

**MINUTES
JUNE 15, 2010
HEATH CITY COUNCIL
200 LAURENCE DRIVE - HEATH, TEXAS
BUDGET WORK SESSION - STATED MEETING**

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

Mayor Ratcliffe called the stated meeting to order and delivered the invocation at 5:35 p.m.

Citizen Comment – Tina Winnett, 18 Hillview Drive.

Ratcliffe stated that Tina Winnett, 18 Hillview Drive, submitted an agenda request to present her concerns regarding the water tower project, capital improvements projects and the City's management of projects to the City Council. The Mayor stated that pursuant to procedure, City Manager Ed Thatcher responded in a letter that invited Winnett to meet with the staff regarding her concerns. The Mayor explained that Winnett rejected Thatcher's invitation. Ratcliffe offered the floor to Winnett for her comment noting that time would be limited to three minutes. Winnett requested that the item be deferred until such time as McKimney, who had not yet arrived, was present.

WORK SESSION - Discuss Budget for Fiscal Year 2010-11.

Mayor Ratcliffe adjourned the stated meeting to convene the work session at 5:39 p.m. Thatcher provided opening remarks, stating that the work session was scheduled to update the Council regarding the financial forecast and to receive input regarding programs and priorities. Director of Finance Laurie Mays provided a synopsis of the general, utility and debt service funds that included 2009-2010 revenues and expenditures to date, projected actual revenues and expenditures and assumptions that will be used during preparation of a proposed budget for the fiscal year that starts on October 1, 2010. Mays reviewed and answered questions regarding options for restructuring existing debt and regarding the City's financial policy. Directors Pedram Farahnak and Terry Garrett provided overviews of vehicle, equipment, gear and other items that will need to be replaced or purchased in the coming budget year for the Public Works Department and the Department of Public Safety.

There was discussion regarding if and how to fund capital improvement projects. The Council discussed development of a survey to gauge citizens' priorities and willingness to support various projects with an increased property tax rate to provide additional property tax revenue. Survey results would be considered in future deliberations regarding proposing projects to voters through a bond election.

Liechty expressed concern regarding commercial impact fees and requested that discussion of impact fees be included in coming budget discussion. (McKimney arrived at 6:06 p.m.) There was discussion regarding land use assumptions and impact fees as specified on the fee schedule adopted in conjunction with the annual budget. Mayor Ratcliffe adjourned the work session and called the stated meeting to order at 6:45 p.m.

Citizen Comment – Tina Winnett, 18 Hillview Drive.

The Mayor again invited Winnett to present her concerns and restated that three minutes would be provided. Winnett distributed a packet that included copies of documents she obtained from the City and documents that she had generated. Winnett read from a statement (that was not provided in the packet) that outlined what appeared to be her conclusions regarding management, construction, public information, legal strategies, litigation analysis, financial decisions and alleged misconduct by the staff and former and current Council Members. Ratcliffe kindly interrupted Winnett and stated that four minutes had passed.

Discussion and Action Regarding Resolution 100615 Authorizing the Mayor to Execute a Professional Services Agreement with Freeman-Millican, Inc. for Design and Construction of an Elevated Water Storage Facility.

Farahnak presented and answered questions regarding the project. Krause suggested that some items such as landscaping and installation of new water lines on Hillview Drive might be trimmed or reduced in order to minimize project costs. Farahnak explained that there had been breaks in the existing 2" line on Hillview Drive causing concerns regarding the line's capacity to accommodate increased pressure once the facility is completed.

MOTION: APPROVE RESOLUTION 100615 AUTHORIZING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR DESIGN AND CONSTRUCTION OF AN ELEVATED WATER STORAGE FACILITY.

MOTION MADE: LIECHTY
SECONDED: HILLE
APPROVED: UNANIMOUS (Absent: Lewis, Zurek)

Discussion and Action Regarding 2008 Lease Agreement with The Fulton School for the Use of the Structure situated on Tract 111-3 in the E. Teal Survey Abstract No. 207.

MOTION: AUTHORIZE THE CITY MANAGER TO SEND 30-DAY NOTICE TO THE FULTON SCHOOL OF THE CITY'S INTENT TO TERMINATE THE 2008 LEASE AGREEMENT FOR THE USE OF THE STRUCTURE SITUATED ON TRACT 111-3 IN THE E. TEAL SURVEY ABSTRACT NO. 207, EFFECTIVE IMMEDIATELY.

MOTION MADE: McKIMMEY
SECONDED: LIECHTY
APPROVED: UNANIMOUS (Absent: Lewis, Zurek)

Discussion and Action Regarding Appointment of a Municipal Court Judge and an Associate Municipal Court Judge.

MOTION: RE-APPOINT ROY STACY AND TIM HARTLEY TO SERVE AS MUNICIPAL COURT JUDGE AND ASSOCIATE MUNICIPAL COURT JUDGE RESPECTIVELY FOR TWO-YEAR TERMS EACH.

MOTION MADE: KRAUSE
SECONDED: McKIMMEY
APPROVED: UNANIMOUS (Absent: Lewis, Zurek)

Discussion and Action Regarding Ordinance 100615 Expanding the Special Events Board.

MOTION: APPROVE ORDINANCE 100615 EXPANDING THE SPECIAL EVENTS BOARD.

MOTION MADE: KRAUSE
SECONDED: HILLE
APPROVED: UNANIMOUS (Absent: Lewis, Zurek)

Discussion and Action Regarding Appointment to Special Events Board.

MOTION: APPOINT ROSS REDDEN TO THE NEWLY CREATED SEAT ON THE SPECIAL EVENTS BOARD FOR A TWO-YEAR TERM.

MOTION MADE: McKIMMEY
SECONDED: KRAUSE
APPROVED: UNANIMOUS (Absent: Lewis, Zurek)

Recognition of Funding Grant from the Texas Transportation Commission for Safe Routes to School.

Assistant City Manager Kim Dobbs noted that receipt of \$1,034,383 in Safe Routes to School grant funding from the Texas Transportation Commission was beyond the expectations of everyone involved. Dobbs stated that County Commissioner Laurie Grimman helped organize the efforts of various Rockwall County entities and that the grant application was prepared, under the direction of Farahnak with community input, by Planning Technician Lisa Palomba. Mayor Ratcliffe stated that the funding, generated through staff industriousness would provide direct

health and recreation benefits to residents through the installation of trails and paths to area schools. Ratcliffe called the efforts outstanding and expressed appreciation to Farahnak and Palomba. Farahnak stated that details regarding the grant funded would be provided as they became known.

Recognition of Distinguished Budget Presentation Award by the Government Finance Officers Association.

Thatcher credited Mays and Chief Accountant Berna Fitzpatrick for efforts that resulted in the City receiving recognition for its budget presentation. Ratcliffe complimented the Finance staff for the consistency, transparency and efficiency of the budget document.

Approval of the Minutes of June 1, 2010.

MOTION: APPROVE THE MINUTES OF JUNE 1, 2010.

MOTION MADE: HILLE
SECONDED: LIECHTY
APPROVED: UNANIMOUS (Absent: Lewis, Zurek)

Department and Committee Reports – The reports were included in the Council packet.

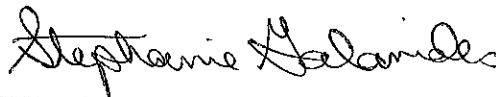
The Mayor adjourned the stated meeting at 7:24 p.m.

APPROVED:



JOHN RATCLIFFE
MAYOR

ATTEST:



STEPHANIE GALANIDES
CITY SECRETARY