

CITY OF MIDLAND, TEXAS
AGENDA FOR CITY COUNCIL MEETING

August 26, 2013 – 9:00 AM
Council Chamber - City Hall
300 North Loraine
Midland, Texas

The Midland City Council agenda is posted for public notice at least 72 hours prior to the Tuesday meetings. All requests to be placed on the Council agenda by the public must be submitted to the City Manager, in writing, at least one week before the Council meetings. Such written requests must be in sufficient detail to identify the subject matter as well as the contact person who will represent the matter before the Council. The City Council reserves the right to not consider matters over which the City has no jurisdiction.

OPENING ITEMS

1. Invocation -
2. Pledge of Allegiance

CONSENT AGENDA

3. Consider a resolution approving the Fiscal Year 2013-2014 budget of the Midland Development Corporation, a Type A corporation as authorized by Chapter 504 of the Texas Local Government Code. (FINANCE) (2013 - 276)
4. Consider a resolution approving the Fiscal Year 2013-2014 budget for the Midland Football/Soccer and Baseball Complex Development Corporation, a Type B corporation as authorized by Chapter 505 of the Texas Local Government Code. (FINANCE) (2013 - 277)

SECOND READINGS

5. Consider an ordinance on second reading of the City of Midland providing funds for the Fiscal Year beginning October 1, 2013, and ending September 30, 2014, by approving the budget for said period and appropriating and setting aside the necessary funds out of the general and other revenues and unappropriated fund balance of the City of Midland for said Fiscal Year for the maintenance and operation of the various departments and for various activities and improvements to the City; and ordering publication. (FINANCE)(First reading held August 20, 2013.)(9175)
6. Consider an ordinance on second reading fixing the tax levy for the City of Midland, Texas, for the Fiscal Year beginning on October 1, 2013 and ending on September 30, 2014. (FINANCE)(First reading held August 20, 2013.)(9176)

Respectfully Submitted,

Courtney B. Sharp
City Manager

MEETING ASSISTANCE INFORMATION: The Midland City Hall and Council Chamber are wheelchair accessible. If you need special assistance to participate in this meeting, please contact the City Secretary's Office at (432) 685-7430. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



City Council Agenda

Approved for Agenda:
CSharp
City Manager's Office

MEETING DATE: 8/26/2013

TO: City Council / City Manager

FROM: Bob McNaughton, Finance Director

SUBJECT: Consider a resolution approving the Fiscal Year 2013 – 2014 budget of the Midland Development Corporation.

Purpose:

Approval of Fiscal Year 2013 - 2014 annual budget for the Midland Development Corporation, a Type A Corporation

Recommended City Council Action

☒ Approve ☐ Deny ☐ Directional / Informational

Fiscal Impact:

Revenues are budgeted at \$8,930,000 and expenditures are budgeted at \$8,930,000

Discussion:

At the June 28 meeting of the Midland Development Corporation (the Corporation) Board, the budget for Fiscal Year 2014 was considered.

Subsequent to discussion by the Board members and their questions to Midland Development Corporation staff, the attached budget for FY2014 was approved and adopted by the Board.

The attachments are the budget and detail adopted by the Corporation Board.

Pursuant to Article 5190.6 of Vernon's Annotated Civil Statutes, the budget of the Corporation is required to be approved by the City Council.

It is recommended that Council approve the action of the Type A Board in relation to the budget.

RESOLUTION NO. _____

**RESOLUTION APPROVING THE FISCAL YEAR
2013-2014 BUDGET OF THE MIDLAND
DEVELOPMENT CORPORATION, A TYPE A
CORPORATION AS AUTHORIZED BY CHAPTER 504
OF THE TEXAS LOCAL GOVERNMENT CODE**

WHEREAS, the Midland Development Corporation approved its budget for the fiscal year 2013-2014 on June 28, 2013; and

WHEREAS, Chapter 501 of the Texas Local Government Code requires the City Council to approve the Midland Development Corporation's budget;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That all expenditures made in accordance with the following line item(s) of the Midland Development Corporation's fiscal year 2013-2014 budget must first be approved by the Midland City Council:

3905. Economic Development Incentives

SECTION TWO. That the fiscal year 2013-2014 budget for the Midland Development Corporation which is attached hereto, marked as Exhibit "A", and incorporated herein for all legal purposes is hereby approved, upon the conditions stated in Section One above.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2013, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

W. Wesley Perry, Mayor

ATTEST:

Amy M. Turner, City Secretary

RECOMMENDED AND APPROVED:

Courtney Sharp, City Manager

APPROVED AS TO FORM:

Keith Stretcher, City Attorney

MIDLAND DEVELOPMENT CORPORATION
Budget for October 1, 2013 through September 30, 2014

	ACTUAL 2011 - 2012	BUDGET 2012 - 2013	BUDGET 2013 - 2014
<u>OPERATING EXPENSES</u>			
1000. Personnel Services			
1010. Base Salary	\$ 357,370	\$ 345,000	\$ 335,000
1059. Car Allowance	15,648	20,300	18,700
1090. FICA MDC Portion	25,714	30,250	29,000
1110. Hospital Insurance MDC Portion	34,919	44,000	40,000
1135. ACOC Profit Sharing	43,059	35,000	40,000
1104. Unemployment Insurance	0	750	750
TOTAL 1000	<u>476,710</u>	<u>475,300</u>	<u>463,450</u>
2000. Commodities			
2010. Office Supplies	15,911	19,000	19,000
2115. Minor Furniture and Fixtures	8,136	5,000	5,000
2155. Minor Computer Hardware & Peripherals	7,985	2,000	2,000
2160. Computer Minor Software & Supplies	9,384	4,000	3,000
2620. Postage	555	3,000	3,000
TOTAL 2000	<u>41,971</u>	<u>33,000</u>	<u>32,000</u>
3000. Contractual Services			
3010. Communications	8,061	9,000	10,000
3030. Light & Power	190	250	250
3040. Water	744	3,000	1,000
3110. Insurance - External	5,093	8,500	9,200
3210. Hire of Equipment	48	0	0
3212. Equipment Rental - External	4,973	5,500	5,500
3220. Marketing and Advertising	269,610	300,000	400,000
3390. Other Special Services	15,338	15,000	25,000
3405. Software Maintenance	4,575	7,000	7,000
3410. Legal Fees	0	0	0
3440. External Audit Fees	12,300	13,000	13,000
3450. Consulting Fees	82,768	85,000	100,000
3510. Travel & Entertainment	56,028	105,000	90,000
3520. Dues and Subscriptions	43,664	38,000	38,000
3530. Training, Registration Fees	8,560	18,000	18,000
3905. Economic Development Incentives	200,000	12,445,656	1,571,729
3907. Business Recruitment & Retention	25,052	39,000	40,000
3908. International Business Development	0	0	0
3909. Committed Business Incentives	(100,000)	200,000	5,737,500
3920. Rent	25,446	47,184	47,184
TOTAL 3000	<u>\$ 662,450</u>	<u>\$ 13,339,090</u>	<u>\$ 8,113,363</u>

MIDLAND DEVELOPMENT CORPORATION
Budget for October 1, 2013 through September 30, 2014

	ACTUAL 2011 - 2012	BUDGET 2012 - 2013	BUDGET 2013 - 2014
<u>OPERATING EXPENSES</u>			
5000. Maintenance of Equipment			
5120. Maintenance of Inst and App	\$ 8,186	\$ 10,000	\$ 13,000
TOTAL 5000	<u>8,186</u>	<u>10,000</u>	<u>13,000</u>
6000. Miscellaneous			
6188. MOTRAN	67,000	67,000	78,500
6202. General Fund Services	239,760	188,551	209,687
6329. Transfer to MDC Construction Fund	0	5,000,000	0
6990. Miscellaneous	<u>10,000</u>	<u>0</u>	<u>0</u>
TOTAL 6000	<u>316,760</u>	<u>5,255,551</u>	<u>288,187</u>
7000 / 8000. Capital Purchases			
7000. Land	0	0	0
8490. Computer Hardware (over \$1,000)	0	10,000	10,000
8900. Computer Software (over \$1,000)	<u>0</u>	<u>11,500</u>	<u>10,000</u>
Total 7000 / 8000	<u>0</u>	<u>21,500</u>	<u>20,000</u>
GRAND TOTAL	\$ <u><u>1,506,077</u></u>	\$ <u><u>19,134,441</u></u>	\$ <u><u>8,930,000</u></u>

MIDLAND DEVELOPMENT CORPORATION
Budget for October 1, 2013 through September 30, 2014

	ACTUAL 2011 - 2012	BUDGET 2012 - 2013	BUDGET 2013 - 2014
REVENUE AND RECEIPTS			
Sales Tax	\$ 8,868,154	\$ 8,109,441	\$ 8,900,000
Interest / Investment Income	28,668	25,000	30,000
Sale of Land	0	0	0
Other	155,948	0	0
TOTAL REVENUE AND RECEIPTS	\$ 9,052,770	\$ 8,134,441	\$ 8,930,000
SUMMARY OF EXPENSES BY ORGANIZATION			
0150 Nondepartmental	\$ 1,506,077	\$ 19,134,441	\$ 8,930,000
TOTAL	\$ 1,506,077	\$ 19,134,441	\$ 8,930,000
SUMMARY OF EXPENSES BY CLASSIFICATION			
<u>OPERATING EXPENSES</u>			
1000. <u>Personnel Services</u>	\$ 476,710	\$ 475,300	\$ 463,450
2000. Commodities	41,971	33,000	32,000
3000. Contractual Services	662,450	13,339,090	8,113,363
5000. Maintenance of Inst And Apparatus	8,186	10,000	13,000
6000. Miscellaneous	316,760	5,255,551	288,187
7000 / 8000. Capital Purchases	0	21,500	20,000
TOTAL OPERATING EXPENSES	\$ 1,506,077	\$ 19,134,441	\$ 8,930,000
GRAND TOTAL	\$ 1,506,077	\$ 19,134,441	\$ 8,930,000

MIDLAND DEVELOPMENT CORPORATION
Summary of Revenues, Expenditures and Changes in Fund Balance

	ACTUAL 2011 - 2012	BUDGET 2012 - 2013	BUDGET 2013 - 2014
Balance October 1, 2011	\$ <u>31,304,655</u>		
Estimated Balance October 1		\$ <u>38,851,348</u>	\$ <u>27,851,348</u>
Revenues:			
Sales Taxes	8,868,154	8,109,441	8,900,000
Interest / Investment Income	28,668	25,000	30,000
Sale of Land	0	0	0
Other	<u>155,948</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>9,052,770</u>	<u>8,134,441</u>	<u>8,930,000</u>
Expenditures:			
Personnel Services	476,710	475,300	463,450
Commodities	41,971	33,000	32,000
Contractual Services	662,450	13,339,090	8,113,363
Maintenance of Inst and App	8,186	10,000	13,000
Miscellaneous	316,760	5,255,551	288,187
Capital Purchases	<u>0</u>	<u>21,500</u>	<u>20,000</u>
Total Expenditures	<u>1,506,077</u>	<u>19,134,441</u>	<u>8,930,000</u>
Net Revenues (Expenditures)	<u>7,546,693</u>	<u>(11,000,000)</u>	<u>0</u>
Estimated Balance October 1:			
Restricted for ED Incentives	20,036,000	22,486,500	17,340,000
Restricted for Encumbrances	0	0	0
Restricted for Promotional Activities	2,303,479	2,813,479	3,403,479
Unappropriated Fund Balance	<u>16,511,869</u>	<u>2,551,369</u>	<u>7,107,869</u>
Total Estimated Balance October 1	\$ <u><u>38,851,348</u></u>	\$ <u><u>27,851,348</u></u>	\$ <u><u>27,851,348</u></u>



City Council Agenda

Approved for Agenda:
CSharp
City Manager's Office

MEETING DATE: 8/26/2013

TO: City Council / City Manager

FROM: Bob McNaughton, Finance Director

SUBJECT: Consider a resolution approving the Fiscal Year 2013 – 2014 budget of the Midland Football/Soccer and Baseball Complex Development Corporation.

Purpose:

Approval of Fiscal Year 2013 - 2014 annual budget for the Midland Football/Soccer and Baseball Complex Development Corporation, a Type b Corporation

Recommended City Council Action

☒ Approve ☐ Deny ☐ Directional / Informational

Fiscal Impact:

Annual revenue and expenditure budget of Corporation is balanced at \$8,903,900.

Discussion:

At the June 6 meeting of the Midland Football/Soccer Corporation (the Corporation) Board, the budget for Fiscal Year 2014 was considered.

Subsequent to discussion by the Board members and their questions to City staff, the attached budget for FY2014 was approved and adopted by the Board.

The attachments are the budget and detail adopted by the Corporation Board.

Pursuant to Article 5190.6 of Vernon's Annotated Civil Statutes, the budget of the Corporation is required to be approved by the City Council.

RESOLUTION NO. _____

**RESOLUTION APPROVING THE FISCAL YEAR
2013-2014 ANNUAL BUDGET FOR THE MIDLAND
FOOTBALL/SOCCER AND BASEBALL COMPLEX
DEVELOPMENT CORPORATION, A TYPE B
CORPORATION AS AUTHORIZED BY CHAPTER 505
OF THE TEXAS LOCAL GOVERNMENT CODE**

WHEREAS, the Board of Directors of the Midland Football/Soccer and Baseball Complex Development Corporation approved their budget on June 6, 2013; and

WHEREAS, Chapter 501 of the Texas Local Government Code, as amended, requires the City Council to approve the Midland Football/Soccer and Baseball Complex Development Corporation's budget;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF MIDLAND, TEXAS:**

THAT the fiscal year 2013-2014 budget for the Midland Football/Soccer and Baseball Complex Development Corporation which is attached hereto, marked as Exhibit "A", is hereby approved.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2013, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

W. Wesley Perry, Mayor

ATTEST:

Amy M. Turner, City Secretary

RECOMMENDED AND APPROVED:

Courtney Sharp, City Manager

APPROVED AS TO FORM:

Keith Stretcher, City Attorney

**MIDLAND FOOTBALL-SOCCER AND BASEBALL COMPLEX
DEVELOPMENT CORPORATION**
Budget for October 1, 2013 through September 30, 2014

	ACTUAL 2011 - 2012	BUDGET 2012 - 2013	BUDGET 2013 - 2014
REVENUE AND RECEIPTS			
Sales Tax	\$ 8,868,154	\$ 8,109,365	\$ 8,900,000
Unclassified	<u>3,900</u>	<u>3,900</u>	<u>3,900</u>
TOTAL REVENUE AND RECEIPTS	<u>\$ 8,872,054</u>	<u>\$ 8,113,265</u>	<u>\$ 8,903,900</u>
 SUMMARY OF EXPENSES BY ORGANIZATION			
0150 Nondepartmental	<u>\$ 8,872,054</u>	<u>\$ 8,113,265</u>	<u>\$ 8,903,900</u>
TOTAL	<u>\$ 8,872,054</u>	<u>\$ 8,113,265</u>	<u>\$ 8,903,900</u>
 SUMMARY OF EXPENSES BY CLASSIFICATION			
<u>OPERATING EXPENSES</u>			
1000. Personnel Services	\$ 0	\$ 0	\$ 0
2000. Commodities	0	0	0
3000. Contractual Services	8,872,054	8,113,265	8,903,900
4000. Maintenance - Structures	0	0	0
5000. Maintenance - Equipment	0	0	0
6000. Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING EXPENSES	<u>8,872,054</u>	<u>8,113,265</u>	<u>8,903,900</u>
 <u>CAPITAL OUTLAY</u>			
7000. Land - Buildings	0	0	0
8000. Equipment	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTAL	<u>\$ 8,872,054</u>	<u>\$ 8,113,265</u>	<u>\$ 8,903,900</u>
 DETAIL OF EXPENSES BY CLASSIFICATION			
<u>OPERATING EXPENSES</u>			
3000. Contractual Services			
3355. Sports Complex Const. Contract	\$ 8,868,154	\$ 8,109,365	\$ 8,900,000
3440. External Audit Fees	<u>3,900</u>	<u>3,900</u>	<u>3,900</u>
TOTAL 3000	<u>8,872,054</u>	<u>8,113,265</u>	<u>8,903,900</u>
GRAND TOTAL	<u>\$ 8,872,054</u>	<u>\$ 8,113,265</u>	<u>\$ 8,903,900</u>



City Council Agenda

Approved for Agenda:
CSharp
City Manager's Office

MEETING DATE: 8/26/2013

TO: City Council / City Manager

FROM: Bob McNaughton, Finance Director

SUBJECT: Consider an Ordinance of the City of Midland on second reading providing funds for the Fiscal Year beginning October 1, 2013, and ending September 30, 2014, by approving the budget for said period and appropriating and setting aside the necessary funds out of the General and other revenues and unappropriated fund balance of the City of Midland for said Fiscal Year for the maintenance and operation of the various departments and for various activities and improvements to the City and ordering publication.

Purpose:

Adoption of Fiscal Year 2013 - 2014 budget to provide for City operations.

Recommended City Council Action

☒ Approve ☐ Deny ☐ Directional / Informational

Fiscal Impact:

As discussed in budget workshop on July 8, 2013, in public hearing held at 9:00 A.M. on August 20, 2013 and as first voted on August 20, 2013.

Discussion:

Adoption of a City budget is required by the provisions Article 689a-13, Title 20 of the Revised Civil Statutes of the State of Texas and by provisions of the Midland City Charter.

Adoption of the budget should be prior to the adoption of the tax levy necessary to fund the budget.

The proposed budget is submitted as the general operating plan for the City for the fiscal year beginning October 1, 2013, and ending September 30, 2014.

Notices of the public hearings on the budget and tax rate and of the vote on the tax rate were published in the MRT as required by statute.

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF MIDLAND PROVIDING FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014, BY APPROVING THE BUDGET FOR SAID PERIOD AND APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES AND UNAPPROPRIATED FUND BALANCE OF THE CITY OF MIDLAND FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS TO THE CITY; AND ORDERING PUBLICATION

WHEREAS, as required by Article IV, Section 14, of the City Charter, the City Manager has prepared and submitted to the City Council a Budget Estimate of expenditures and revenues of all City departments, activities, and offices for the year beginning October 1, 2013, and ending September 30, 2014; and

WHEREAS, said Budget has been filed with the City Secretary of the City of Midland, Texas, as required; and

WHEREAS, notices of a public hearing upon said Budget have been duly and legally made; and

WHEREAS, said public hearing has been held and full and final consideration given said Budget; and

WHEREAS, the City of Midland is a municipality participating on a full-salary basis in the several programs presently operated by the Texas Municipal Retirement System; and

WHEREAS, the City Council is of opinion that it is to the best interest of the City that employees and annuitants whose last covered employment under the System was as an employee of the City shall participate in the Supplemental Death Benefits Fund operated by said System;

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

SECTION ONE. That for the purpose of providing the funds necessary and proposed to be expended in the Budget of the City of Midland for the fiscal year beginning October 1, 2013, and ending September 30, 2014, the Budget prepared by the City Manager and submitted to the City Council for its consideration and approval is hereby approved, and the available resources and revenues of the City of Midland as set forth in said Budget for said fiscal year, are hereby appropriated and set aside for the maintenance and operation of the various departments of the Government of the City of Midland, together with the various activities and improvements as set forth in said Budget; and the appropriations shall be strictly applied for the uses and purposes in the respective divisions as provided for in said Budget.

SECTION TWO. That the said Budget for the fiscal year beginning October 1, 2013, and ending September 30, 2014, approved herein shall be attached to and made a part of this ordinance the same as if copied in full herein. Said Budget being on file in the City Secretary's office referenced by the number and date of this Ordinance.

SECTION THREE. That expenditures during the fiscal year beginning October 1, 2013, and ending September 30, 2014, shall be made in accordance with the summary Budget approved by this ordinance unless otherwise authorized by a duly enacted resolution or ordinance of the City of Midland and subject to the following provisions and conditions to wit:

1. That no expenditure may be made without Council approval which shall increase the total appropriation for any one Fund.
2. That the City Manager may make amendments to and between departments and divisions unless such amendments would increase the total appropriation within a Fund.
3. That department managers are hereby authorized to approve amendments of amounts between line items within a division if such transfers do not significantly change the work program contemplated in the approved Budget.

SECTION FOUR. During each year while there is any liability by reason of the City's Personnel Policies or Employment Agreements, the City Council shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls with full allowance being made for tax collection, which will be sufficient to raise the money required to pay any sums which may be or become due during any such year, in no instance to be less than two percent (2%) of such obligation, together with all interest thereon, because of the obligations assumed by the City's Personnel Policies or Employment Agreements. Said rate and amount of ad valorem tax will be ordered to be levied against all taxable property in the City for each year while any liability exists by reason of the obligations undertaken by the City's Personnel Policies or Employment Agreements, and said ad valorem tax shall be assessed and collected each year until all of the obligations incurred in the City's Personnel Policies or Employment Agreements shall have been discharged and all liability discharged.

SECTION FIVE. For the purpose of this ordinance certain words as used herein are defined as follows:

1. The term "agency" wherever used in the said Budget shall mean the same and be synonymous with the term "department" as used in the Charter, ordinances, resolutions, and other official documents and policies of the City of Midland, Texas.
2. The term "organization" wherever used in the said Budget shall mean the same and be synonymous with the term "division" as used in the Charter, ordinances, resolutions and other official documents and policies of the City of Midland, Texas.

SECTION SIX. All Departments of the City required to be established by the City Charter, State Law or Federal Law are deemed to be created.

SECTION SEVEN. That all transfers from the Water and Sewer Fund and Sanitation Fund are made in compliance with Sections 1502.057, 1502.058 and 1502.059 of the Texas Government Code.

SECTION EIGHT. That the City Manager shall give notice of water rate increases to appropriate individuals and entities as required by state law.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2013; and passed to second reading on motion of Council member _____, seconded by Council member _____, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, seconded by Council member _____, on the _____ day of _____, A.D., 2013, at a regular meeting of the City Council:

Council members voting "AYE":

Council members voting "NAY":

PASSED AND APPROVED THIS _____ day of _____, A.D., 2013.

W. Wesley Perry, Mayor

ATTEST:

Amy M. Turner, City Secretary

APPROVED AS TO CONTENT:

Robert McNaughton, Director of Finance

APPROVED AS TO FORM:

Keith Stretcher, City Attorney



City Council Agenda

Approved for Agenda:
CSharp
City Manager's Office

MEETING DATE: 8/26/2013

TO: City Council / City Manager

FROM: Bob McNaughton, Finance Director

SUBJECT: Consider an Ordinance of the City of Midland on second reading fixing the tax levy for the City of Midland, Texas, for the Fiscal Year Beginning on October 1, 2013 and ending on September 30, 2014.

Purpose:

Adoption of Fiscal Year 2013 - 2014 tax rates to provide for general governmental operations and payment of tax supported debt.

Recommended City Council Action

☒ Approve ☐ Deny ☐ Directional / Informational

Fiscal Impact:

Proposed ad valorem tax rate of .431927 per \$100 valuation

Discussion:

The proposed rate of .431927 per \$100 valuation for fiscal year 2013 - 2014 is composed of a maintenance and operations rate of .385719 per \$100 valuation and a debt service levy of .046208 per \$100 valuation. Proposed rate is a 2.9161 / 6.32% decrease from FY 2013.

Adoption of the 2013 - 2014 tax levy must follow the adoption of the 2013 - 2014 budget.

Statutory motion for adoption is "I move that the property tax rate be increased by the adoption of a tax rate of Forty-Three Hundredths and One Thousandth and Nine Hundred and Twenty Seven Millionths (43.1927) Cents, per \$100 valuation, which is effectively a 2.78 percent increase in the tax rate."

Attached are the certified appraisal roll received from MCAD on July 22, 2013, the "Notice of Public Hearing on Tax Increase" as published in the MRT on July 26, 2013, the "Notice of Tax Revenue Increase" as published in the MRT on August 14, 2013 and the distribution worksheet for current and delinquent ad valorem tax revenues.



MIDLAND CENTRAL APPRAISAL DISTRICT
4631 ANDREWS HWY.
P. O. BOX 908002 MIDLAND, TEXAS 79708-0002
(432) 699-4991 FAX (432) 689-7185

JERRY BUNDICK
RPA, RTA
Chief Appraiser

July 19, 2013

Mr. Robert McNaughton
Finance Director
City of Midland
P. O. Box 1152
Midland, Texas 79702

Dear Robert:

Enclosed please find the Certification of the 2013 Appraisal Roll for the City of Midland.

If you have any questions, please contact me.

Sincerely,

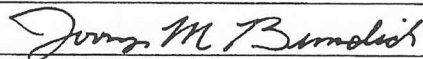
Jerry Bundick, RPA, RTA
Chief Appraiser

JB/cc
Enclosure

**CERTIFICATION OF 2013 APPRAISAL ROLL
CITY OF MIDLAND**

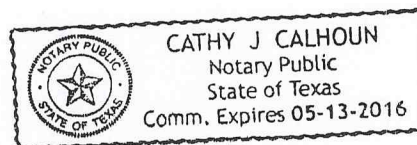
	REAL ESTATE	P P	P&A MIN	P&A PP	TOTALS
GROSS VALUE	\$8,395,246,080	\$747,817,130	\$67,734,830	\$329,882,870	\$9,540,680,910
LOSS DUE TO AGRICULTURAL USE	(\$59,687,120)	\$0	\$0	\$0	(\$59,687,120)
CONSTITUTIONAL EXEMPT PROPERTY	(\$406,020,515)	(\$2,419,340)	(\$183,230)	\$0	(\$408,623,085)
DISABLED VETERAN EXEMPTION	(\$4,589,210)	(\$5,210)	\$0	\$0	(\$4,594,420)
DISABLED VETERAN EXEMPTION FROZEN	\$0	\$0	\$0	\$0	\$0
DISABLED VETERAN EXEMPTION (100%)	(\$14,531,670)	\$0	\$0	\$0	(\$14,531,670)
GENERAL HOMESTEAD EXEMPTION	\$0	\$0	\$0	\$0	\$0
GENERAL HOMESTEAD EXEMPTION FROZEN	\$0	\$0	\$0	\$0	\$0
HOMESTEAD EXEMPTION (LOCAL OPTION)	\$0	\$0	\$0	\$0	\$0
HOMESTEAD EXEMPTION FROZEN (LOCAL OPTION)	\$0	\$0	\$0	\$0	\$0
HOMESTEAD EXEMPTION (LOCAL PERCENT OPTION)	\$0	\$0	\$0	\$0	\$0
HOMESTEAD EXEMPTION (LOCAL PERCENT OPTION) FROZEN	\$0	\$0	\$0	\$0	\$0
OVER 65 EXEMPTION	\$0	\$0	\$0	\$0	\$0
FROZEN OVER 65 EXEMPTION	\$0	\$0	\$0	\$0	\$0
OVER 65 EXEMPTION (LOCAL OPTION)	(\$48,748,074)	(\$91,423)	\$0	\$0	(\$48,839,497)
OVER 65 EXEMPTION FROZEN (LOCAL OPTION)	\$0	\$0	\$0	\$0	\$0
DISABLED EXEMPTION	\$0	\$0	\$0	\$0	\$0
DISABLED EXEMPTION FROZEN	\$0	\$0	\$0	\$0	\$0
DISABLED EXEMPTION (LOCAL OPTION)	\$0	\$0	\$0	\$0	\$0
DISABLED EXEMPTION (LOCAL OPTION) FROZEN	\$0	\$0	\$0	\$0	\$0
ABATEMENTS	\$0	\$0	\$0	\$0	\$0
POLLUTION CONTROL	\$0	\$0	\$0	(\$142,810)	(\$142,810)
FREEPORT EXEMPTION	\$0	(\$398,767)	\$0	\$0	(\$398,767)
MINIMUM VALUE LOSS (MINERALS & PERSONAL PROPERTY	\$0	(\$20,110)	(\$41,230)	\$0	(\$61,340)
PARTIAL YEAR EXEMPTION/ LEASED VEHICLES & OTHER	(\$850,000)	(\$47,000)	\$0	\$0	(\$897,000)
10% CAP LOSS	(\$122,687,160)	(\$2,610)	\$0	\$0	(\$122,689,770)
TOTAL TAXABLE VALUE FOR 2013	\$7,738,132,331	\$744,832,670	\$67,510,370	\$329,740,060	\$8,880,215,431
LESS VALUE STILL UNDER PROTEST	(\$470,921,510)	(\$29,114,380)	\$0	\$0	(\$500,035,890)
ESTIMATED VALUE THAT WILL BE CERTIFIED BY ARB	\$359,784,034	\$22,243,386	\$0	\$0	\$382,027,420
ESTIMATED TOTAL TAXABLE VALUE FOR 2013	\$7,626,994,855	\$737,961,676	\$67,510,370	\$329,740,060	\$8,762,206,961

I, Jerry M. Bundick, Chief Appraiser for the Midland Central Appraisal District, do solemnly swear or affirm that I have made, or caused to be made, a diligent effort to ascertain all property in the City of Midland subject to appraisal by me and that I have included in the certification the market and taxable values of property that I am aware of at an appraised value determined as required by law.



Jerry M. Bundick, RPA, RTA

Sworn to and subscribed before me the 19th day of July, 2013

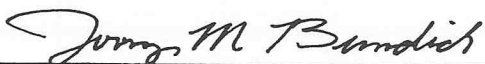




**CERTIFICATION OF 2013 APPRAISAL ROLL
CITY OF MIDLAND**

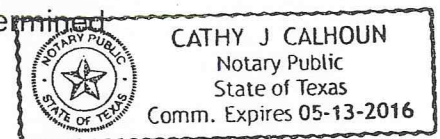
GROSS VALUE	\$9,540,680,910
LOSS DUE TO AGRICULTURAL USE	(\$59,687,120)
CONSTITUTIONAL EXEMPT PROPERTY	(\$408,623,085)
DISABLED VETERAN EXEMPTION	(\$4,594,420)
DISABLED VETERAN EXEMPTION FROZEN	\$0
DISABLED VETERAN EXEMPTION (100%)	(\$14,531,670)
GENERAL HOMESTEAD EXEMPTION	\$0
GENERAL HOMESTEAD EXEMPTION FROZEN	\$0
HOMESTEAD EXEMPTION (LOCAL OPTION)	\$0
HOMESTEAD EXEMPTION FROZEN (LOCAL OPTION)	\$0
HOMESTEAD EXEMPTION (LOCAL PERCENT OPTION)	\$0
HOMESTEAD EXEMPTION (LOCAL PERCENT OPTION) FROZEN	\$0
OVER 65 EXEMPTION	\$0
FROZEN OVER 65 EXEMPTION	\$0
OVER 65 EXEMPTION (LOCAL OPTION)	(\$48,839,497)
OVER 65 EXEMPTION FROZEN (LOCAL OPTION)	\$0
DISABLED EXEMPTION	\$0
DISABLED EXEMPTION FROZEN	\$0
DISABLED EXEMPTION (LOCAL OPTION)	\$0
DISABLED EXEMPTION (LOCAL OPTION) FROZEN	\$0
ABATEMENTS	\$0
POLLUTION CONTROL	(\$142,810)
FREEPORT EXEMPTION	(\$398,767)
MINIMUM VALUE LOSS (MINERALS & PERSONAL PROPERTY	(\$61,340)
PARTIAL YEAR EXEMPTION/ LEASED VEHICLES & OTHER	(\$897,000)
10% CAP LOSS	(\$122,689,770)
TOTAL TAXABLE VALUE FOR 2013	\$8,880,215,431
LESS VALUE STILL UNDER PROTEST	(\$500,035,890)
ESTIMATED VALUE THAT WILL BE CERTIFIED BY ARB	\$382,027,420
ESTIMATED TOTAL TAXABLE VALUE FOR 2013	\$8,762,206,961

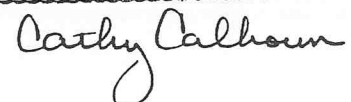
I, Jerry M. Bundick, Chief Appraiser for the Midland Central Appraisal District, do solemnly swear or affirm that I have made, or caused to be made, a diligent effort to ascertain all property in the City of Midland subject to appraisal by me and that I have included in the certification the market and taxable values of property that I am aware of at an appraised value determined as required by law.



Jerry M. Bundick, RPA, RTA

Sworn to and subscribed before me the 19th day of July, 2013





Notice of Public Hearing on Tax Increase

The City of Midland City Council will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 2.78 percent. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on August 6, 2013, at 9:00 a.m. at Midland City Hall, City Council Chambers, 300 N. Lorraine.

The second public hearing will be held on August 13, 2013, at 6:00 p.m. at Midland City Hall, City Council Chambers, 300 N. Lorraine.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR: Trost, Morales, James, Perry, Dufford, Love
AGAINST: None
PRESENT and not voting: None
ABSENT: Sparks

The average taxable value of a residence homestead in The City of Midland last year was \$174,934. Based on last year's tax rate of \$.461088 per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$806.60.

The average taxable value of a residence homestead in The City of Midland this year is \$188,884. If the governing body adopts the effective tax rate for this year of \$.4202271 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$793.74.

If the governing body adopts the proposed tax rate of \$.431927 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$815.84.

Members of the public are encouraged to attend the hearings and express their views.

Notice of Tax Revenue Increase

The City of Midland City Council conducted public hearings on August 6, 2013, and August 13, 2013, on a proposal to increase the total tax revenues of the City of Midland from properties on the tax roll in the preceding year by 2.78 percent.

The total tax revenue raised last year at last year's tax rate of \$.461088 for each \$100 of taxable value was \$35,564,575.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$.431927 for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is \$36,156,138.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$.431927 for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$37,145,081.

The City of Midland City Council is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on August 20, 2013 at 9:00 a.m. at Midland City Hall, City Council Chambers, 300 N. Loraine, and August 26, 2013 at 9:00 a.m. at Midland City Hall, City Council Chambers, 300 N. Loraine.

CERTIFIED TAX ROLL
CITY of MIDLAND, TEXAS
ESTIMATED AD VALOREM TAX REVENUE #####
BUDGET YEAR 2013-2014 (FY14)

7/22/2013

07/22/13
15:21:47

*est chg pr yr base at left				
**est net new adds				
30,650,293	Prior Yr tot. M&O anticipation			
31,275,809	Prior Yr curr. M&O levy			
\$4,288,766	Prior Yr curr. I&S levy			
\$35,564,575	Prior Yr adj. tot curr. levy			
\$7,713,185,962	10.63% * 2.97% **			
2014 ESTIMATED TAXABLE VALUE:		\$8,599,994,472	\$8,599,994,472	\$8,599,994,472
TAX RATE PER \$100 OF VALUATION		\$0.431927	\$0.420227	\$0.432834
TOTAL 2014 TAX LEVY (est.)		37,145,698	36,139,525	37,223,710
EST. 2014 REV. AT COLLECTION RATE OF	98.00%	36,402,784	35,416,734	36,479,236
EST. DEL. COLLECT AT 2.0% OF PREV YR	\$33,384,453	667,689	667,689	667,689
ESTIMATED TOTAL COLLECTIONS		37,070,473	36,084,423	37,146,925
REQUIRED I&S CURRENT LEVY		3,973,909	3,973,909	3,973,909
GENERAL FUND OPERATIONS (Net of TIRZ Increment)		\$33,093,379	\$32,107,329	\$33,169,831
Gen. Fund REVENUE FROM EACH \$0.01 OF TAX RATE (est.)		842,799	842,799	842,799
Gen. Fund REVENUE FROM EACH 1% OF RATE CHANGE (est.)		354,167	354,167	354,167
EFFECT OF INCREASE (DEC) ON \$100,000 PROPERTY		\$11.70	\$0.00	\$12.61
approx. Eff. plus		2.78%		\$23.00

ESTIMATED DISTRIBUTION OF
TAX RATE AND REVENUE FROM 2012 AND PRIOR ROLLS

	RATE	PERCENT	AMOUNTS		
	----	-----	-----		
GENERAL	0.404049	87.62%	\$585,026		
INTEREST AND REDEMPTION	0.057039	12.38%	82,663		
	-----	-----	-----		
TOTAL	0.461088	100.00%	\$667,689		
	=====	=====	=====		

INTEREST AND SINKING FUND REQ. (from I&S Service model)	3,977,094
EFFECTIVE RATE	\$0.4202
EFFECTIVE PLUS 3%	\$0.4328
TIRZ INCREMENT	162,212,489
TIRZ INCREMENT REVENUE AT PROPOSED	700,640

PROPOSED DISTRIBUTION OF
TAX RATE AND REVENUE FROM 2013 ROLL

	CURRENT RATE	CURRENT PERCENT	CURRENT AMOUNTS	PERCENT CURR \$	TOTALS	DELINQUENT
	----	-----	-----	-----	-----	-----
GENERAL	0.385719	89.30%	\$32,508,353	89.30%	33,093,379	585,026
INTEREST AND REDEMPTION	0.046208	10.70%	3,894,431	10.70%	3,977,094	82,663
	-----	-----	-----	-----	-----	-----
TOTAL	0.431927	100.00%	\$36,402,784	100.00%	37,070,473	667,689
	=====	=====	=====	=====	=====	=====

ORDINANCE NO.

**AN ORDINANCE FIXING THE TAX LEVY FOR THE
CITY OF MIDLAND, TEXAS, FOR THE FISCAL YEAR
BEGINNING ON OCTOBER 1, 2013 AND ENDING ON
SEPTEMBER 30, 2014**

WHEREAS, the Midland City Council established a tax rate of \$0.6424 for each one hundred dollar valuation of taxable property for the fiscal year October 1, 2004 to September 30, 2005; and

WHEREAS, the Midland City Council established a tax rate of \$0.6420 for each one hundred dollar valuation of taxable property for the fiscal year October 1, 2005 to September 30, 2006; and

WHEREAS, the Midland City Council established a tax rate of \$0.5870 for each one hundred dollar valuation of taxable property for the fiscal year October 1, 2006 to September 30, 2007; and

WHEREAS, the Midland City Council established a tax rate of \$0.5386 for each one hundred dollar valuation of taxable property for the fiscal year October 1, 2007 to September 30, 2008; and

WHEREAS, the Midland City Council established a tax rate of \$0.4859 for each one hundred dollar valuation of taxable property for the fiscal year October 1, 2008 to September 30, 2009; and

WHEREAS, the Midland City Council established a tax rate of \$0.4568 for each one hundred dollar valuation of taxable property for the fiscal year October 1, 2009, to September 30, 2010; and

WHEREAS, the Midland City Council established a tax rate of \$0.47285 for each one hundred dollar valuation of taxable property for the fiscal year October 1, 2010, to September 30, 2011; and

WHEREAS, the Midland City Council established a reduced tax rate of \$0.47054 for each one hundred dollar valuation of taxable property for the fiscal years October 1, 2011 to September 30, 2012; and

WHEREAS, the Midland City Council established a reduced tax rate of \$0.461088 for each one hundred dollar valuation of taxable property for the fiscal years October 1, 2012 to September 30, 2013; and

WHEREAS, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE; AND

WHEREAS, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.93 PERCENT (4.93%) AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000.00 HOME BY APPROXIMATELY \$18.11.

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

SECTION ONE. That to pay interest and principal on outstanding bonds as they mature, a tax levy of Four Hundredths and Six Thousandths and Two Hundred and Eight Millionths cents (\$0.046208) on each \$100.00 valuation of all taxable property in the City of Midland, Texas is hereby made and levied for the year 2013 to be credited to the Interest and Sinking Fund of the City.

SECTION TWO. That to raise funds to help defray current General expenses of the City, a levy of Thirty Eight Hundredths and Five Thousandths and Seven Hundred Nineteen Millionths cents (\$0.385719) on each \$100.00 valuation of all taxable property within the City is hereby made and levied for the year 2013. The collections from these levies are to be apportioned and deposited as follows:

Interest and Sinking Fund	\$ 0.046208
General Fund	<u>0.385719</u>
TOTAL TAX LEVY FOR ALL PURPOSES	<u>\$ 0.431927</u>

SECTION THREE. That the apportionment of taxes collected for the 2006 through 2012 tax years shall be apportioned in the same ratio as the taxes for those same years collected prior to the delinquency date and that the apportionment of taxes collected for 2005

and prior years shall be apportioned in accordance with the schedule for 2005 taxes.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the _____ day of _____, A.D., 2013; and passed to second reading on motion of Council member _____, seconded by Council member _____, with the motion being stated as I move that the property tax rate be increased by the adoption of a tax rate of \$0.431927, which is effectively a 2.78 percent increase in the tax rate, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member _____, with the motion being stated as I move that property taxes be increased by the adoption of a tax rate of \$0.431927, seconded by Council member _____, on the _____ day of _____, A.D., 2013, at a regular meeting of the City Council:

Council members voting "AYE":

Council members voting "NAY":

PASSED AND APPROVED THIS _____ day of _____, A.D., 2013.

W. Wesley Perry, Mayor

ATTEST:

Amy M. Turner, City Secretary

APPROVED AS TO CONTENT:

Robert McNaughton, Director of Finance

APPROVED AS TO FORM:

Keith Stretcher, City Attorney