REGULAR SESSION
The City Council convened in regular session in the Council Chamber, City Hall, Midland, Texas, at 10:00 a.m., August 30, 2016.

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

Council Members absent: Council Member Jeff Sparks (District 1).

Staff members present at the annex table: City Manager Courtney Sharp, City Attorney John Ohnemiller, and Deputy City Manager Tommy Hudson.

Mayor Morales called the meeting to order at 10:02 a.m.

OPENING ITEMS
1. Invocation - Tommy Hudson
2. Pledge of Allegiance

PUBLIC HEARINGS
3. Hold a Public Hearing to gather citizen input on the proposed 2016-2017 budget. (FINANCE)

Finance Director Pam Simecka reported this is the final public hearing noting the previous two were for the tax increase and this public hearing is for the budget.

Mayor Morales opened the public hearing at 10:05 a.m. There being no one present wishing to speak, the public hearing was immediately closed.

MISCELLANEOUS
4. Consider an ordinance providing funds for the Fiscal Year beginning October 1, 2016 and ending September 30, 2017. (FINANCE)

ORDINANCE NO. 9596
Mayor Morales read the caption of Ordinance No. 9596.

Finance Director Pam Simecka gave a brief overview of the item noting the ordinance deals with approval of the actual budget document.

Council Member Dufford moved approval of the first of two readings of Ordinance No. 9596 in accordance with the Charter of the City of Midland; seconded by Council Member Hotchkiss.

Council Member Dufford asked if the ordinance needs to be changed if the tax rate was set at effective plus four percent. He suggested that if a change was required he would recommend taking the funds out of the streets to balance the budget. He noted that each year when the rate is effective plus three percent there are adequate funds to deal with capital improvements as needed and that on years when the rate was less, the following year more had to be taken to balance things out. He suggested continuing to keep a steady three percent increase each year.

Council Member Lacy disagreed with taking money from streets and instead suggested cutting the General Funds support of $917,000 to the operations and maintenance of the sports complex and instead uses the 4B sales tax to support the sports complex operations and maintenance.

City Manager Courtney Sharp reported that the budget was based on effective plus three percent so no changes would be required to the budget ordinance. He noted that if Council wished to pursue cutting the $917,000 to the sports complex, the 4B Board would need to take action first and then Council could follow-up on the September 13th meeting to use that additional money for roads. He cautioned that there would be a 60-day review period to allow citizens the opportunity to circulate a petition.

Mayor Morales asked if the Airport could reimburse for airport police and fire to the General Fund. City Manager Sharp noted that they have been slowly increasing the airports contribution each year until they reach the point that they are paying for the services they use.

Council Member Love cautioned that the State of Texas is projecting their population to double by 2040 and explained how commerce will impact our roadways noting we need to anticipate future problems and do everything possible to improve our infrastructure and keep prices low for Midlanders.

The motion carried by the following vote: AYE: Hotchkiss, Morales, Dufford, Robnett. NAY: Love, Lacy. ABSTAIN: None. ABSENT: Sparks.

5. Consider an ordinance on first reading Fixing the Tax Levy for the City of Midland, Texas for the Fiscal Year 2016-2017. (FINANCE)

ORDINANCE NO. 9597
AN ORDINANCE FIXING THE TAX LEVY FOR THE CITY OF MIDLAND, TEXAS, FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2016 AND ENDING ON SEPTEMBER 30, 2017
Mayor Morales read the caption of Ordinance No. 9597.

Council Member Robnett moved that the property tax rate be increased by the adoption of a tax rate of $0.399679, which is effectively a 3.00 percent increase in the tax rate and approve the first of two readings of Ordinance No. 9597 in accordance with the Charter of the City of Midland; seconded by Council Member Dufford.

City Manager Courtney Sharp reported that a new state law requires 60 percent approval of the entire governing body to approve an effective tax rate increase.

Council Member Love reported he would rather see the effective rate higher but will not vote against this item due to the 60 percent rule.

Council Member Lacy moved to amend the motion by changing the tax rate to the tax rate of $0.388038 per $100 of valuation. The motion died for the lack of a second.

The main motion carried by the following vote: AYE: Hotchkiss, Love, Morales, Dufford, Robnett. NAY: Lacy. ABSTAIN: None. ABSENT: Sparks.

EXECUTIVE SESSION

6. Pursuant to Texas Government Code §551.101, the Council will hold an Executive Session which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:

      a.1. Discuss business prospects that the City seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives.

Mayor Morales recessed the meeting to Executive Session at 10:32 a.m.

All of the business at hand having been completed, the meeting adjourned at 10:54 a.m.

PASSED AND APPROVED the 13th day of September, 2016.

Jerry F. Morales, Mayor

ATTEST:

Amy M. Turner, City Secretary