

**MIDLAND CITY COUNCIL
MINUTES
August 16, 2016**

The City Council convened in a Special Session in the **Council Chamber**, City Hall, Midland, Texas, at ____ a.m. on August 16, 2016.

Council Members present: Mayor Jerry F. Morales, Mayor Pro Tem Council Member J. Ross Lacy (District 4), Council Member Scott Dufford (At-Large), Council Member Spencer Robnett (At-Large), Council Member Jeff Sparks (District 1), Council Member John B. Love III (District 2), and Council Member Sharla Hotchkiss (District 3).

Council Members absent: None.

PUBLIC HEARINGS

1. Hold a public hearing regarding a proposal establishing the ad valorem tax rate of \$0.403560 per \$100 taxable assessed valuation for the Fiscal Year 2016-2017. This is a public hearing only. No further action will be taken. (FINANCE)

cto 10:03

Finance Director Pam Simecka gave a brief overview first of two required public hearing to gather public input on 16 17 budget.

Lacy current proper val net increase over last year \$146 M decrease valuation real estate ? blunt increase is happening in oil and gas. since 2008 assessed valuation inc 6.6 b. current tax valuation bring in additional 1.6 m. effective over last year. this years effect 3.6 plus 3% brings in 4.9 M so to tell community bringing in same amount of money as last year. don't support anything other than current effective rate.

Mayor Morales opened the public hearing at 10:05 a.m.

Sue Brannon, 4501 Cardinal, publically thank J. Ross Lacy for trying to hold budget. This isn't time to be holding taxes but some places to cut budget. wish all listen and see what can be done. Economy in Midland is rough for everybody not time to raise taxes. What happened to road fund that have always had for street maintenance. Lacy put more money in road fund only approx .5 M this year 5.3 M fall short of \$25 M for streetmaint fund. Have prev issue of not putting money in maintenance program that needed. This council diligent about. Previous council members taken money out of fund and used somewhere else. Love Midland be ehre want whats best for Midland appreciate hold tax rate. Morales prior to 08 no true master plan in his opinion. Hailey in her district unpaved roads so that Council began to identify strategic plan of unpaved roads in addition to o&m and that is when started to come to fruition. It's challenging, weather is an issue. This summer heard from staff about how weather affect roads, o7g truck traffic and other issues. come a long a ways but suffered a couple of years. Lacy ice apocolys did damage that is tough to address. The only maintenance on her road is patch asphalt. Concerned that money spent other places. Morales because of federal law had to improve all ramps so sometimes that was an issue to be in compliance and that is where funds were used.

Misty Goodman, 2811 Metz, returned after boom recently returned last year the number one question is where are all the Josephs? Joseph is someone from old testament who prepared in tiems of surplus for the times of drought amnd famine. Midland is an oil tonw know bust is coming, when look around and see tax increase her family is of 6 on one income. Numbers are massive. They took significant pay cuts to come home. She wants to know what there is that says going to take money when have had money over last several eyars and hasnt' been used faithfully. Especially when see new communitty center. Would love for kids but need to take care of basic needs first. Her question is what is different now other than just hhaving more money. In this instance haven't seen faithfulness in small things to make want to give more of her family's fmoney to support and ustify numbers. Mayor mirror of several thousand in community that think that. Midland tax rate very low compared to texas. when came in was 58 cents but now 38 cents has come down. Fantastic job of insuring have a strong savings account to ensure city can continue to move forward. Didn't have to lay off police or fire. One comment populaiton is growing continue to grow as community. Thought mass exodous last year and it hassn't happened. If want to maintain services of water, trash, parks and trying to continue to improve all areas. ONe relaly good swimming pool and washington suffereing. IT's a challenge. Didn't go after certificate of obligation set aside even though roads in need. As leader makes him nervous but continue to grow. This community could be at 180,000 in 2028. How pay for roads. 2011 didn't raise taxes had to double the following year. Learned from past talked about where going. Misty do understand population growth in Midst of that too buying a house again paid 4 times what paid when left in 2010. Valuations increased 6.6 B lacy. There is a significant amount of property tax increase because value increase also think more money coming in with property taxes. Robnett also more requirement for City services hand in hand. Morales down 20% in last 12 months and fees if nobody spending or doing activities lose that portion. Midland paid with hotel/motel tax not addiitonal tax to citizens. go after projects that don't need new taqxes. Lacy agree 50% of budget is police and fire personnel 58%. Health care up 1.3 M thanks to affordable care act.

John Lebowski, 2001 College Ave, support proposed rate increase avg of \$30 thats less than \$1 per week if keeps more employees to keep trash and water flowing. Understanding growing if have more roads and maintain ones already have. PReviously sand and ol on road it was a joke. Supports the increase and think if City is slowing down now have time to catch up. Now opportunity. Please ddo it.

Lonnie Beardon 2907 N Down Polace, mixed feelings about the tax. his concern is like to be straight. Somebody has got to see this coming about highs and lows of o7g. Been her esince 1953. Been through highs and lows booms and bust. Sales tax going down, and property values changing. House in bought in 1989 increased in value 3X since bbought it. That's fine, asset should increase in value. If don't have money coming in may have to lay off a server may not be able to add onto back of store to ahve customers come in and set that way for a couple years until things pick up. As far as fire and police pro. If want to make it 70% of budget fine with him. Retired deputy proactive. But other things maintenance need to stick with those budget. If take money out of budget to fix roads replace police cars assume will do that every year so taht should be a big deal. His concern is look forward every year to what is going on in Midland. Care less about plano. IF have to do taxes by \$30 will bring \$30 but. Mayor bring up great opint speak to what staff did this year when saw sales tax what cutback. Courtney put on a hiring freeze, slowed down on capitla projects. they do look for highs

and lows which is why have healthy savings account to deal with catastrophic needs. One thing in planning and good times fund balance got to level where able to pay cash for new municipal court building, fire station built. used surplus for one time capital project. Staff also directed to cut 5% out of their budgets. Some so small that 5% would be devastating to smaller budgets. ept direct did great job to make cuts. Morales comment when comes to staff without staff you can't get product out the return on investment is pretty bad. Right now understaffed. Ron not saying wasting money would never say that or Midland County all got to do the same thing in business had to do same thing. Askign to look forward newspaper says newspaper that is not way life works down here. Sales tax adamant that sales tax was unrealistic think \$36 M budgeted this year.

There being no one else wishing to speak, the public hearing was closed at 10:28 a.m.

Sparks make sure on same page, water bills paid for out of utility. Sanitation for garbage bill. A lot of those things are not paid out of this particular tax this primary for public safety, roads, administration. Just want ot make sure what this is for. Other is it bothers when all talk about is got to raise your taxes because of growth because every time need to talk about growth need to raise taxes. Had \$432 M added to property base so if keep effective tax rate the property tax bring in 1.68 moreM. Think places can cut further in budget may not be able to get all the way down to effective. think 4% over effective is too much. think there are palces that can hold the line. Morales think 4% is a little higher than what accustomed to.

Love Texas does not have income tax and as result have higher prop taxes than other states. Right now Midland has extremely low property taxes, dont' want ot liv ein City wher einfrastructure in crumbling. Need about \$25 M a year to maintain rooads. Other Councils kicked can down street. City invests in eprsoonnnel majority of budget, in this budget advocating 3% cola to keep personnel we have. Need to do same thing with infrastructure. Waht putting in is quite embarassing. If can cut budget then need to put to infrastructure and this council kicking can down road. Legislature is attempting to limit amount cities can raise property taxes. See scenario where so far behind on infrastructure because trying to keep taxes down. and might be painting in corner if leg gets ways may be in serious trouble that will prevent them from addressing ifnrastructure. he made motion for effect plus 4 because highest rate knowing can come down but will support effective plus 3%. Robnett genesis was max of vote was effective plus 4%. Lacy the level of investment cannoot be address through property taxes in his opin. Need hundred of millions of dollars of CO should go thorough vote. Here to mae decisions but not for jundreds of millions of dollars. Robnett it will take signifikan overall. Do what to know what doing during that time. HTochkiss when say infrastructure talking about roads also need to address flooding issues. Increase contorl fo water so don't flood communities. Love example past Friday they working on road repair on Kentucky put down on emulsion and entire east side of Midland went over peopls yards, cars and houses. Yes great to have lowest tax rate of city this size in state but sufferent from it. Not afriad to put neck on line to say what is right as oposed to what people want ot hear. realistically ehavy job ahead of us.

adjourn 10:36 a.m.

All of the business at hand having been completed, the meeting adjourned at _____ p.m.

PASSED AND APPROVED the __ day of _____, _____.

Jerry F. Morales, Mayor

ATTEST:

Amy M. Turner, City Secretary