

**MINUTES
DECEMBER 1, 2009
HEATH CITY COUNCIL
200 LAURENCE DRIVE - HEATH, TEXAS
WORK SESSION - STATED MEETING**

ATTENDING: JOHN RATCLIFFE, MAYOR
JULIE ZUREK, MAYOR PRO TEM
ROBERT HILLE
RICHARD KRAUSE
LORNE LIECHTY
STEVE McKIMMEY

ABSENT: KAREN LEWIS

Mayor Ratcliffe called the stated meeting to order at 7:32 p.m. Liechty delivered the invocation. The Mayor read aloud a proclamation in support of the December 4 Rockwall-Heath High School (RHHS) Holiday Tour of Homes. Aaron Pearce, Student Council President and Julie Durst, faculty advisor provided information regarding and invited all present to attend the first annual event that will include live entertainment provided by RHHS students.

Approval of the Minutes of November 17, 2009.

MOTION: APPROVE THE MINUTES OF NOVEMBER 17, 2009.

MOTION MADE: HILLE
SECONDED: McKIMMEY
APPROVED: UNANIMOUS (Absent: Lewis)

Discussion and Action Regarding Resolution 091201B Authorizing the Mayor to Execute an Interlocal Agreement with Rockwall County pertaining to the Rehabilitation of Rabbit Ridge Road (FM 549 to Jeff Boyd) and White Road (Heathland Crossing to Peck Cemetery).

Director of Public Works Pedram Farahnak presented and answered questions regarding an Interlocal agreement with Rockwall County for rehabilitation to portions of Rabbit Ridge Road and White Road.

MOTION: APPROVE RESOLUTION 091201B AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL AGREEMENT WITH ROCKWALL COUNTY PERTAINING TO THE REHABILITATION OF RABBIT RIDGE ROAD (FM 549 TO JEFF BOYD) AND WHITE ROAD (HEATHLAND CROSSING TO PECK CEMETERY).

MOTION MADE: KRAUSE
SECONDED: LIECHTY
APPROVED: UNANIMOUS (Absent: Lewis)

Discussion and Action Regarding Resolution 091201C Authorizing the City Manager to Implement Group Health Insurance, Dental Insurance and Medical Flexible Spending Accounts as Recommended by RWL Benefits, Inc.; Providing an Effective Date.

Director of Finance Laurie Mays presented an employee group health and dental insurance plan recommended by RWL Benefits, Inc. Mays explained that a 15% increase for group insurance had been budgeted but that increases were recently projected at 25%. To address actual increased cost exceeding the budgeted amount by \$30,000, RWL proposed an alternate plan that would include higher co-pays and deductible amounts than those currently in effect. Noting that the 2009-2010 annual budget had not allowed for salary increases, Liechty inquired as to whether there was a feasible way to renew the plan currently in effect in order to avoid the negative net effect on employees. There was discussion regarding options for funding the difference between costs for renewal of the SO5 plan currently in place, including using general and enterprise fund contingencies. McKimney expressed a preference to abide by the amount approved in the annual budget.

MOTION: APPROVE RESOLUTION 091201C AUTHORIZING THE CITY MANAGER TO IMPLEMENT GROUP HEALTH INSURANCE, DENTAL INSURANCE, AND MEDICAL FLEXIBLE SPENDING ACCOUNTS FOR RENEWAL OPTION S05 AS SPECIFIED IN THE NOVEMBER 14, 2009 REVIEW AND RECOMMENDATION FROM RWL BENEFITS, INC. AND FURTHER, DIRECT STAFF TO TRANSFER AN ESTIMATED \$30,000 FROM THE GENERAL (2/3) AND UTILITY (1/3) CONTINGENCIES FUNDS FOR THE INCREASED COST OF THE S05 OPTION.

MOTION MADE: LIECHTY

SECONDED: ZUREK

APPROVED: FOR: HILLE, KRAUSE, LIECHTY, RATCLIFFE, ZUREK

OPPOSED: McKIMMEY

(Absent: Lewis)

Discussion and Action to Designate Tract 111-3 in the E. Teal Survey Abstract No. 231 as the Site for an Elevated Water Storage Facility.

Farahnak provided information regarding water storage capacity within the City's system and that which is shared with the City of Rockwall. There was discussion regarding estimated timelines for design, bidding and construction of an elevated water storage facility. The Mayor opened the floor for input regarding the project. Hillview Drive residents Tina Winnett, John Canavan and Doug Watson posed questions and participated in discussion regarding:

- Impact on drainage to Hillview properties,
- Sanitary sewer and onsite septic system issues related to properties owned by the Fulton Academy,
- Noise and lightning issues associated with elevated water tower facilities,
- Options, if feasible, for infrastructure improvements such as larger capacity water line to serve Hillview and
- Maintenance and other access to the future facility.

Dennis Bailey, Rockwall County Commissioner for Precinct 3 provided interesting history regarding the selection of the subject site in the early 1980's and the issuance of the City's first certificate of convenience and necessity. Bailey and Ratcliffe independently acknowledged the factors that support construction of an elevated water storage facility in its original RCH location.

MOTION: DESIGNATE TRACT 111-3 IN THE E. TEAL SURVEY ABSTRACT NO. 231 AS THE SITE FOR AN ELEVATED WATER STORAGE FACILITY.

MOTION MADE: ZUREK

SECONDED: HILLE

APPROVED: UNANIMOUS (Absent: Lewis)

WORK SESSION - Presentation and discussion regarding public/private partnership relating to the development of Heath Golf and Yacht Club.

Ratcliffe adjourned the stated meeting and convened the work session at 8:16 p.m. Ratcliffe relayed that Rob Whittle of Whittle Development approached the City requesting a partnership or incentives relating to the development of the Heath Golf and Yacht Club addition. First Southwest Company Senior Vice President Jim Sabonis presented information and answered questions regarding partnerships that utilize a combination of tax increment reinvestment zones and municipal management districts. Sabonis cited examples of sports stadiums, malls and other planned developments that utilized similar funding options to attract desired development and to optimize development quality. Bond Counsel Leroy Grawunder, McCall, Parkhurst & Horton, LLP provided information regarding legal proceedings for the establishment of a municipal management district. Whittle provided history of his company's partnership with the City of Rockwall to develop The Harbor. Whittle stated that he was excited regarding the opportunity to work with the City to explore options for a partnership. The Mayor provided a brief background of the planned development zoning district that was approved for the Heath Golf and Yacht Club development in January of 2007. Ratcliffe noted that prior to legal action initiated by the City, the subject area was targeted for high density development by the Travis Ranch developers that did not conform to the goals of the City's Comprehensive Plan.

Discussion and Action Regarding Resolution 091201A Authorizing City Officials, Staff and Consultants to Review a Proposal for Development of a Master Planned Community Project and Develop a Plan for City Participation in such Project; and Providing an Effective Date.

Ratcliffe adjourned the work session and re-convened the stated meeting at 9:00 p.m. The consensus of the Council was in support of exploring options for a public/private partnership for the Heath Golf and Yacht Club development. There was discussion to confirm that costs incurred during the review and analysis and development of a proposed plan for City participation in the project would be the developer's responsibility. There was discussion regarding which elected official should be authorized to work with the developer, Financial Advisor, Bond Counsel, City Attorney and City staff. The Mayor noted that due to his legal expertise, Liechty would be a logical candidate and also stated for public awareness and discussion the fact that Liechty was a distant relative of Whittle's wife, Sara. Ratcliffe asked legal advice of the City Attorney and the Bond Counsel as to whether there were any conflict of interest issues arising from the familial relationship between Liechty and Whittle's wife whose fathers are cousins. Both attorneys stated that there was no apparent conflict of interest as Liechty and Whittle were not related within the first degree of consanguinity. Eckert stated that he would check applicable state codes and confirm with Staff. It was suggested that an alternate elected official also be appointed.

MOTION: APPROVE RESOLUTION 091201A AUTHORIZING COUNCIL MEMBER LIECHTY AND THE CITY MANAGER OR HIS DESIGNEE AND CONSULTANTS TO REVIEW PUBLIC/PRIVATE OPTIONS FOR DEVELOPMENT OF A MASTER PLANNED COMMUNITY PROJECT AND DEVELOP A PLAN PROPOSAL FOR CITY PARTICIPATION IN SUCH PROJECT SUBJECT TO REVIEW OF CONSANGUINITY QUESTIONS BY THE CITY ATTORNEY AND FURTHER AUTHORIZE COUNCIL MEMBER McKIMMEY TO SERVE AS ALTERNATE ELECTED OFFICIAL IN ALL REVIEW AND ANALYSIS PROCEEDINGS.

MOTION MADE: KRAUSE
SECONDED: ZUREK
APPROVED: UNANIMOUS (Absent: Lewis)

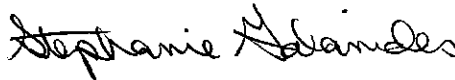
Ratcliffe adjourned the stated meeting at 9:06 p.m.

APPROVED:



JOHN RATCLIFFE
MAYOR

ATTEST:



STEPHANIE GALANIDES
CITY SECRETARY

