

**MINUTES
JUNE 1, 2010
HEATH CITY COUNCIL
200 LAURENCE DRIVE - HEATH, TEXAS
STATED MEETING – EXECUTIVE SESSION**

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

Mayor Ratcliffe called the stated meeting to order at 7:31 p.m. Liechty delivered the invocation.

Recognition of Achievement Girl Scout Gold Award

The Mayor read aloud and presented certificates honoring the achievement of the Girl Scout Gold Award by Heath residents Shannon Burkett, Stefanie Cotner and Renata Heinkele of Girl Scout Troop 2113.

Approval of the Minutes of May 18, 2010.

MOTION: APPROVE THE MINUTES OF MAY 18, 2010.

MOTION MADE: LIECHTY
SECONDED: McKIMMEY
APPROVED: UNANIMOUS

Presentation and Discussion Regarding Existing Debt Analysis – Jim Sabonis, First Southwest Company.

Jim Sabonis, Senior Vice President of First Southwest Company reviewed the analysis of the City's existing debt that was presented on May 18. Sabonis offered three scenarios for restructuring debt. There was discussion regarding the short and long term implications of the three scenarios on the interest and sinking tax rate and overall financial condition of the City. The discussion included capital improvement priorities and potential benefits and an estimated timeline for improving White Road from Country Club Drive south to its intersection with Heathland Crossing in the instance of issuance of new debt.

Tina Winnett, 18 Hillview Drive, requested and was granted permission to read a statement. Winnett's statement expressed concern regarding the longevity of the City's relationship with First Southwest Company and alleged that such relationships could breed corruption. Winnett's statement suggested that improvements to White Road were unnecessary and that the Council consider reducing rather than issuing new debt. Mayor Ratcliffe responded stating that the First Southwest Company and specifically, Jim Sabonis had provided exemplary service over the years that contributed to the City's greatly improved bond ratings and financial condition. Ratcliffe stated that Winnett's insinuations of corruption were unfair and suggested that her words should be more carefully chosen. Ratcliffe recognized the Council's financial record and expressed appreciation for the volunteerism of the council members. Winnett offered an apology for statements that may have been insulting and stated that it was not her intent to make accusations of corruption only to generally suggest caution regarding long-term relationships with financial institutions.

Discussion continued regarding the options for restructuring existing debt with focus on maintenance of the current interest and sinking tax rate versus possible increases in the tax rate to fund needed projects and reduce existing debt. The consensus of the Council was that the City should take advantage of refunding opportunities and to defer issuance of new debt. Further discussion will be scheduled for the June 15 budget work session.

Discussion and Action Regarding Resolution 100601A Authorizing the Mayor to Execute an Interlocal Agreement with the City of Forney and the Kaufman County Emergency Services District No. 6 for the Purpose of Providing and Receiving Mutual Aid and Assistance for Fire Suppression Services.

Director of Public Safety Terry Garrett presented and answered questions regarding the proposed mutual aid agreement with the City of Forney and the Kaufman County Emergency Services District No. 6 for fire suppression services. Garrett stated that the agreement was similar to current agreements with various Rockwall County entities.

MOTION: APPROVE RESOLUTION 100601A AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE CITY OF FORNEY AND THE KAUFMAN COUNTY EMERGENCY SERVICES DISTRICT NO. 6 FOR THE PURPOSE OF PROVIDING AND RECEIVING MUTUAL AID AND ASSISTANCE FOR FIRE SUPPRESSION SERVICES.

MOTION MADE: ZUREK
SECONDED: KRAUSE
APPROVED: UNANIMOUS

Receive Update Regarding the Designated Location of an Elevated Water Storage Facility.

The Mayor stated that an update regarding the designated location of an elevated water storage facility was included on the current agenda pursuant to the discussion at the March 2 City Council meeting. Ratcliffe provided a summary of Fulton School representatives' unsuccessful efforts to find a suitable cost neutral alternative to Tract 111-3 in the E. Teal Survey Abstract No. 207 which was identified for the purpose in 1998, designated in 2001 and reaffirmed on December 1, 2009. The Council expressed understanding and appreciation for the concerns of the Fulton School but nevertheless indicated that, in the best interests of all Heath residents, the City would proceed with design and construction of the water tower. Fulton parents Carrie Foerrster, David Crutchfield and Rebecca Moore expressed concerns regarding the project. An action item regarding services for design and construction will be scheduled for the June 15 meeting. No action was taken by the Council.

Discussion and Action Regarding Appointment to the Special Events Board.

The Council reviewed two applications for appointment to the vacancy on the Special Events Board created when Jason Severn was appointed to the Park Board. Noting that the Board's work load is large, the consensus of the Council was to appoint both Harry Heinkele and Ross Redden. Action to expand the Board will be included on the June 15 agenda.

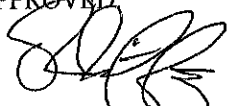
MOTION: APPOINT HARRY HEINKELE TO THE SPECIAL EVENTS BOARD FOR THE UNEXPIRED TERM RECENTLY VACATED BY JASON SEVERN THAT EXPIRES ON JULY 31, 2010.

MOTION MADE: KRAUSE
SECONDED: LEWIS
APPROVED: UNANIMOUS

Ratcliffe adjourned the stated meeting to go into executive session as authorized by the Texas Open Meetings Act, Section 551.072: Deliberation Regarding Real Property at 9:04 p.m. Ratcliffe re-convened the stated meeting at 9:16 p.m. and stated that no action was taken in executive session. Ratcliffe stated that the discussion pertained to potential land acquisition.

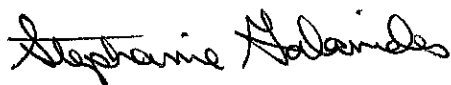
The Mayor adjourned the stated meeting at 9:17 p.m.

APPROVED:


JOHN RATCLIFFE
MAYOR



ATTEST:


STEPHANIE GALANIDES
CITY SECRETARY