240	0	0	0
Total Revenue Over(Under) Expenditures	600	292	600	608	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 aggressively pursue all avenues of growth for new and existing businesses, and to maximize employment opportunities, tax base, and quality of life.

Vision

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

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 4A of the Act; and for all other purposes allowed by law as permitted by the Development Corporation Act.

Type A projects fall into two categories: those *required* to create or retain primary jobs and those that are *not required* to create or retain primary jobs.

The term “primary job” is defined by the State of Texas and must including the following:

1. Be available at a local company
2. Export goods or services to a regional, state, national or international market
3. Infuse new dollars into the local economy
4. Be included in one of nearly 16 different North American Industry Classification System (NAICS) sector codes

Type A corporation projects may include:

- Primary Jobs – manufacturing and industrial facilities, research and development facilities, distribution centers and warehouse facilities; sanitary sewer facilities, primary job training facilities and regional or national corporate headquarters facilities.
- Non Primary Job projects – job training classes, targeted infrastructure projects necessary to promote or develop new or expanded business enterprises, limited to streets and roads, rail spurs, water and sewer utilities, and electric and gas utilities, drainage, Internet improvements and telecommunications.

2020 4A EDC Board of Directors:

President - Jonny Williams

Vice President – Anne Sundquist

Secretary/Treasurer – Basil Tate

Robert Franklin

Pat Zaiontz

City of Magnolia

4A- Economic Development Corporation - 07

Bank Balance as of 05/31/20 \$ 1,664,789
(Includes Inclusive Pk, 2012 SIs Tax Rev Bond I&S
& EDC Promissory Note)

	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Approved Budget 2020-2021
<u>Revenue</u>					
40011 4A 1/2 Sales Tax Revenue	600,000	623,466	600,000	600,000	600,000
40022 4A Interest Earned	12,000	37,639	20,000	25,662	20,000
40102 City Park Donations	0	0	0	0	0
40122 Sale of Assets	0	17,155	0	0	0
40124 Misc Revenue	0	3,250	0	0	0
40126 Grant Proceeds	0	0	0	0	0
40021 Transfers In	0	0	0	0	0
Total Revenue	612,000	681,511	620,000	625,662	620,000
<u>Expenses</u>					
Personnel Services					
500501 Salary & Benefit Reimbursement	20,495	19,279	20,495	2,770	1,500
500543 Training & Travel	1,420	180	1,420	390	1,500
500550 Dues & Membership	600	188	600	340	600
Total Personnel Services	22,515	19,647	22,515	3,500	3,600
Contractual Expenses					
500632 Contract/consultant Services	17,050	17,150	17,150	11,500	33,150
500640 Legal	5,000	518	5,000	1,200	5,000
500641 Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,575
500674 Posting/Advertising	1,800	900	1,800	1,350	1,800
Total Contractual Expenses	26,350	21,068	26,450	16,550	42,525
Miscellaneous Expenses					
500742 Magazines, Maps & Books	3,100	1,489	3,100	1,500	2,500
500743 Copies/Admin.	200	0	200	0	200
500745 Hospitality,Refreshments	75	321	75	0	75
500766 Office Supplies	250	198	250	0	250
Total Miscellaneous Expenses	3,625	2,008	3,625	1,500	3,025
Expenses (continued)					
500824 Error & Omissions Insurance	2,500	1,849	2,500	1,500	2,500
500825 Liability Insurance	1,500	1,101	1,500	1,000	1,500
500836 Printing	500	26	500	0	500
500838 Promotional Expense	800	250	800	375	800
500858 Depreciation Expense	0	N/A	0	N/A	0
Total Expenses (continued)	5,300	3,226	5,300	2,875	5,300
Capital Expenses/Debt Svc					
231 2012 Rev Bond Principal Pay't	235,000	235,000	245,000	245,000	255,000
500875 2012 Rev Bond Int Pay't	66,513	64,292	56,525	56,525	46,113
235 2014 Promissory Note Payable	443,814	443,667	0	0	0
500903 2014 Loan Interest	11,919	12,076	0	0	0
Total Capital Expenses/Debt Svc	757,245	755,035	301,525	301,525	301,113
Total 4A E D C Expenditures/Transfers	815,035	800,984	359,415	325,950	355,563
Revenue Over(Under) Expenditures	(203,035)	(119,473)	260,585	299,712	264,437

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 Magnolia CDC-4B is a non-profit, tax exempt Texas Corporation, which is a separate entity from all other boards or commissions of the City of Magnolia. The Magnolia Tomorrow program, comprised of community volunteers, participated with the Magnolia CDC in planning parks, downtown revitalization, and special projects.

The Section 4B sales tax provides cities with a wider and more flexible range of uses for the tax revenues. It is intended to give communities an opportunity to undertake projects for quality of life improvements. The Section 4B tax can be used to fund projects that are typically considered to be community development initiatives. 4B Tax revenues may also assist with creating or retaining primary jobs and targeted infrastructure projects.

Type B Corporation projects may include:

- Community Development - land, buildings, equipment, facilities, expenditures and improvements for professional and amateur sports facilities, park facilities, event/entertainment, convention and tourist facilities.
- Primary Jobs – manufacturing and industrial facilities, research and development facilities, distribution centers and warehouse facilities; sanitary sewer facilities, primary job training facilities and regional or national corporate headquarters facilities.
- Non Primary Job projects – job training classes, targeted infrastructure, water supply facilities with requisite voter approval, light and commuter rail and airport or rail port facilities

2020 4B CDC Board of Directors:

President –
Vice President (Acting as President) – Brenda Hoppe
Treasurer – Barbara Gardner
David Arevalo
Clyde Hunt
Jonny Williams
Joshua Chadwick
Trevor Brown

City of Magnolia

4B- Community Development Corporation - 06

	Bank Balance as of 05/31/20		\$	623,852	
	Approved 2018-2019	Actual 2018-2019	Approved 2019-2020	Projected 2019-2020	Proposed Budget 2020-2021
Revenue					
40014 4B 1/4 Sales Tax Revenue	300,000	311,733	300,000	300,000	300,000
40022 4B Interest Earned	3,000	16,113	9,000	11,090	9,000
Total Revenue	303,000	327,846	309,000	311,090	309,000
Misc. Revenue					
40124 Misc. Revenues	1,500	250	1,500	0	500
40127 Park Rental Fees	6,000	2,070	6,000	793	3,000
40133 The Stroll	6,000	26,202	6,000	9,815	10,000
Total Misc. Revenue	13,500	28,523	13,500	10,608	13,500
Total Revenue	316,500	356,368	322,500	321,698	322,500
Expenses					
Personnel Services					
500501 Salary & Benefit Reimbursement	21,000	19,770	21,000	7,176	2,300
Park					2,400
Park					2,400
Finance Admin					2,400
500543 Training & Travel	875	180	1,500	394	1,500
500550 Dues & Membership	215	188	300	366	300
Total Personnel Services	22,090	20,138	22,800	7,936	11,300
Contractual Expenses					
500632 Contract/consultant Services	16,650	17,150	17,664	17,150	33,164
500640 Legal	5,000	62	5,000	1,507	3,000
500641 Auditing/Accounting Services	2,500	2,500	2,500	2,500	2,575
500674 Posting/Advertising	1,000	900	1,000	1,350	1,500
500675 Promotions	800	0	800	0	0
Total Contractual Expenses	25,950	20,611	26,964	22,507	40,239
Miscellaneous Expenses					
500742 Magazines, Maps & Books	3,100	1,489	3,100	0	1,500
500743 Copies/Admin.	200	0	200	0	50
500745 Hospitality Refreshments	75	321	75	0	200
500766 Office Supplies	250	601	250	91	250
Total Miscellaneous Expenses	3,625	2,411	3,625	91	2,000
Expenses (continued)					
500824 Error & Omissions Insurance	2,500	1,849	2,500	1,677	2,000
500825 Liability Insurance	1,500	1,101	1,500	999	1,200
500836 Printing	2,000	0	2,000	0	0
500845 Monuments/Signs	0	125	0	825	1,000
500848 Park Maintenance	45,000	45,392	45,000	44,181	45,000
500850 Other Expenses	500	1,000	500	282	0
500851 Downtown Revitalization	12,000	21,075	12,000	10,455	12,000
500858 Depreciation Expense	0	N/A	0	N/A	0
Total Other Expenses	63,500	70,542	63,500	58,419	61,200
Capital Expenses					
500924 2011 SIB Loan transfer for pmt	165,423	165,423	165,362	165,362	165,298
500925 2017 SIB Loan transfer for pmt	40,000	40,000	40,000	40,000	40,000
Total Capital Expenses	205,423	205,423	205,362	205,362	205,298
Total 4B Community Dev. Expenditures	320,588	319,124	322,251	294,315	320,037
Revenue Over(Under) Expenditures	(4,088)	37,244	249	27,384	2,463

SUPPLEMENTAL INFORMATION



March	10 th	Regular City Council Meeting – Request for Council Goals/Update Council Goals
April	1-30 th	Directors/supervisors develop short and long-term goals & objectives, Capital Improvement/Replacement Programs, employment recommendations; Finance Dept. works on initial draft budget documents and sends departmental budget worksheets to Directors and Supervisors
May	1 st	Deadline to turn in Dept. goals & objectives, employee recommendations
May	11-21 st	Directors and Supervisors review Departmental Budgets with Finance Dept.
May	28 th	Deadline for completion of Departmental Budgets
June	12 th	Deadline for first internal draft of Proposed Budget
June	29 th	First Draft of Proposed Budget to City Council
July	11 th	Budget Workshop – 8:00 a.m. to ?
July	24 th	Proposed Budget Filed w/City Secretary (must be 15 days before public hearing & 30 days before tax rate adoption)
July	25 th	Chief Appraiser Certifies Appraisal roll; Tax Assessor calculates no-new revenue & voter-approval tax rates
August	7 th	Taxing unit shall post Notice of Tax Rates (provided by Tax Assessor-Collector prominently on the home page of City website (City Secretary) (must be published at least 7 days before public hearing)
August	7 th	Publish Notice of Budget Hearing (City Secretary) (has to be published 10-30 days before public hearing)
August	11 th	<u>SPECIAL</u> City Council Meeting – To discuss tax rate: if proposed tax rate <u>exceeds</u> the lower of the voter-approval tax rate <u>or</u> the no-new revenue tax rate, take record vote to place proposed tax rate/increase on future agenda & set public hearing & <u>REGULAR</u> City Council Meeting
August	14 th	Publish Notice of Public Hearing on Tax Increase in newspaper, including Record Vote on Proposed Tax Increase (County Tax Assessor/Collector)
August	14 th	Post Notice of Tax Revenue Increase on City website (<u>must be published at least 7 days before meeting to adopt</u>)
August	20 th	<u>SPECIAL</u> City Council Meeting - PUBLIC HEARING ON TAX RATE (RESTRICTED) and PUBLIC HEARING ON BUDGET
August	25 th	<u>REGULAR</u> City Council Meeting – Adopt: 1. Operating Budget, & 2. Tax Rate (no later than 7 days after public hearing)
August	28 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
2019-2020	\$229,434,070
2020-2021	\$237,007,566

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
2019-2020	0.1784	38.41%	0.2861	61.59%	0.4645
2020-2021	0.1696	37.45%	0.2833	62.55%	0.4529

For Fiscal Year 2020-21 (2020 Tax Year)

Taxable Assessed Valuation	\$237,007,566
Approved Tax Rate	0.4529
Estimated Levy	\$1,073,407.27

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: 2020 As of: Preliminary Table Generated: 7/22/2020 8:56:02 PM

CMA - City Of Magnolia (ARB Approved Totals)

Number of Properties: 1558

Land Totals

Land - Homesite	(+)	\$27,741,730		
Land - Non Homesite	(+)	\$39,463,904		
Land - Ag Market	(+)	\$4,640,170		
Land - Timber Market	(+)	\$3,503,440		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$75,349,244	(+)	\$75,349,244

Improvement Totals

Improvements - Homesite	(+)	\$82,172,600		
Improvements - Non Homesite	(+)	\$104,045,760		
Total Improvements	(=)	\$186,218,360	(+)	\$186,218,360

Other Totals

Personal Property (342)		\$34,441,801	(+)	\$34,441,801
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$296,009,405		\$296,009,405
Total Market Value 100%	(=)	\$296,185,481		
Total Homestead Cap Adjustment (148)			(-)	\$3,452,663
Total Exempt Property (100)			(-)	\$87,183,549

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$8,143,610		
Ag Use (5)	(-)	\$14,930		
Timber Use (10)	(-)	\$86,460		
Total Productivity Loss	(=)	\$8,042,220	(-)	\$8,042,220
Total Assessed			(=)	\$197,330,973

Exemptions

(HS Assd 76,249,867)

(HS) Homestead Local (436)	(+)	\$2,036,470		
(HS) Homestead State (436)	(+)	\$0		
(O65) Over 65 Local (139)	(+)	\$3,189,700		
(O65) Over 65 State (139)	(+)	\$0		
(DP) Disabled Persons Local (12)	(+)	\$0		
(DP) Disabled Persons State (12)	(+)	\$0		
(DV) Disabled Vet (22)	(+)	\$207,000		
(DVX) Disabled Vet 100% (5)	(+)	\$1,076,820		
(AUTO) Lease Vehicles Ex (5)	(+)	\$291,335		
(FP) Freeport (1)	(+)	\$2,320,090		
(HB366) House Bill 366 (18)	(+)	\$3,879		
Total Exemptions	(=)	\$9,125,294	(-)	\$9,125,294
Net Taxable (Before Freeze)			(=)	\$188,205,679

Assessment Roll Grand Totals Report

MCAD

Tax Year: 2020 As of: Preliminary Table Generated: 7/22/2020 8:56:02 PM

CMA - City Of Magnolia (Under ARB Review Totals)

Number of Properties: 207

Land Totals

Land - Homesite	(+)	\$5,310,280		
Land - Non Homesite	(+)	\$12,827,340		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$1,055,020		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$19,192,640	(+)	\$19,192,640

Improvement Totals

Improvements - Homesite	(+)	\$14,582,600		
Improvements - Non Homesite	(+)	\$23,553,770		
Total Improvements	(=)	\$38,136,370	(+)	\$38,136,370

Other Totals

Personal Property (8)		\$1,252,077	(+)	\$1,252,077
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$58,581,087		\$58,581,087
Total Market Value 100%	(=)	\$58,581,087		
Total Homestead Cap Adjustment (34)			(-)	\$869,300
Total Exempt Property (0)			(-)	\$0

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$1,055,020		
Ag Use (0)	(-)	\$0		
Timber Use (3)	(-)	\$8,240		
Total Productivity Loss	(=)	\$1,046,780	(-)	\$1,046,780
Total Assessed			(=)	\$56,665,007

Exemptions

			(HS Assd	10,990,820)
(HS) Homestead Local (51)	(+)	\$255,000		
(HS) Homestead State (51)	(+)	\$0		
(O65) Over 65 Local (18)	(+)	\$450,000		
(O65) Over 65 State (18)	(+)	\$0		
(DP) Disabled Persons Local (1)	(+)	\$0		
(DP) Disabled Persons State (1)	(+)	\$0		
(DV) Disabled Vet (1)	(+)	\$12,000		
Total Exemptions	(=)	\$717,000	(-)	\$717,000
Net Taxable (Before Freeze)			(=)	\$55,948,007

Assessment Roll Grand Totals Report

MCAD

Tax Year: 2019 As of: Supplement 12

CMA - City Of Magnolia (WH at time of Pre Cert 072320) (ARB Approved Totals)

Number of Properties: 206

Land Totals

Land - Homesite	(+)	\$5,139,300		
Land - Non Homesite	(+)	\$10,598,690		
Land - Ag Market	(+)	\$0		
Land - Timber Market	(+)	\$1,579,930		
Land - Exempt Ag/Timber Market	(+)	\$0		
Total Land Market Value	(=)	\$17,317,920	(+)	\$17,317,920

Improvement Totals

Improvements - Homesite	(+)	\$12,565,850		
Improvements - Non Homesite	(+)	\$20,321,050		
Total Improvements	(=)	\$32,886,900	(+)	\$32,886,900

Other Totals

Personal Property (8)		\$1,329,667	(+)	\$1,329,667
Minerals (0)		\$0	(+)	\$0
Autos (0)		\$0	(+)	\$0
Total Market Value	(=)	\$51,534,487		\$51,534,487
Total Market Value 100%	(=)	\$51,534,487		
Total Homestead Cap Adjustment (21)			(-)	\$429,610
Total Exempt Property (1)			(-)	\$21,770

Productivity Totals

Total Productivity Market (Non Exempt)	(+)	\$1,579,930		
Ag Use (0)	(-)	\$0		
Timber Use (4)	(-)	\$13,710		
Total Productivity Loss	(=)	\$1,566,220	(-)	\$1,566,220
Total Assessed			(=)	\$49,516,887

Exemptions

(HS Assd 10,293,060)

(HS) Homestead Local (53)	(+)	\$265,000		
(HS) Homestead State (53)	(+)	\$0		
(O65) Over 65 Local (18)	(+)	\$450,000		
(O65) Over 65 State (18)	(+)	\$0		
(DP) Disabled Persons Local (1)	(+)	\$0		
(DP) Disabled Persons State (1)	(+)	\$0		
Total Exemptions	(=)	\$715,000	(-)	\$715,000
Net Taxable (Before Freeze)			(=)	\$48,801,887

**Certified reasonable estimate of values for properties still under protest for tax year 2020 in accordance with
Texas Property Tax Code 26.01**

Taxing Unit Code	Taxing Unit Description	Market Value	Net Taxable Before Freeze	Net Taxable After Freeze
CAD	Appraisal District	\$7,841,404,083	\$7,500,748,035	\$7,500,748,035
CCO	City Of Conroe	\$1,153,339,593	\$1,075,383,895	\$984,793,318
CCV	City Of Cleveland	\$1,429,672	\$1,001,101	\$1,001,101
CHO	City Of Houston	\$165,880,570	\$165,482,071	\$165,482,071
CMA	City Of Magnolia	\$55,597,250	\$52,403,485	\$52,403,485
CMO	City of Montgomery	\$47,392,884	\$45,180,798	\$45,180,798
COR	City Of Oak Ridge	\$71,057,763	\$64,062,962	\$64,062,962
CPT	City Of Patton Village	\$7,907,898	\$7,192,457	\$7,192,457
CPV	City of Panorama Vlg	\$33,902,935	\$33,191,818	\$33,191,818
CRF	City of Roman Forest	\$33,762,188	\$32,358,928	\$27,868,999
CSH	City of Shenandoah	\$139,931,665	\$132,294,851	\$132,294,851
CSP	City of Splendora	\$21,659,048	\$20,067,418	\$20,067,418
CST	City of Stagecoach	\$14,608,758	\$13,320,227	\$13,320,227
CWI	City of Willis	\$108,503,647	\$107,257,628	\$107,257,628
CWO	City Of Woodloch	\$1,562,957	\$1,464,680	\$1,464,680
CWT	The Woodlands Township	\$1,248,845,084	\$1,212,372,083	\$1,212,372,083
CWV	City of Woodbranch	\$14,322,460	\$13,185,532	\$13,185,532
D10	Mont Cnty Dd 10	\$47,592,740	\$47,073,315	\$47,073,315
DD6	Mont Cnty Dd 6	\$213,303,608	\$199,736,018	\$199,736,018
F01	Emergency Ser Dist #1	\$700,695,587	\$635,311,967	\$635,311,967
F02	Emergency Ser Dist #2	\$608,521,013	\$568,457,261	\$568,457,261
F03	Emergency Ser Dist #3	\$344,093,867	\$325,309,598	\$325,309,598
F04	Emergency Ser Dist #4	\$273,244,698	\$257,202,153	\$257,202,153
F06	Emergency Ser Dist #6	\$530,176,946	\$495,321,326	\$495,321,326
F07	Emergency Ser Dist #7	\$370,001,229	\$331,173,862	\$331,173,862
F08	Emergency Ser Dist #8	\$968,773,473	\$904,121,614	\$904,121,614
F09	Emergency Ser Dist #9	\$215,679,899	\$183,743,129	\$183,743,129
F10	Emergency Ser Dist #10	\$1,034,423,629	\$952,500,833	\$952,500,833
F14	Emergency Ser Dist #14	\$54,445,958	\$51,951,635	\$51,951,635
FTZ	North Houston Greater Montgomery Co Foreign Trade Zone	\$1,172,545	\$1,172,545	\$1,172,545
GMO	Montgomery Cnty	\$7,829,301,202	\$6,612,446,846	\$6,044,049,506
HM1	Mont Co Hospital	\$7,829,274,122	\$6,653,440,728	\$6,653,440,728
JNH	Lone Star College	\$6,900,779,477	\$6,308,096,422	\$5,812,588,852
M05	MONT CO MUD 105	\$26,435,473	\$25,933,675	\$25,933,675
M06	Mont Co Mud 6	\$86,073,745	\$74,463,908	\$74,463,908
M07	Mont Co Mud 7	\$77,421,501	\$64,466,144	\$64,466,144
M08	Mont Co Mud 8	\$67,453,323	\$64,185,709	\$64,185,709
M09	Mont Co Mud 9	\$74,146,118	\$72,646,915	\$72,646,915
M100	Mont Co MUD 100	\$459,360	\$265,835	\$265,835
M108	Mont Co MUD 108	\$0	\$0	\$0
M11	Mont Co Mud 111	\$4,263,220	\$4,263,220	\$4,263,220
M12	Mont Co Mud 115	\$44,720,856	\$44,086,896	\$44,086,896

7/23/2020

Taxing Units Other Than School Districts or Water Districts

2020 Tax Rate Calculation Worksheet

Date: 07/29/2020 03:00 PM

2020 City of Magnolia

281-356-2266

Taxing Unit Name

Phone (area code and number)

18111 Buddy Riley Blvd., Magnolia, TX, 77354

www.cityofmagnolia.com

Taxing Unit 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 no-new-revenue (NNR) tax rate and voter-approval 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. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller For 50-859 *Tax Rate Calculation Worksheet for School Districts*.

Water districts as defined under Water Code Section 49.001(1) should use Comptroller Form 50-858 *Water District Rollback Tax Rate Worksheet*. All other taxing units should use Comptroller Form 50-856 *Tax Rate Calculation, Taxing Units Other Than School Districts*.

The Comptroller's office provides this worksheet 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.

STEP 1: No-New-Revenue Tax Rate

The NNR 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 year.

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

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operation taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Rate Activity	Amount/Rate
1.	2019 total taxable value. Enter the amount of 2019 taxable value on the 2019 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). 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 17).	\$229,752,167
2.	2019 tax ceilings. Counties, cities and junior college districts. Enter 2019 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 2019 or a prior year for homeowners age 65 or older or disabled, use this step	\$0
3.	Preliminary 2019 adopted taxable value. Subtract Line 2 from Line 1.	\$229,752,167
4.	2019 total adopted tax rate	\$464500
5.	2019 taxable value lost because court appeals of ARB decisions reduced 2019 appraised value:	
	A. Original 2019 ARB values:	\$0
	B. 2019 values resulting from final court decisions:	\$0
	C. 2019 value loss. Subtract B from A.[3]	\$0
6.	2019 taxable value subject to appear under Chapter 42, as of July 25.	
	A. 2019 ARB certified value	

Line	No-New-Revenue Rate Activity	Amount/Rate
		0
	B. 2019 disputed value:	0
	C. 2019 undisputed value Subtract B from A	0
7.	2019 Chapter 42-related adjusted values. Add Line 5 and 6	0
8.	2019 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 7	\$229,752,167
9.	2019 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2019. Enter the 2019 value of property in deannexed territory.[4]	\$0
10.	2019 taxable value lost because property first qualified for an exemption in 2020. 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 due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2020 does not create a new exemption or reduce taxable value.	
	A. Absolute exemptions. Use 2019 market value:	\$0
	B. Partial exemptions. 2020 exemption amount or 2020 percentage exemption times 2019 value:	\$285,960
	C. Value loss. Add A and B.⁶	\$285,960
11.	2019 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 2020. Use only properties that qualified in 2020 for the first time; do not use properties that qualified in 2019.	
	A. Use 2019 market value:	\$0
	B. 2020 productivity or special appraised value:	\$0
	C. Value loss. Subtract B from A.	\$0
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$285,960
13.	Adjusted 2019 taxable value. Subtract Line 12 from Line 8	\$229,466,207
14.	Adjusted 2019 taxes. Multiply Line 4 by Line 13 and divide by \$100	\$1,065,870
15.	Taxes refunded for years preceding tax year 2019. Enter the amount of taxes refunded by the district for tax years preceding tax year 2019. 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 2019. This line applies only to tax years preceding tax year 2019. [8]	\$4,021
16.	Taxes in tax increment financing (TIF) for tax year 2019 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 2020 captured appraised value in Line 18D, enter 0.[9]	\$0
17.	Adjusted 2019 levy with refunds and TIF adjustment. Add Lines 14, and 15, subtract Line 16.	\$1,069,891
18.	Total 2020 taxable value on the 2020 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.[11]	
	A. Certified values	\$188,205,679
	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 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2020 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.[12]	\$0

Line	No-New-Revenue Rate Activity	Amount/Rate
	E. Total 2020 value Add A and B, then subtract C and D	\$188,205,679
19.	Total value of properties under protest or not included on certified appraisal roll. [13]	
	A. 2020 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 under protest [14]	\$48,801,887
	B. 2020 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 of property not on the certified roll.[15]	\$0
	C. Total value under protest or not certified. Add A and B.	\$48,801,887
20.	2020 tax ceilings. Counties, cities and junior colleges enter 2020 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 2019 or a prior year for homeowners age 65 or older or disabled, use this step.	\$0
21.	2020 total taxable value. Add Lines 18E and 19C. Subtract Line 20C.	\$237,007,566
22.	Total 2020 taxable value of properties in territory annexed after Jan. 1, 2019. Include both real and personal property. Enter the 2020 value of property in territory annexed. [18]	\$0
23.	Total 2020 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2019. 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, 2019 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2020. [19]	\$807,510
24.	Total adjustments to the 2020 taxable value. Add Lines 22 and 23.	\$807,510
25.	Adjusted 2020 taxable value. Subtract Line 24 from Line 21.	\$236,200,056
26.	2020 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100.	\$452900 /\$100
27.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2020 county NNR tax rate	\$452900 /\$100

[1]Tex. Tax Code Section

[2]Tex. Tax Code Section

[3]Tex. Tax Code Section

[4]Tex. Tax Code Section

[5]Tex. Tax Code Section

[6]Tex. Tax Code Section

[7]Tex. Tax Code Section

[8]Tex. Tax Code Section

[9]Tex. Tax Code Section

[10]Tex. Tax Code Section

[11]Tex. Tax Code Section

[12]Tex. Tax Code Section

[13]Tex. Tax Code Section

[14]Tex. Tax Code Section

[15]Tex. Tax Code Section

[16]Tex. Tax Code Section

[17]Tex. Tax Code Section

[18]Tex. Tax Code Section

[19]Tex. Tax Code Section

[20]Tex. Tax Code Section

[21]Tex. Tax Code Section

STEP 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. Maintenance and Operations (M&O) Tax Rate: 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 the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.

2. Debt Rate: The debt 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 voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter Approval Tax Rate Activity	Amount/Rate
28.	2019 M&O tax rate. Enter the 2019 M&O tax rate.	\$.178400
29.	2019 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the No-New-Revenue Tax Rate Worksheet.	229,752,167
30.	Total 2019 M&O levy. Multiply Line 28 by Line 29 and divide by \$100	409,877
31.	Adjusted 2019 levy for calculating NNR M&O rate. Add Line 31E to Line 30.	411,395
	A. 2019 sales tax specifically to reduce property taxes. For cities, counties and hospital districts, enter the amount of additional sales tax collected and spent on M&O expenses in 2019, if any. Other taxing units, enter 0. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent	0
	B. M&O taxes refunded for years preceding tax year 2019. 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 2019. This line applies only to tax years preceding tax year 2019	1,518
	C. 2019 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 2020 captured appraised value in Line 18D, enter 0	0
	D. 2019 transferred 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 E below. The taxing unit receiving the function will add this amount in E below. Other taxing units enter 0.	0
	E. 2019 M&O levy adjustments. Add A and B, then subtract C. For taxing unit with D, subtract if discontinuing function and add if receiving function	1,518
32.	Adjusted 2020 taxable value. Enter the amount in Line 25 of the No-New-Revenue Tax Rate Worksheet.	236,200,056
33.	2020 NNR M&O rate (unadjusted) Divide Line 31 by Line 32 and multiply by \$100.	0.1742
34.	Rate adjustment for state criminal justice mandate. Enter the rate calculated in C. If not applicable, enter 0.	0.0000
	A. 2020 state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	0
	B. 2019 state criminal justice mandate Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies	0

Line	Voter Approval Tax Rate Activity	Amount/Rate
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.0000
35.	Rate adjustment for indigent health care expenditures Enter the rate calculated in C. If not applicable, enter 0	0.0000
	A. 2020 indigent health care expenditures Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose	0
	B. 2019 indigent health care expenditures Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state assistance received for the same purpose	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.0000
36.	Rate adjustment for county indigent defense compensation Enter the lessor of C and D. If not applicable, enter 0	0.0000
	A. 2020 indigent defense compensation expenditures Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose	0
	B. 2019 indigent defense compensation expenditures Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state grants received by the county for the same purpose	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.0000
	D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100	0.0000
37.	Rate adjustment for county hospital expenditures. Enter the lessor of C and D, if applicable. If not applicable, enter 0.	0
	A. 2020 eligible county hospital expenditures Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020	0
	B. 2019 eligible county hospital expenditures Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2018 and ending on June 30, 2019	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.0000
	D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100	0.0000
38.	Adjusted 2020 NNR M&O rate. Add Lines 33, 34, 35, 36, and 37	0.1742
39.	2020 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below. Special Taxing Unit If the taxing unit qualifies as a special taxing unit, multiply Line 38 by 1.08 -or- Other Taxing Unit If the taxing unit does not qualify as a special taxing unit, multiply Line 38 by 1.035. -or- Taxing unit affected by disaster declaration If the taxing unit is located in an area declared as disaster area, the governing body may direct the person calculating the voter-approval rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval rate in this manner until the earlier of 1) the second year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, and 2) the third tax year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply Line 38 by 1.08. [27]	0.1802
40.	Total 2020 debt to be paid with property taxes and additional sales tax revenue Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses.	

Line	Voter Approval Tax Rate Activity	Amount/Rate
	A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount	1,845,529
	B. Subtract unencumbered fund amount used to reduce total debt.	0
	C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none)	0
	D. Subtract amount paid from other resource	1,174,000
	E. Adjusted debt Subtract B, C and D from A	671,529
41.	Certified 2019 excess debt collections Enter the amount certified by the collector.	0
42.	Adjusted 2020 debt Subtract Line 41 from Line 40E	671,529
43.	2020 anticipated collection rate. . If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%	100.00
	A. Enter the 2020 anticipated collection rate certified by the collector	100.00
	B. Enter the 2019 actual collection rate	105.40
	C. Enter the 2018 actual collection rate	100.98
	D. Enter the 2017 actual collection rate	99.04
44.	2020 debt adjusted for collections. Divide Line 42 by Line 43.	671,529
45.	2020 total taxable value. Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet.	237,007,566
46.	2020 debt rate Divide Line 44 by Line 45 and multiply by \$100.	0.2833
47.	2020 voter-approval tax rate	0.4635
48.	COUNTIES ONLY	0.4635
STEP 3 NNR Tax Rate and Voter-Approval Tax Rate Adjustments for 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 NNR and voter-approval 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 NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
49.	Taxable sales. For taxing units that adopted the sales tax in November 2019 or May 2020, enter the Comptroller's estimate of taxable sales for the previous four quarters. Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2019, skip this line.	0
50.	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. Taxing units that adopted the sales tax in November 2019 or in May 2020. Multiply the amount on Line 49 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95[3] -or- Taxing units that adopted the sales tax before November 2019. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	0
51.	2020 total taxable value. Enter the amount from Line 21 of the No-New-Revenue Tax Rate Worksheet.	237,007,566
52.	Sales tax adjustment rate. Divide Line 50 by Line 51 and multiply by \$100.	0.0000
53.	2020 NNR tax rate, unadjusted for sales tax. [35] Enter the rate from Line 26 or 27, as applicable, on the No-New-Revenue Tax Rate Worksheet.	\$.452900
54.	2020 NNR tax rate, adjusted for sales tax. Subtract Line 52 from Line 53.	\$.452900
55.	2020 voter-approval tax rate, unadjusted for sales tax. [36] Enter the rate from	0.4635

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
	Line 47 or Line 48 as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i>	
56.	2020 voter-approval tax rate, adjusted for sales tax. Subtract Line 52 from Line 55.	0.4635
[37]Tex. Tax Code Section [38]Tex. Tax Code Section		

STEP 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.

Line	Activity	Amount/Rate
57.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). [6] Enter the amount certified in the determination letter from TCEQ. The taxing unit shall provide its tax assessor collector with a copy of the letter.[7]	\$0
58.	2020 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>	\$237,007,566
59.	Additional rate for pollution control. Divide Line 57 by Line 58 and multiply by \$100.	0.0000
60.	2020 voter-approval tax rate, adjusted for pollution control. Add Line 59 to one of the following lines (as applicable): Line 47, Line 48 (counties) or Line 56 (taxing units with the additional sales tax).	0.4635
[37]Tex. Tax Code Section [38]Tex. Tax Code Section		

STEP 5: Voter-Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years.[39] In a year where a special taxing unit adopts a rate above the voter-approval tax rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero. Consult with legal counsel to ensure appropriate calculation of the unused increment rate.

For each tax year before 2020, the difference between the adopted tax rate and voter-approval rate is considered zero, therefore the unused increment rate for 2020 is zero.[40]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [41]

Line	Activity	Amount/Rate
61.	2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.0000
62.	2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.0000
63.	2017 unused increment rate. Subtract the 2017 actual tax rate and the 2017 unused increment rate from the 2017 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.0000
64.	2020 unused increment rate. Add Lines 61, 62 and 63.	0.0000
65.	2020 voter-approval tax rate, adjusted for unused increment rate. Add Line 64 to one of the following lines (as applicable): Line 47, Line 48 (counties), Line 56 (taxing units with the additional sales tax) or Line 60 (taxing units with pollution control).	0.0000

STEP 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.[42]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [41]

Line	Activity	Amount/Rate
66.	Adjusted 2020 NNR M&O tax rate. Enter the rate from Line 38 of the <i>Voter-Approval Tax Rate Worksheet</i>	0.1742
67.	2020 total taxable value Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>	237,007,566
68.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 67 and multiply by \$100.	0.2109
69.	2020 debt rate Enter the rate from Line 46 of the <i>Voter-Approval Tax Rate Worksheet</i>	0.2833
70.	De minimis rate Add Lines 66, 68 and 69.	0.6684

STEP 7: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate 0.4529

Voter-Approval Tax Rate 0.4635

De minimis rate 0.6684

STEP 8: Taxing Unit Representative Name and Signature

print here

Tammy McRAE

Printed Name of Taxing Unit Representative

sign here

Tammy McRAE

Taxing Unit Representative

Date

July 29, 2020

Effective Tax Rate Report

Tax Year: 2020

Taxing Unit: CMA - City Of Magnolia

NEW EXEMPTIONS:

	COUNT	2019 ABSOLUTE EX VALUES	2020 PARTIAL EX VALUES
NEW EXEMPT PROPERTY	1	\$0	
NEW HS EXEMPTIONS	12		\$50,000
NEW PRO EXEMPTIONS	0		\$0
NEW OA EXEMPTIONS	10		\$223,960
NEW DP EXEMPTIONS	1		\$0
NEW DV1 EXEMPTIONS	0		\$0
NEW DV2 EXEMPTIONS	0		\$0
NEW DV3 EXEMPTIONS	0		\$0
NEW DV4 EXEMPTIONS	1		\$12,000
NEW DVX EXEMPTIONS	0		\$0
NEW HB386 EXEMPTIONS	0		\$0
NEW PC EXEMPTIONS	0		\$0
NEW FRSS EXEMPTIONS	0		\$0

ABSOLUTE EX TOTAL		\$0
PARTIAL EX TOTAL	(+)	\$285,960
2019 TAXABLE VALUE LOST DUE TO PROPERTY BECOMING EXEMPT IN 2020	(=)	\$285,960

NEW ANNEXED PROPERTY:

	COUNT	APPRAISED VALUE	TAXABLE VALUE
NEWLY ANNEXED PROPERTY	1	\$0	\$0
IMPROVEMENT SEGMENTS	0	\$0	
LAND SEGMENTS	3	\$0	
MINERAL	0	\$0	
OTHER	0	\$0	

TAXABLE VALUE ON NEWLY ANNEXED PROPERTY:	\$0
--	-----

NEW AG APPLICATIONS:

NEW AG APPLICATIONS COUNT	0
2019 MARKET	\$0
2020 USE	(-) \$0
VALUE LOST DUE TO AG APPLICATIONS:	(=) \$0 (\$0 Taxable)

NEW IMPROVEMENTS:

	COUNT	TOTAL APPRAISED VALUE ¹	NEW CURRENT TAXABLE ²
NEW IMPROVEMENTS	4	\$696,620	\$90,440
RESIDENTIAL	4	\$696,620	\$90,440
COMMERCIAL	0	\$0	\$0
OTHER	0	\$0	\$0
NEW ADDITIONS	3	\$1,264,940	\$717,070

RESIDENTIAL	2	\$322,730	\$1,370
COMMERCIAL	1	\$942,210	\$715,700
OTHER	0	\$0	\$0
PERCENT COMPLETION CHANGED	0	\$0	\$0
TOTAL NEW PERSONAL VALUE	0	\$0	\$0
SECTION 52 & 59	0	\$0	\$0
REDUCED/EXPIRING ABATEMENTS	0	\$0	\$0
TOTALS:		\$1,961,560	\$807,510

2019 TOTAL TAXABLE (EXCLUDES UNDER PROTEST)	\$229,752,167
2019 OA DP FROZEN TAXABLE	\$0
2019 TAX RATE	0.4645
2019 OA DP TAX CEILING	\$0
2020 CERTIFIED TAXABLE	\$188,205,679
2020 TAXABLE UNDER PROTEST	\$55,948,007
2020 OA FROZEN TAXABLE	\$0
2020 DP FROZEN TAXABLE	\$0
2020 TRANSFERRED OA FROZEN TAXABLE	\$0
2020 TRANSFERRED DP FROZEN TAXABLE	\$0
2020 OA FROZEN TAXABLE UNDER PROTEST	\$0
2020 DP FROZEN TAXABLE UNDER PROTEST	\$0
2020 TRANSFER OA WITH FROZEN TAXABLE UNDER PROTEST	\$0
2020 TRANSFER DP WITH FROZEN TAXABLE UNDER PROTEST	\$0
2020 APPRAISED VALUE	\$253,995,980
2020 OA DP TAX CEILING	\$0

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

2019 total taxable value.	1. \$229,752,167
2019 tax ceilings.	2. \$0
2019 total adopted tax rate.	4. 0.464500
a. 2019 M&O tax rate.	a. 0.178400
b. 2019 I&S tax rate.	+b. 0.286100
2019 taxable value of property in territory deannexed after Jan. 1, 2019.	7. \$0
2019 taxable value lost because property first qualified for an exemption in 2020.	8. \$285,960
a. Absolute exemptions.	a. \$0
b. Partial exemptions.	+b. \$285,960
2019 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 2020.	9. \$0
a. 2019 market value.	a. \$0
b. 2020 productivity or special appraisal value.	-b. \$0
2020 certified taxable.	\$188,205,679
2020 tax ceilings.	18. \$0
Total 2020 taxable value of properties in territory annexed after Jan. 1, 2019.	20. \$0
Total 2020 taxable value of new improvements and new personal property	21. \$807,510

* 2019 Values as of Supplement 12.

ORDINANCE NO. O-2020-022

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS, APPROVING AND ADOPTING THE FISCAL YEAR 2020-2021 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 24th day of July 2020, the Mayor filed with the City Secretary a proposed budget of expenditures for the City of Magnolia for the fiscal year 2020-2021, 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 20th day of August 2020, 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 2020-2021"

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 7. This ordinance shall take effect immediately after its passage.

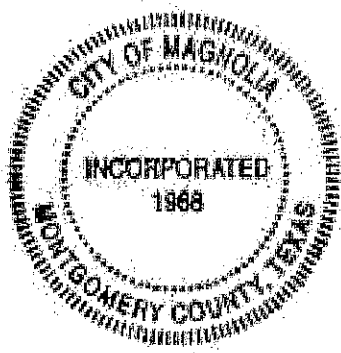
City Council Members Present Were:

	Aye	Nay	Absent
Mayor Todd Kana	___	___	___
Council member Daniel Miller Position 1	___	___	<u>X</u>
Council member Matthew Dantzer 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>	___	___

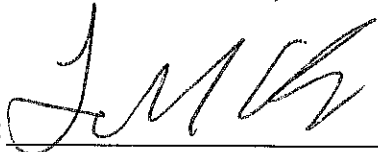
Member(s) Present But Not Voting:

<u>Mayor Todd Kana</u>	___	___	___
_____	___	___	___


DULY PASSED BY THE CITY COUNCIL OF THE CITY OF MAGNOLIA, TEXAS on this the 25th day of August 2020.



THE CITY OF MAGNOLIA, TEXAS

By: 
Todd Kana, Mayor

ATTEST:


Diane Hurley, Interim City Secretary

ORDINANCE NO. O-2020-023

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 2020 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 on or before September 18, or as soon thereafter as practicable, the governing body of each taxing unit shall adopt a tax rate for the current year; and

WHEREAS, this year's levy to fund maintenance and operations expenditures does not exceed last year's maintenance and operations tax levy. The ordinance, resolution, or order setting this year's tax rate does not require the statements about 'tax increase' as specified in 26.05(b) of Property Tax Code.

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

WHEREAS, the proposed tax rate for the current tax year of the City of Magnolia, Texas, consists of two such components; a tax rate of **twenty eight and thirty three hundredths cents (0.2833)** for debt service and a tax rate of **sixteen and ninety six hundredths cents (0.1696)** 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 25th day of August 2020, 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 2020 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 2020, and for each year thereafter until otherwise provided, an ad valorem tax at the rate of **sixteen and ninety six hundredths cents (0.1696)** on each One Hundred Dollars (\$100.00) of assessed valuation on all property, real, personal, and mixed, within the corporate city limits upon which an 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.

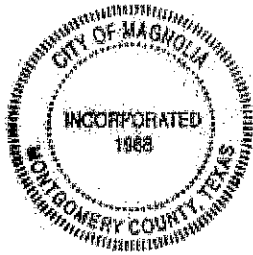
Section 4. For the purpose of paying the interest on bonds, warrants, certificates of obligation, or other lawfully authorized evidence of indebtedness issued by the City of Magnolia, Texas, including the various installments of principal due on the serial bonds, warrants, certificates of obligation, 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 2020-2021, 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 2020 and for each year thereafter until otherwise provided, to be assessed and collected upon all property described in Section 3 of this Ordinance, an annual ad valorem tax at the rate of **twenty eight and thirty three hundredths cents (0.2833)** on each One Hundred Dollars (\$100.00) of assessed valuation.

Section 5. All ad valorem taxes levied hereby, in the total amount of **forty five and twenty nine hundredths cents (0.4529)** 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, 2021. All ad valorem taxes due the City of Magnolia, Texas, and not paid on or before January 31, 2021 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.

SIGNATURES TO FOLLOW ON NEXT PAGE

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 25th day of August 2020.



THE CITY OF MAGNOLIA, TEXAS

A handwritten signature in black ink, appearing to read "Todd Kana".

By: _____

Todd Kana, Mayor

ATTEST:

A handwritten signature in black ink, appearing to read "Diane Hurley".

Diane Hurley, Interim City Secretary

City of Magnolia

Budgeting Process

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

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

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

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

City of Magnolia

Financial Policies:

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

Accounting

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

Annual Reporting

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

Interim Reporting

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

Budgeting

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

Revenues

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

Capital Equipment

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

City of Magnolia

Long-Term Debt

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

City of Magnolia

Comprehensive Plan

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

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

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

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

Strategic Recommendations

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

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

Glossary

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

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

Annual Budget – A budget applicable to a single fiscal year

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

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

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

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

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

Department – Separate branch of operation in the organization structure

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

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

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

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

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

Glossary (cont.)

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

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

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

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

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

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