

February 24 - 25, 2010

The City Council, pursuant to Texas Government Code §551.041, met in Special session at the Junior League of Midland facility, 902 West Denger Avenue, Midland, Texas, to hold a workshop with its administrative staff and department managers to discuss and consider public policy, personnel issues, annexation issues, water-related issues, land acquisition and disposition issues, park development and funding issues, street paving, infrastructure needs, privatization of City services and recreational activities, development issues, economic development issues, public health issues, public safety issues, issues related to Type A and Type B corporations pursuant to Chapters 504 and 505 of the Texas Local Government Code, and operational procedures of the City; and to develop priorities for the upcoming year and for long-term planning. The Council also discussed and considered the goals and development of the City.

The meeting convened at 9:08 a.m. on Wednesday, February 24, 2010, with the following Council members present:

W. Wesley Perry,	Mayor
John H. James,	Mayor Pro Tem
A. Scott Dufford,	Council member - At-Large
Jerry F. Morales,	Council member - At-Large
Vicky Hailey,	Council member - District 2
Michael B. Trost,	Council member - District 4

W. Jeffrey Sparks, Council member - District 1, joined the proceedings a short time later.

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The following Staff members were present:

Courtney Sharp,	City Manager
Keith Stretcher,	City Attorney
Tommy Hudson,	Deputy City Manager
Marcus Johnston,	Assistant City Manager
Robin Smith,	Judge, Municipal Court
Kaylah McCord,	City Secretary
Tina Jauz,	Assistant to the City Manager

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The workshop was conducted by Ron Holifield, CEO of Strategic Government Resources in Keller, Texas.

Following introductory remarks by Mayor Perry, City Manager Courtney Sharp briefly reviewed the City's status from a Staff perspective, referring to the tagline "Feel the Energy". Mr. Sharp emphasized that the City is proceeding in a direction that involves a cultural shift, and outlined efforts to date to help accomplish that shift.

Mr. Holifield opened the session with a brief review of the issues to be covered in the day's activities. He advised that he has observed a high level of political health on Midland's City Council, maintaining that lively disagreement that holds no personal element is a critical factor, along with trust and respect for each other's viewpoints. Mr. Holifield noted that these interactions are the foundation of a healthy organization, and urged the Council's continued commitment to protecting the integrity of the process.

Referring to the book Good to Great by Jim Collins, Mr. Holifield advised that most City Councils are good at either planning or visioning, but are less effective at building a bridge to bring visions to reality. He stated that the emphasis in today's session is to let the Council understand the direction in which management is taking the organization. At his request, Council members discussed some of the principles critical to building that bridge, and he reviewed the levels of leadership defined by the author, ultimately leading to "Level Five Leadership", which builds enduring greatness through a blend of humility and professional will, and is driven by the need for sustained results and success of the organization. Mr. Holifield asked the Council to review the status of the City organization and what it is doing, or should do, to develop higher levels of leadership. Following discussion, he turned to the concept of "first who, then what", and advocated beginning by getting the right people in place. He emphasized

that this issue is more critical than vision, strategy or structure. He then reviewed the “hedgehog concept”, which entails acknowledging our core strengths and developing an objective understanding of who we are, and he emphasized the need to “confront the brutal truth” through creation of a climate where the truth is heard.

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The following additional Staff members joined the meeting at 11:10 a.m.:

Monette Burke,	Director, Community Services
Russ Conley,	Fire Chief
Rick Crownover,	Director, Development Services
Marvin Esterly,	Director of Airports
Chuck Gibson,	Director, Communications and Information Systems
Debra Gotovac,	City Auditor
Bob McNaughton,	Director of Finance
Jeff Meiner,	Assistant Fire Chief
Beth Mosley,	Director of Administrative Services
Mark Phillips,	Director, Facilities & Fleet Management
Stuart Purvis,	Director of Utilities
Price Robinson,	Chief of Police

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Mr. Holifield turned to strategic visioning, citing the divide between visioning and actual planning, and the need to bridge the two. He stated that strategic visioning must take into account the core values and culture of the community, that it must be shared by the Council and Staff, and that goals and objectives must be defined. The next step is development of an action plan, followed by a constant evaluation loop. Following brief Council discussion regarding their perception of the shared organizational vision and the key concepts incorporated in that vision, Mr. Holifield focused on the challenges of making the strategic vision a reality. Those challenges include competing goals related to limited resources or conflicting goals based on differences in philosophy; political dynamics; and staff performance and expectations, along with individual needs tied to employees’ sense of identity regarding their community, a particular problem when a community is rapidly changing. Mr. Holifield added that the most profound shift is generational, involving vastly different value systems. Other challenges include personal turf and ego issues leading to a lack of meaningful communication, and fundamentally different world views that bring different value systems to any issue. Brief discussion focused on these challenges and how they can be overcome.

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Mr. Holifield began the afternoon session by recalling the workshop he recently held with the City’s management staff, and he reviewed the executive team’s perceptions of strategies that would take the City from good to great:

- Effectively paint a picture of what “great” looks like;
- Create an organization-wide communication strategy to ensure understanding of our direction;
- Develop an organization-wide commitment to the vision and strategies;
- Create a strong feedback loop;
- Create an employee recognition program to reward and encourage buy-in and commitment;
- Create a culture that values confronting the brutal facts, recognizing what is not going well;
- Evaluate people effectively;
- Get the right people in the right places;
- Create a strategy to achieve mid-level management buy-in and commitment;
- Join together in creating a culture and vision committed to moving from good to great.

Needs expressed by the executive team included:

- A clear ten-year time horizon on the Council’s big picture goals;
- Clarity on the City Council’s vision for the future;
- Council expectations regarding Staff’s role in developing strategies for getting there.

Mr. Holifield then summarized and discussed overall results of his interviews with Council members, sharing the accumulated responses to a number of questions and issues:

- Why did you run for City Council?
- Goals for the City
- Vision for the future of Midland
- What should be done differently to make your vision a reality?
- Citizen perceptions of the City today
- Your perception of City Staff
- What does your picture of success look like?
- How can Staff be a part of achieving your vision of success?
- What resources are you prepared to commit to achieve that vision?
- What should Midland be like in 20 years?
- What should be the role of City government in achieving that vision?
- How can the City Manager and Staff best communicate with the Council?
- What should senior Staff do to build trust by the Mayor and Council?

The facilitator also discussed Council feedback that he had requested on what he “did not ask but should have”.

Asked by Mr. Holifield for reactions to the responses, one Council member expressed surprise at the differences in perspective on some issues. The City Manager observed that Staff on the one hand is expected to do the basic things well and do its part to keep taxes low, while on the other hand is charged with doing what is needed to make Midland a first-class city. By way of clarification, Mr. Holifield stated that government is an amalgam of competing ideas, and that the critical challenge is maintaining the integrity of the process to assure that there is trust in and respect for divergent perspectives.

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At 3:02 p.m., Mayor Perry announced that the Council would now hold an Executive Session pursuant to Texas Government Code Section 551.101 which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:

Personnel Matters under Section 551.074

Deliberate the employment, evaluation, compensation and duties of the City Manager, the City Attorney, the City Secretary, the Municipal Court Presiding Judge and the Municipal Court Associate Judge.

Deliberation Regarding Economic Development Negotiations, Section 551.087

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 Perry announced at the same time that the meeting would recess and reconvene in open session at 8:30 a.m. on the following day, and the Council excused all observers and non-essential Staff.

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The workshop reconvened at the Junior League of Midland facility for its second session at 8:54 a.m. on Thursday, February 25, 2010, with the following Council members present:

W. Wesley Perry,	Mayor
John H. James,	Mayor Pro Tem
A. Scott Dufford,	Council member - At-Large
Jerry F. Morales,	Council member - At-Large
W. Jeffrey Sparks,	Council member - District 1
Vicky Hailey,	Council member - District 2
Michael B. Trost,	Council member - District 4

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All Staff members who attended the previous day’s session were also present, with the exception of City Attorney Keith Stretcher, who was represented at this session by First Assistant City Attorney John Ohnemiller.

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The session began with a discussion of leadership systems, and Mr. Holifield advised that relational leadership (which involves treating people well and demonstrating dignity and respect) is a crucial element that establishes the foundation for sustainable systems. He emphasized that that we must focus on operations but that integrity, both structural and trust-based, is absolutely necessary to building a system that is trusted by the community to be fair and effective. He added that leading at the strategic level requires using the foundation, executing at operational level, and building trust in the system's integrity, and declared that we must build on all the previous levels to have the ability to take the community where it should go. The facilitator also pointed out that feedback has inherent issues, warning that it is easy to fall into the trap of assuming that feedback from a small group of supporters or from a few "naysayers" reflects the sentiment of the broader community. He advised that maintaining the integrity of the process requires that the Council treat those who are articulate but uninformed with dignity and respect, without surrendering the decision-making process or allowing them to shape the community's future.

Mr. Holifield turned attention to major themes and trends determined by the Council to be of importance, reviewing them as follows:

Economic Development

Diversification of industrial base  
Increased regional trade center  
Transportation  
Better utilization of EDC funds  
More impact of Downtown revitalization  
Role of City in stimulating economic development  
Doubts about effectiveness  
I-20 Corridor

Fiscal Philosophy and Policies

Service fee independence  
Budgeting  
Alternative revenue sources  
Expectations regarding service level and service array  
Improved communication on all financial documents and processes  
Leveraged advertising issues  
Refined process for evaluating ROI and cost/benefit on proposals/policies  
Philosophy on taxation vs. service cuts

Long Term Orientation of Council

Focus on the big issues, allowing Staff to take care of operations but holding them accountable  
Water  
Transportation  
Economic Development  
Infrastructure  
Sense of place  
Quality of life  
Long term facility plan

Communication

Meaningful/clear financial communications  
Effective citizen communications  
Promptness of response  
Agenda process  
Council/Manager/Staff communications on issues – defining what is important  
Marketing Midland to outsiders  
Feedback to Council re resolution of problems  
More communication on major issues  
Better citizen feedback system

Parks

Funding  
Maintenance

Customer Service

More progress needed

Employees need training on how to treat citizens with respect

Processes sometimes make people feel that they are getting the runaround

Processes sometimes confusing to citizens

Confidence in Staff

Strong support for changes made by the City Manager

High confidence in capabilities, dedication and value of Staff

Concern regarding isolated parts of organization clinging to past that need to get on board

Need more attention to succession planning/preparation

Citizen Engagement

Must be driven by citizen priorities to decide philosophy and service configuration

Must engage the community in thinking about long term future

Must invest in future community leaders

Must build on positive opportunities offered by rapid Hispanic growth

Mr. Holifield also examined potential disconnects, pointing out that various issues may mean different things to different people. Chief among those were quality of life (what elements are important?); communication (Council needs to establish a specific policy so that Staff has direction); the City's role philosophically in issues such as economic development, parks and taxation; parks funding levels and sources; and the roles/responsibilities of Mayor/Council/Manager/Staff (need to recognize and build on each individual's strengths, understand each other's decision-making style, and accept to work together more effectively).

Other observations made by the facilitator included his conclusion that Midland's Mayor/Council/City Manager health is exceptional and needs to be protected; Downtown should be exploited to bring in young professionals; Downtown currently lacks a sense of energy; the City needs to build a sense of place, which is critical to thrive in the next generation; Midland has the opportunity to build on rapid Hispanic growth to create a vibrant multicultural momentum; we need to look at our City from the perspective of outsiders to think about and act on the image presented by our major corridors and gateways; and we should consider Midland's identity from the perspective of the I-20 traveler. With regard to the last point, Mr. Holifield emphasized that 44,000 vehicles per day form an impression of the City and make a decision on whether to stop, and he urged that the City take advantage of the potential opportunities.

Finally, Mr. Holifield offered a range of what he characterized as "wild and crazy" ideas on what Midland can do to shape its future. Among those ideas: a "community dinner table" to build bridges throughout the community; a business incubator for targeted industries; a partnership with other cities to create a "Way Out West" tourism trail; and development of a strategy to make Midland a capital of the "green" energy industry, for which he believes the City is well positioned, but only if it acts without delay.

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Following lunch, Mr. Holifield initiated a process to define the City Council's top priorities. He began by reviewing the nine primary themes and related issues identified from Council interviews and discussion, and asked each Council member to consider specific actions they see as most important to moving the City in the direction it needs to go. He advised that in prioritizing, the Council must recognize that it can focus on only a limited number of issues, and asked that they think through this process relative to the foundational elements discussed earlier in the morning. Mr. Holifield also urged that the focus be on action items that are achievable, rather than on philosophy.

The facilitator then asked each Council member to select just one of the major themes as the most important, and the largest number focused on Economic Development as their first choice. The Council was asked to define what needs to be done relative to economic development, with the objective of establishing a measurable work plan. The process of choosing a major theme and related actions was repeated until a complete list of priorities was developed, with the following results:

#### Economic Development

- Document and communicate Council philosophy/policy/vision re ED funds utilization
- Develop a 50-year water plan
- Allocate a fixed percentage of each year's resources to retention/expansion of local jobs
- Develop a plan for Building A
- Convene an ED roundtable to determine the next economic driver for our community
- Develop a multi-faceted workforce development plan (with focus on education system)
- Develop corridor development plans for all major traffic corridors

#### Fiscal Policies

- Develop a policy that establishes parameters for providing funds to other agencies/ organizations
- Develop a philosophy/policy for funding capital improvements (via bonds, certificates of obligation, revenues, etc.)
- Develop a long-term fiscal policy

#### Parks

- Review long-term Parks Master Plan, including sustainable financing and maintenance

#### Long Term Council Orientation

- Build cooperative plans with other taxing entities
- Develop a unified strategy for downtown development

#### Customer Service

- Develop and analysis and recommendation re citizen feedback loop
- Customer service training

#### Citizen Engagement

- Prohibit use of hand-held cell phones while driving in City limits
- Become an All-American City

#### Communication

- Develop strategy for building a culture of excellence
- Establish policy/plan for communication protocol

#### Regional Cooperation

- Create an intergovernmental Council to enhance cooperation
- Encourage more Council participation in TML meetings

#### Confidence in Staff

- Maintain open line of communication through City Manager
- Get the right people in the right places
- Refine succession planning and preparation

Upon conclusion of this process, the facilitator asked that each Council member identify the three items they viewed as most critical, and to categorize those actions as short-term (within one year), mid-term (within two years) or long-term (more than two years). Tallying of the results and selection of the top priority actions produced the following action targets, in priority order, to serve as a guideline for focus of the City's strategic efforts in the next few years:

- 1.(Tie) Develop long-term fiscal policy/philosophy (short term)
- 1.(Tie) Document and communicate City Council philosophy, policy and vision regarding E.D. funds utilization (short term)
3. Establish Corridor development plans for I-20 / SH 349 / SH 191 / Airport / Loop 250 / FM 1788 / Big Spring / Downtown (mid term)
4. Develop a unified strategy for downtown (short term)
5. Develop a 50-year water plan (mid term)
6. Be an All-American City (long term)

7. Review long-term Parks Master Plan, including sustainable financing and maintenance (mid term)
8. Develop a philosophy/policy for funding capital improvements (short term)
9. Develop long-term facility plan (short term)
10. Develop cooperative plans with other taxing entities (mid term)
11. Customer service training (short term)

Mr. Holifield advised that he would develop a report incorporating these guidelines to bring back to the City Manager. He emphasized that the Council has laid a solid foundation, but warned that it doesn't have "pizzazz" that would impress the citizenry, adding that the Council needs to be prepared and focused on standing its ground and maintaining the City's direction. In the brief Council discussion that followed, there was a general consensus that the top issues for citizens, as well as the City Council, are economic development and water. All agreed that creating a sustainable environment on a solid foundation is the right path for the City to follow.

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Mayor Perry was joined by Mr. Sharp in thanking everyone for their participation, and they expressed confidence that the process just concluded will lead to positive and effective results.

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All of the business at hand having been completed, the meeting was adjourned at 3:06 p.m.