



The City Council convened in **Special** Session in the City Hall, Council Chamber, Midland, Texas, at 9:00 AM, Wednesday, July 14, 2021.

Council Members present: Patrick Payton, Spencer Robnett, Michael Trost, Scott Dufford, John Norman, Jack Ladd, Lori Blong

Council Members absent: None

Staff members present: City Manager Robert Patrick, City Attorney John Ohnemiller, Deputy City Manager Morris Williams, Assistant City Manager Tina Jauz

The meeting was called to order at 9:03 a.m

SPECIAL SESSION

1. Conduct a budget work session for the purpose of reviewing and discussing the proposed 2021-2022 City of Midland Budget

Interim Finance Director Christy Weakland made introductions and thanked the budget team for all of their work.

Budget Manager Jamie Radcliff reported that the Fiscal Year 2021-2022 budget has gone through several levels of review. She shared a PowerPoint presentation reviewing population growth. Midland is now the 20th largest City in Texas with a population of 153,768 which is a 38% increase since 2010. She reviewed residential permits issued, and oil and gas permits issued. She reviewed the budget priorities set by Council and items in the budget that addressed those priorities.

The proposed budget is based on the no new revenue tax rate of 37.1 cents per \$100 of valuation. She reviewed Midland's property tax compared to surrounding and comparable cities noting that Midland is the lowest. She shared a chart of the combined tax rate from 2011 through 2021. She explained the changes in the law pertaining to budgeting and that the cap of increased revenue before voter approval is required is 3%. The average home value has increased by 6% and the average home valued at \$288,698 is taxed \$1,071.42.

She reviewed the list of items that could be added if Council decides to adopt the voter approval rate. A chart of possible tax rates was reviewed. She reviewed each of the funds

highlighting major categories of revenue and expense for each fund.

City Manager Robert Patrick noted that a discussion needs to take place regarding hotel/motel funds. Staff was asked what it would take to make them whole. Potential funding sources include Hotel/Motel fund balance, MDC or CARES Act funds. Some groups are doing layoffs so this needs to be addressed. Council Member Blong noted that direction was given to the committee to focus on groups that put heads in beds. If that is not the direction, updated information needs to be given to the committee.

Danny Holeva, Arts Council Midland, emphasized the importance of arts organizations within the City noting that they have worked with the City for over 30 years to re-grant money for arts programming in the City. His funds were cut by 90% over the previous year and 38% the year before that. He appreciates the relationship he has with the City. He hopes they can meet at a half way point. The Celebration of the Arts is this weekend at the Bush Convention Center and it a free family event.

Following discussion, City Manager Robert Patrick summarized that he heard Council's desire was to make hotel/motel funding recipients whole and that \$912,000 would be used of the CARES Act funds for that purpose. Consensus was received.

Ms. Radcliff reviewed the calendar of next steps to adopt the budget and tax rate. On August 10th the Council will establish the proposed tax rate. The public hearing on the budget and tax rate and the first readings of the ordinances will be August 24th. The second reading of the budget and tax rate ordinances will be September 14th.

All the business at hand having been completed, the meeting adjourned at 10:39 a.m.

PASSED AND APPROVED August 10, 2021.

Patrick Payton, Mayor

ATTEST:

Amy M. Turner, City Secretary