

HUNTSVILLE CITY COUNCIL MINUTES
Regular Meeting - October 10, 2024 - 5:30 p.m.
City Council Chambers, City Hall
Huntsville, Alabama

Members Present:	Mr. David Little, President Dr. Jennie Robinson Mr. Bill Kling Mr. Devyn Keith Mr. John Meredith
Mayor:	Mr. Tommy Battle
City Administrator:	Mr. John Hamilton
City Attorney:	Mr. Trey Riley
City Clerk:	Ms. Shaundrika Edwards

President Little called the meeting to order at the time and place noted above.

The invocation was offered by Chaplain Steve Lacy; Councilmember Meredith led the Pledge of Allegiance.

APPROVAL OF THE AGENDA.

The agenda was approved as submitted.

APPROVAL OF THE MINUTES OF PREVIOUS MEETINGS.

President Little said the Council members had been provided copies of the minutes of the Regular Meeting of the Council held on September 26, 2024, and the minutes of a Special Session of the Council held on October 1, 2024, and the minutes were approved as submitted.

MAYOR: SPECIAL RECOGNITIONS.

Mayor Battle and President Little recognized Rick Chappell and several

other persons involved in space exploration in Huntsville and presented a proclamation declaring the month of October as Space Exploration Month.

Mayor Battle presented a proclamation declaring the month of October as Community Planning Month to members of the Planning Department and Community Development, noting that they made sure the community would grow and grow in the proper way, and that they would not lose the elements that had made Huntsville a great city.

COUNCIL: SPECIAL RECOGNITIONS AND RESOLUTIONS.

Resolutions for Approval Only.

Resolution No. 24-738, recognizing West Huntsville Baptist Church for their extraordinary commitment to the community for the past 125 years.

Moved for Approval by Kling/Seconded by Robinson/Unanimously adopted.

(RESOLUTION NO. 24-738)

Councilmember Kling said he was proud to have the honor of presenting this resolution to the church the following week, when they would be celebrating their 125th anniversary.

Resolution No. 24-739, honoring Pastor Versey Jones for her decades of faithful service.

Moved for Approval by Keith/Seconded by Robinson/ Unanimously Adopted.

(RESOLUTION NO. 24-739)

Councilmember Keith said he had the privilege of presenting this resolution at a later date.

MATTERS WITH OUTSIDE LEGAL REPRESENTATIVE.

Council decision on Personnel Hearing for Curtis Rufus (Landscape

Management) held on September 26, 2024.

Motion to uphold the decision of the Department head.

Moved for Approval by Robinson/ Seconded by Kling.

Roll-Call Vote: Ayes: Kling, Meredith, Robinson, Little

Nays: None

Abstain: Keith

Motion Passes.

PUBLIC HEARINGS TO BE HELD.

Public Hearing on authorizing Community Development to assess the cost of cutting overgrown grass and/or weeds against certain properties.

Mr. Scott Erwin, Manager of Community Development, said this was a public hearing on assessing the cost of cutting overgrown grass and/or weeds against 18 properties, in the amount of \$3,928.74, with an average per property of \$218.26, and the owners of 12 of the properties being inside the city limits of Huntsville, and the owners of 6 being outside the city limits of Huntsville.

Public Hearing Opened/No Public Comment/Public Hearing Closed.

Resolution No. 24-740, authorizing Community Development to assess the cost of cutting overgrown grass and/or weeds against certain properties.

Moved for Approval by Robinson/Seconded by Little/Unanimously Adopted.

(RESOLUTION NO. 24-740)

Public Hearing for suspension of licensure for confidential tax-related Case No. 398, which hearing was set at the September 26, 2024, Regular Council Meeting.

Ms. Penny Smith, Finance Director, said a resolution was before the Council pertaining to this taxpayer. She said in these matters, they were always hopeful the taxpayer would come forward and resolve their delinquent taxes, but this taxpayer had not done so, so, with this resolution, for failure to remit the taxes due and owing to the City, the license for this taxpayer would be suspended for a period of 12 months from this date.

Public Hearing Opened.

Mr. David Barnes appeared before the Council, stating he was the owner of the Foundation Coffee House. He said this was a small business that had been in existence only three years, and he had not had the wherewithal to pay the amount that was owed. He asked for an extension of maybe 45 days, noting he was working on some other things to try and get this resolved.

Public Hearing Closed.

Resolution No. 24-741, that because of failure to remit taxes due and owing to the City, the business licensure for certain taxpayer (Case: 398) be and the same is hereby suspended for a period of 12 months from the date hereof, subject to conditions contained in the resolution.

Moved for Approval by Robinson/Seconded by Meredith.

Councilmember Kling asked Ms. Smith if she believed this individual had been given adequate time on this matter.

Ms. Smith said that without getting into the details of the case, an installment agreement had been entered into, and there had been no payments. She said they had attempted to contact the taxpayer for a number of months, by email, phone, and going by the business, each and every month, and there had been no communication with their office. She said they tried to work with every taxpayer, that this was their last effort in such cases, and she recommended moving forward on this matter.

Councilmember Keith said he was concerned about the time, telling a business they were closed as of this date for a year, and they still owed on the tax.

Councilmember Keith said he was not in any way saying there was not a perspective of accountability, but to close a business for a year was a long time, that somebody could not open a business until this payment was given, and he thought there might be another perspective. He said he was open to any dialogue concerning this. He said that one perspective was that the business would be closed until the taxes were paid.

Councilmember Robinson said that based on the information provided to the Council, there had been leniency in this matter, that a payment plan had been set up, and there was no response to it, so she was not sure additional leniency would render a different outcome.

Councilmember Keith said his understanding was the City wanted to recoup its revenues, and in order to recoup these revenues, they would be incentivizing the potential of this business to move forward. He said he thought the one year was a little extended, and he was saying that if the individual was motivated to pay the City its taxes and still continue to have a business, then that year that was on the back end of the penalty would not be in effect.

Councilmember Robinson asked if Councilmember Keith was suggesting that when the back taxes were paid, the business could open.

Councilmember Keith said the business owner would have to go through getting a business license, but that was what the Council would be considering, and that was what he was requesting of the Council for consideration.

Councilmember Robinson asked Ms. Smith if it was correct that if the taxes were paid, the business license would be reinstated.

Councilmember Keith said if the Council passed this resolution as stated, the

taxpayer could not open a business for a year.

Ms. Smith said it would be suspended for a period of 12 months from this date, but should the taxpayer come into compliance with everything, they could resolve it.

Councilmember Keith asked if they paid \$10,000 today, they could have the business open tomorrow.

Ms. Smith said that according to the summary notes, the 6th bullet, there were some other items that would also need to come into compliance, and then if everything came current, they could consider that.

Councilmember Keith said that was the point he was trying to get validity concerning. He asked if they told someone they could not have a business for a year, what would be the incentive of the payment process. He asked if, to encourage that, they were saying as soon as the taxpayer finished all these things, they could have a business. He asked if it was on record of giving that awareness. He said he was not going to put out publicly what he was reading.

Ms. Smith said the details were included within that.

Councilmember Keith said it was his understanding that as long as the taxes were paid, the business would still have the opportunity to operate.

Unanimously Adopted.

(RESOLUTION NO. 24-741)

PUBLIC HEARINGS TO BE SET.

Resolution No. 24-742, to set a public hearing on the rezoning of 2.60 acres of land lying west of Memorial Parkway and north of Airport Road from Commercial Recreation C-5 District to Highway Business C-4 District, at the **November 21, 2024**, Regular Council Meeting.

Moved for Approval by Robinson/Seconded by Kling/Unanimously

Adopted.

(RESOLUTION NO. 24-742)

Introduction of Ordinance No. 24-743, rezoning 2.60 acres of land lying west of Memorial Parkway and north of Airport Road from Commercial Recreation C-5 District to Highway Business C-4 District.

AGENDA-RELATED PUBLIC COMMENTS.

President Little said this portion of the meeting was reserved for persons wishing to address the Council on matters relating to the specific content of items on the meeting agenda. He said people could sign up to speak on the Public Comments Roster prior to the meeting, and that when called, they should approach the microphone and state their name, home address, and city of residence. He said each speaker could address the Council for three minutes, and that speakers shall refrain from entering into a dialogue with Council members or City staff and from making comments regarding the good name and character of any individual.

Ms. Frances Akridge, 2002 Rodgers Drive, Huntsville, addressed the Council, having signed up to speak concerning "Finance."

Mr. Brian Barnette, 10023 Shades Road, Huntsville, addressed the Council, having signed up to speak concerning "Hsv Utilities Rate Increase."

Ms. Melissa Tola, 114 Hollow Ridge Circle, Huntsville 35811, addressed the Council, having signed up to speak concerning "Hsv Utilities Rates."

Ms. Joy Johnson, West Arbor, addressed the Council, having signed up to speak concerning "2nd Roster Comments."

MAYOR COMMENTS.

Mayor Battle made the following reappointments:

Ryan O'Connor to the Huntsville Police Citizens Advisory Council, Place 2, for a four-year term to expire October 10, 2028.

Bekah Schmidt to the Huntsville Police Citizens Advisory Council, Place 1, for a four-year term to expire October 10, 2028.

Edwin Nunez to the Huntsville Police Citizens Advisory Council, Place 3, for a four-year term to expire October 10, 2028.

Les Tillery to the Planning Commission of the City of Huntsville, for a three-year term to expire October 26, 2027.

Gary Whitley to the Planning Commission of the City of Huntsville, for a three-year term to expire October 26, 2027.

LaFreeda Jordan to the Planning Commission of the City of Huntsville, Supernumerary Member, for a three-year term to expire October 26, 2027.

Hollisha Green-Shannon to the Planning Commission of the City of Huntsville, for a three-year term to expire October 26, 2027.

Ian Harris to the Planning Commission of the City of Huntsville, for a three-year term to expire October 26, 2027.

John McMullan to the Planning Commission of the City of Huntsville, for a three-year term to expire October 26, 2027.

Mayor Battle discussed various events going on in the community during the week, including the Hays Farm groundbreaking; Dean Dylan in a concert at the VBC; the Alabama A&M Homecoming on the following Saturday, and Microwave Dave Day in the city of Huntsville, set for the following Sunday, and the upcoming concert of John Legend, at the Orion, on Saturday, October 12.

COUNCIL MEMBER COMMENTS.

Councilmember Robinson commented on the development of Hays Farm, including residential, commercial, and recreational opportunities, noting there had been the groundbreaking of the park at Hays Farm, to be a community gathering

place. She said there had also been a Hays Farm update, and plans had been shared for upcoming development.

Councilmember Robinson said her next town hall would be on October 23, at 6:30 p.m., at the Sandra Moon Complex, and they would be discussing the final plans for the Sandra Moon Complex, and also Friends of South Huntsville, which was a nonprofit that had been established by South Huntsville Main.

Councilmember Kling said he had had a lot of concern expressed by citizens about cars being parked on lawns, and he asked if there was any standard concerning the number of cars allowed or the condition of the yard, the landscaping, et cetera. He asked if the appropriate person concerning this could provide an update to the Council on it.

Councilmember Kling said he was also getting a lot of complaints about Airbnbs, and he asked if they were going to be coming up with a comprehensive ordinance concerning this. He asked if they were allowed or not allowed, and if they were allowed, he said they wanted to make sure the proper licenses were purchased by the business person. He asked if the Council could be updated on those two issues, where they were at this time and if there were any plans to be coming through the Council.

Councilmember Keith thanked everyone for their calls and emails, and, he also thanked people who were in attendance at the meeting.

Councilmember Meredith said he had recently had the pleasure of meeting with an Australian political operative, the Honorable Samuel Reardon, and this had been organized by Global Ties, and the purpose was to have them talk about the comparison between leadership skills, and how they were developed and fostered in America versus how they were approached in Australia. He said he hoped this had been as enlightening for Mr. Reardon as it was for him, and he said there were some

stark differences between the way Australian government worked and how Congress worked, and how the people who sat in parliament wound up there compared to the American experience. He thanked Global Ties for setting that up.

Councilmember Meredith said that during the week, he had the pleasure of presenting an honorary resolution to Pastor James Jones, to celebrate his 80th birthday, as well as his decades of faithful service to North Huntsville.

Councilmember Meredith said he had recently taken a trip with Pastor T.C. Johnson, who had shown him some areas in the Bonnell Drive/Sparkman Drive area that were of concern to him. He thanked Pastor Johnson for representing that community and contacting him about this matter.

Councilmember Meredith said the neighbors located in the vicinity of the Downtown Rescue Mission were concerned with some of the activities that were going on there and some of the negative effects they were suffering. He said the Downtown Rescue Mission and these neighbors were constituents of his, and it had been nice to bring the various parties together, including the Mission, the business community, the church community, and others, to discuss this matter, and they had actually walked away with a potential solution.

Councilmember Meredith said his next town hall meeting would be on Tuesday, October 15, at 6 p.m., at the Olde Cobblestone community, off Segers Road.

President Little said that earlier in the day, he had visited with a group at the First United Methodist Church, where they had discussed various topics, and it had been nice to be able to visit with them.

President Little said the Monte Sano Civic Association would be having their 70th anniversary celebration this evening, noting that they were one of the oldest civic associations in the city.

President Little said he had also been contacted concerning Airbnbs, that he

had heard from a gentleman who had been making about \$10,000 a month doing Airbnb, and then when they had to crack down on that, he was doing long-term rentals, making about \$2,000 a month.

Mr. Hamilton said he would be limited in talking about this matter because there were some legal and court case issues related to this. He said Mr. Riley could speak to the Council in executive session, or in private, if there were things that might address specifically the judicial process.

Mr. Hamilton said they were using the term "Airbnb," and that was one of the companies that engaged in short-term rentals. He said he had heard people say short-term rentals were illegal in Huntsville and that was not correct, in such a broad statement, that there were, in fact, zoning districts within the city where short-term rentals were an authorized use, so if someone had a property they wanted to turn into a short-term rental, their first stop would be the Planning Department, to make sure their property was properly zoned for that.

Mr. Hamilton said if someone was properly zoned, they would have to get a business license, just as anyone else engaged in commercial activity within the city would. He said there were some properly licensed, short-term rentals in Huntsville. He continued that someone involved in this would also have to collect the appropriate taxes. He said people who were engaged in short-term rentals not legally were, in general, violating the zoning ordinance, violating the business license ordinance, as well as evading the taxes associated with lodging taxes. He said people needed to make sure they were operating legally. He said they had actually had quite a bit of success in dealing with and shutting down the ones that were operating illegally. He said if the Council wanted an update on this, they could certainly provide that.

FINANCE COMMITTEE REPORT.

Resolution No. 24-744, authorizing expenditures for payment.

Moved for Approval by Robinson/Seconded by Keith/Unanimously Adopted.

(RESOLUTION NO. 24-744)

Resolution No. 24-707, authorizing travel for Councilmember David Little to Montgomery, Alabama, from October 15-18, 2024, for the Leadership Alabama Class XXXIV, Opening Conference. (Tabled at the September 26, 2024, Regular Council Meeting.)

President Little requested that the above resolution be withdrawn.

Withdrawal Unanimously Approved.

Councilmember Robinson said the reason the above resolution had been tabled was because there was going to be some research done concerning ethical considerations about the resolution, and she asked if it was correct that that issue had been resolved.

President Little said there had been a question concerning the appropriateness of the trip being taxpayer funded, and he said he had talked with Mr. Riley, as well as folks at Leadership Alabama, and they said other municipalities had allowed for their Council members or mayors to go through the program.

Councilmember Robinson said this had been resolved, and in order to prevent the Council from having to continually approve this each time there was travel involved in this matter, there was another resolution for the Council to consider.

President Little said that was correct, noting that the resolution would cover all related travel for this matter.

Resolution No. 24-745, authorizing Councilmember David Little to participate in all related travel connected to the Leadership Alabama Class XXXIV.

Moved for Approval by Robinson/Seconded by Meredith.

Councilmember Meredith said he had discussed this matter with

Mr. Riley, and even though he still had his same concern, they had vetted that elsewhere.

Councilmember Kling said he thought whatever professional development, within reason, a Council member felt they needed, it would certainly be appropriate.

Councilmember Meredith said it was President Little's travel budget, and he would not tell people how to spend their money.

Unanimously Adopted.

(RESOLUTION NO. 24-745)

Resolution No. 24-746, authorizing travel for Councilmember Bill Kling to Washington D.C., April 26-30, 2025, for the Huntsville-Madison County Chamber of Commerce Washington D.C. Trip.

**Moved for Approval by Robinson/Seconded by Meredith/
Unanimously Adopted.**

(RESOLUTION NO. 24-746)

BOARD APPOINTMENTS TO BE VOTED ON.

Resolution No. 24-708, to appoint **Kent Ballard to the Alabama Constitution Village and Historic Huntsville Depot Board, Place 4** (his current seat), for a three (3) year term to expire June 26, 2027.

**Moved for Approval by Meredith/Seconded by Robinson/
Unanimously Adopted.**

(RESOLUTION NO. 24-708)

Resolution No. 24-709, to appoint **Dr. Merrill Hudnall to the Animal Services Advisory Committee, Place 1**, to the seat previously held by Gail Lee, for a three (3) year term to expire September 9, 2027.

**Moved for Approval by Robinson/Seconded by Meredith/
Unanimously Adopted.**

(RESOLUTION NO. 24-709)

BOARD APPOINTMENT NOMINATIONS.

Nomination to reappoint **Shane Stewart to the Huntsville Ice Skating Complex Board of Control, Position 7** (his current seat), for a three (3) year term to expire November 20, 2027. (Meredith)

Nomination to appoint **Pam Hudson to the Huntsville Ice Skating Complex Board of Control, Position 3**, to the seat previously held by Patrick Sanders, for a three (3) year term to expire November 20, 2027. (Robinson)

HUNTSVILLE UTILITIES ITEMS

Resolution No. 24-749, authorizing the Mayor to approve an approximate 5.2% rate increase in electric utility rates. The adjustment will be implemented in two phases. The first, effective January 2025, will increase rate revenue by 3.9%, and the second, effective October 2025, will increase rate revenue by 1.3%.

Moved for Approval by Robinson/Seconded by Little.

(Mr. Kelley made a PowerPoint presentation.)

Mr. Wes Kelley, President and CEO of Huntsville Utilities, made a presentation concerning the above resolution.

Mr. Kelley discussed the mission of Huntsville Utilities, as providing foundational services critical for sustaining lives and building a thriving community, and their values, to Do What's Right, Build Community, and Get Better Every Day.

Mr. Kelley displayed a slide, and he said their core objectives never changed: Safety, System Reliability, Financial Stability, and Customer Satisfaction. He said each year, they had key areas of focus, and for this year, Project NISC was a major software overhaul. He said Energy Supply & Capacity was another one, and also Culture of Quality.

Mr. Kelley said Huntsville Utilities currently had 225,000 electric customers,

and 57 percent of these customers resided within the city of Huntsville, and the remainder resided within Madison County, the city of Madison, Owens Cross Roads, and other municipalities in the area.

Mr. Kelley discussed the electric infrastructure, noting they got their power through the Tennessee Valley Authority, and he displayed a slide depicting the TVA footprint and where TVA's power came from.

Mr. Kelley displayed another slide, and he said it was not exactly true that they got all their power from TVA, noting that they had developed a 30 megawatt solar site in the North Huntsville Industrial Park. He said that plant had gone online in April, and since then, they had already saved \$2.3 million compared to what it would have cost them to have bought that power from TVA. He said it had cost them infrastructure dollars to build the substation and distribution circuits required to connect this to their system, that they had spent about \$3 million to do that, and it looked like this project would have about a one-year payback, which was pretty unusual in their line of business.

Mr. Kelley said they were also talking about a more extensive solar project, noting that the mayor had talked about this in his State of the City address. He said they were calling this Project Gemini, and it was to be about 750 acres, with land owned or under option by the City, and with a capability of generating 336,000 megawatt items per year of energy, at a locked-in price. He said this would not fluctuate as TVA raised its rates. He said they would be back before the Council discussing this project soon.

Mr. Kelley said the main thrust of his presentation at this time revolved around inflation. He said Huntsville Utilities supported the infrastructure he had shown them, and new additions and replacements were necessary, and that meant buying material, hiring contractors, and paying a skilled and intelligent workforce to

manage that resource. He said costs had increased for everyone, in about anything, that it was incredible how costs had gone up in the last few years. He said it was difficult for Huntsville Utilities to add to that, and he realized that a rate increase would do just that. He said they had been holding off on this, that they had been talking about it for about two years, that they were going to have to discuss the electric rates. He said, concerning waiting for things to stabilize, that things had stabilized, that the increase was no longer happening, but the prices had not come down.

Mr. Kelley displayed another slide, and he said this depicted how much Huntsville Utilities spent, per customer, to operate and maintain its system. He continued that this was not to build new construction, not to add new customers, that it was how much it cost them to operate and maintain the existing system. He said the Huntsville Utilities numbers were displayed in orange, and the Tennessee Valley average was in blue, on the top. He said they were in the same business, and he took a lot of pride in the work Huntsville Utilities' team had done to try to control these costs. He said they could see on the display that the Year 2023 O&M cost per customer was lower than the Valley average was in 2012. He said he thought this showed a good amount of fiscal discipline, to try to keep those costs under control.

Mr. Kelley displayed another slide, and he said this depicted the fixed portion of the bill, the availability charge portion of the bill. He said that currently they were at \$14.24, and the average amongst all the local power companies that bought power from TVA was \$21.88. He said about 75 percent of the Utilities in the TVA footprint had raised rates in the current year.

Mr. Kelley displayed another slide, and he said the reason the rates were being raised was depicted, that this showed the impact material costs had had since 2020. He said this was coming out of the pandemic into the supply chain crisis. He said

prices were no longer increasing at this pace, but they had to adjust their revenues to meet these ongoing material prices, noting that with a few exceptions, the prices were not declining, and he enumerated several increases.

Mr. Kelley displayed a slide depicting electric employee expenses, and he said these costs had also gone up, but he was proud of this, that they should pay their people well, and they should have good benefits, but those benefits came at a cost. He said that in the prior four years, the employee expenses had increased about 35 percent.

Mr. Kelley said Utility revenue did not work the same way City revenue worked, that as the City got bigger and its property values rose, so did City coffers, but Utilities were not paid the same way, that as they added more people, that did not necessarily equal an increase in energy consumption, that their revenue had actually decreased from 2022 to 2023, and 2024 revenue looked about flat from where it was in 2022.

Mr. Kelley displayed a slide depicting the rate recommendation, and he said there was a 3.9 percent recommendation for January 2025, with \$3.00 being added to the availability charge for residential customers, and a little over a quarter of a cent added to residential kilowatt hour consumption, and there was a breakdown for commercial customers as well. He continued that it showed a 1.3 percent increase in October 2025. He said the 3.9 percent fit inside TVA's regulatory guideline amount. He said the Council was not the final say on these rates, that, actually, they were set by resolution authorizing the Mayor to sign a contract with TVA. He said TVA was the rate regulator, that TVA determined if the rate was appropriate. He said this 3.9 percent in January of 2025 fit under TVA's guideline amount, which meant it was essentially automatically approved, because from their look at the industry, the Handy Whitman Index, and all the inflationary pressures, they said that amount was

immediately justified, without any additional paperwork. He said for the other, they would have to wait and see how that guideline amount came out in the future.

Mr. Kelley said they were looking at an average residential impact of about 5.3 percent. He said they were suggesting a new rate feature of splitting the availability charge amongst typical residential service installations and large residential service installations. He said when these large services went in, these over 200 amp services, there were increased infrastructure costs for Huntsville Utilities, that there was a difference in the caliber of infrastructure required to serve these large services. He said this approach to split this was to honor this Council's philosophy over the years to try to differentiate between the low-use, low-impact customer and the high-use, high-impact customer, to provide some differentiation there so that high-impact customers would pay more than lower impact customers, and still trying to do that even within the fixed portion of the bill.

Mr. Kelley said if the Council did not want to do this, did not want to have that split, it would be about a 60-cent increase to everyone, which would equal the same as the 5.55 increase to just about 10 percent of the customers that had the largest electric services.

Mr. Kelley displayed another slide, and he said this depicted a breakdown of the rates, on all the individual line items. He said everyone had been concerned about why they were all paying for growth, and he said he wanted to show that their Board had made significant changes in the charges they were assessing to builders and developers. He said they had not changed those charges in 10 years, and in 2024 and 2025, they had increased significantly. He said if one were building a new home, with an overhead service, in the past, they would have paid \$445, and they were now paying almost \$3,000. He said that was feedback they had gotten from the Council and others, to make sure the builders and developers were paying their fair share. He

said this would help them moving forward, noting they still had a tremendous amount of infrastructure that was in place at this time that had to be maintained.

Mr. Kelley displayed a slide entitled "Regional Metropolitan Rate Comparison," and he said this was about the rate impact as compared to other Utilities. He said an average residential customer's consumption was 1200 kilowatt hours, and they could see where they were at this time, and then there was the Step 1 increase and the Step 2 increase, and he said that even after that Step 2 increase in October of the next year, they would still be lower than Chattanooga, Memphis, Knoxville, and Nashville, all of which got their power from TVA. He said Georgia Power was basically Atlanta, and Alabama Power was Birmingham, Montgomery, and Mobile.

Mr. Kelley displayed a slide entitled "Local Rate Comparisons," and he said compared with Utilities that were right around Huntsville Utilities, they were still on the low end. He said all these Utilities were in the same business, that they were buying the same materials, that they were hiring quality people from the same places, and he said these were very valuable people, and they were in high demand, and they had to keep their compensation well so they would have the best quality workforce, but even with that, they were keeping their rates on the low end, as depicted on the slide, even though, with the exception of Alabama Power, they were all getting their power from the same source, TVA.

Mr. Kelley displayed another slide, and he said this depicted the total power bill, and how much went to TVA and how much went to Huntsville Utilities. He said the bars depicted how much went to TVA, and the line was how much money came in from customers. He said Huntsville Utilities lived on the space in the middle, between the bars and the lines, that that was the revenue Huntsville Utilities kept, and that was what they used to maintain their almost 5,000 miles of infrastructure

and their 225,000 customers.

Mr. Kelley displayed another slide, and he said this was their Cash Reserves chart, that this was an important chart, that it was how they drove their budget. He said Standard & Poor's and the bond rating agencies had made it abundantly clear that Huntsville Utilities needed to keep adequate cash reserves to maintain a reasonable bond rating. He said S&P had downgraded them twice, and one of those was specifically due to a decline in cash reserves. He said that had followed decisions earlier where rate increases weren't approved, and cash values dropped, and it took a while to build back out of that hole, but they had done that, and they were off the Standard & Poor's watch list, that they gave them a Stable outlook on their bond rating. He said they were AA- on their electric system at this time, and they wanted to stay that way, that the next downgrade would be down to A territory, and he did not think that served a community like Huntsville's best interest.

Mr. Kelley displayed another slide, and he said this depicted what would happen without the rate increase, which he noted looked pretty dire. He said this would be if they kept their existing capital construction plans and improvement plans in place, which, obviously, if this were not passed, they would cut many, many things, in order to do the best they could.

Mr. Kelley displayed another slide, and he said there were a couple of other improvements they had coming along, that it was not all bad news. He said they had made several policy changes recently, to try to be more modern and more responsive to the customers. He said TVA regulations required them to accrue interest on customer deposits, and they used to keep the interest, but they did not do that anymore, that they flushed that back to the customers. He said that, also, they had lowered their reconnect fees, that if a customer had a nonpay situation and got disconnected, they had paid \$100 to get the power back on, but they now paid \$45.

He said they were also cutting out credit card fees, that at this time, customers had to pay extra if they used a credit card to pay their utility bill, but when Huntsville Utilities moved to their new billing system later in the year, those credit card fees would go away. He said all of these things added up to help a lot of their customers. He said that, also, they had launched the Innovation Dividend, which was taking a portion of the revenue they got from their ancillary revenues, nonratepayer funds, meaning the money they got from Redstone Arsenal to run the infrastructure on the post, the money they got from Google Fiber, the money they got from rents from the YMCA or the various places they had, and having a small percentage of that go back into Community Enrichment grants, to help out the community.

Mr. Kelley said one of the questions that had been asked was where the money went, and he displayed some slides related to their budget and discussed revenues, disbursements to TVA, and operating and maintenance expenses, noting that about half of their expense went to their employees, and 16 percent went to the City of Huntsville, that 16 percent of the money they used to operate the electric system went to the City, to help them do their good work in infrastructure in the community. He discussed Debt Service and Outside Contractors, and he said Tree Trimming was about 5 percent of their budget.

Mr. Kelley displayed a slide entitled "Five-Year Infrastructure Plan," and he said this was their Capital Work Plan for FY 24 and their plan for the next five years. He said for the Electric System, it was about \$350 million, noting that was a lot of money that was going into improving the infrastructure and enhancing reliability within the community.

Mr. Kelley displayed a slide entitled "Electric Capital" and he said that with this, they were talking about building things, that it showed their Capital Budget. He said they had infrastructure improvement plans that were rolling out that would

continue to keep Huntsville-Madison County well served. He discussed transformer costs, and he said the city was getting bigger, and they had to buy more transformers, that they were probably buying twice as many, and they cost twice as much.

Mr. Kelley displayed another slide, and he said they would be building a very impressive Systems Operations Center, that it would be a 25,000-square foot, tornado-hardened facility, where they would manage their electric, water, and gas systems. He said it would not only improve the resiliency of their functions, but it would grow as the community grew, that he felt it would serve the community well for another 50 years.

Mr. Kelley displayed another slide, and he said he was aware they had problems, that the map that was depicted showed their worst performing circuits. He said that depending on where people lived in the city or in the county, they would have a different experience, as far as their lights being on. He said there had been significant impact from the recent tornado, as well as impact from tree limbs falling on power lines, and they were zeroing in on this. He said they were committed to improving the reliability of these areas, making investments and making infrastructure improvements, so that everyone in Huntsville would have a reliable power experience.

Mr. Kelley displayed another slide, and he said he would talk about consumption. He said what was displayed was a chart showing their customers, and he said the customer count in the last 10 years had increased 25 percent. He displayed another slide, and he said this depicted their energy sales, and he said they were flat, that in 2023, they had sold 2 percent less power than they had 10 years prior, that with 25 percent more customers, they were selling less energy. He said that when their rates were heavily dependent on the sale of energy, that had an impact, that their revenue came from consumption.

Mr. Kelley displayed another slide, and he said this showed the average residential decline, and he said their average residential consumption was declining year over year over year. He said he had some information that would highlight why this was. He said the problem was the demand was rising. He said they paid for power in two buckets, that the energy used over a period of time, that kilowatt-hour count that flowed through over the course of a month, was about half of their power bill with TVA, and the other half was how much power someone used in a one-hour period, what was the peak amount of flow, how much power really had to move through the line, because they had to build the line big enough to handle that flow, and they had to build a substation big enough to handle that load. He said the infrastructure was driven by demand, and their demand was rising. He said it bounced around, that it was heavily dependent on weather, that the difference between the lowest year demand and the highest year demand was a 40 percent swing, and that was a difficult thing to manage.

Mr. Kelley displayed another slide, and he said he thought one of the reasons average residential consumption was declining was apartment complexes, noting that apartments used less energy than single-family homes. He said this depicted how many apartments they had connected since 2022. He said they had put about 10,000 meters on apartment complexes in the last couple of years. He said as he understood it, this was about halfway of the apartment complexes that were in the pipeline. He said that on average, an apartment used about 39 percent less energy than a single-family home.

Mr. Kelley said another reason for this was a good news story, noting that they had put a lot of time and effort into helping their customers use less of their product. He said this slide depicted how many homes went through the Huntsville Utilities new home inspection program each year. He said this incentivized builders to put

high-quality, energy-efficient materials into their homes. He said that just through August of 2024, 2700 homes had been inspected.

Mr. Kelley displayed another slide, and he said that in the last 10 years, TVA and Huntsville Utilities had put almost \$17 million into low-income energy efficiency improvements. He said these were individual homes and Housing Authority units that were improved with grant money from TVA and Huntsville Utilities.

Mr. Kelley displayed another slide, and he said they also worked with their businesses, that between Huntsville Utilities and TVA, they had put almost \$11.5 million into business and industry energy efficiency improvements, and Huntsville Utilities had spent about \$3.5 million of that.

Mr. Kelley displayed another slide, and he said they had several innovations coming, one of which he was excited about, if they could get the details on it. He said Huntsville Utilities had joined a consortium of other Utilities, and the consortium was awarded a \$156 million grant for solar for all. He said this was solar installations paid for by the federal government, but all the value and benefit had to go to low-income customers, that according to EPA standards, 20 or 25 percent of their bill had to get knocked off through this program. He said he had no idea how they would figure out which customers could participate. He said the EPA had not sent him any information on the details, but it sounded like it was a wonderful program, and they were proud they won the grant. He said they were waiting to find out what the actual implementation plan looked like so they could figure out how to make this a reality for low-income customers in Huntsville.

Mr. Kelley displayed another slide, and he said this was about innovation software, noting they would be moving to NISC, which was a Utilities-specific software package, and it would provide \$30 million in savings over the next 10 years.

Mr. Kelley displayed another slide, and he discussed the benefits of the new

program and the many services that could be accessed through the app. He said this would launch in August of the upcoming year, and it would include an AI analytics component so customers would be able to better understand their power usage, where their power was going and choices they could make to help lower their power bill.

Mr. Kelley displayed another slide, and he discussed the 1,200-mile fiber-optic network, and he said there were 667 sites and facilities that belonged to Huntsville Utilities in the city of Huntsville that were connected to this fiber network, and it was critical for HPD. He said this provided about \$10 million in lease revenue to the Utility each year and half of that went to the City in their payment in lieu of taxes.

Mr. Kelley displayed another slide, and he discussed that Huntsville Utilities was providing all the utility infrastructure, operation, and maintenance for Redstone Arsenal, for electric, water, and gas. He said this had helped the ratepayers because the Army was a good payer, and they had been a great partner for them.

Mr. Kelley displayed another slide, and he said, concerning regional planning, that they were working with TVA. He said the energy industry was changing, and the issues that were displayed were front and center amongst TVA and especially its largest customers, like Huntsville Utilities. He said TVA was open to dialogue to create new wholesale power contracts, new arrangements as to the way power would move around the Valley, and the financial arrangements associated with that. He said Huntsville had to be prepared on how they were going to respond to this changing environment, and part of that was they had to do some infrastructure plans.

Mr. Kelley displayed another slide, and he said the Community Energy Resource Plan shown on this slide was critical, and he said he had talked to many of the Council members about this previously. He said they wanted to get a group of stakeholders together to take a deep dive into the industry issues and start laying out

what the City of Huntsville's plan was for the future, as to what they wanted their energy future to look like 10, 20, or 30 years out, their energy resilience to look like, and what was the right structure, means, measures, and approaches to solve these issues.

Mr. Kelley displayed another slide, and he said this was a recap of the rate request, and he said he would be happy to answer any questions.

Councilmember Keith said many people had to consider, for their families, food, rent, and the cost of utilities, and people wanted to know if this were to be passed, how much their total bill would be. He said the presentation had been a great needs assessment, but what he did not see was if this were passed, how much a total bill would be. He said persons were asked to pay for several things in a bill, and he asked that this be shown as a collective impact.

Councilmember Keith asked if this were to pass, what Mr. Kelley's forecast was that this would carry them to, with inflation, where it would put them in five years, three years, or four years. He said the distance between this rate raise and the next one was what he thought was important for them to consider, and if this number would give a person a sustainable forecasting, if they were to be a renter or if they were to buy a home.

Mr. Kelley said Huntsville Utilities had delayed on this rate increase to try to determine if inflation was going to stabilize, and it seemed it had stabilized, and based on that, they felt this increase would take them through their 5-year plan. He said he would like for it to take them much longer than that, and he said the last time he was before the Council talking about an electric rate increase was six years prior.

Councilmember Keith asked if what would be gained from this rate increase would be cash on hand.

Mr. Kelley said they needed to maintain their current cash level, so they

needed to not draw their cash level down through spending it on inflationary goods. He said they needed this increase to keep their current financial footing stable, that they were not looking to add more, that they were looking to stay stable.

Councilmember Keith asked if persons had the ability to add cash to their payments and make sure they were predictable each month, that would help to sustain Huntsville Utilities' electric side, the payer who paid the same consistent amount and was never delinquent, if that would help the Utility forecasting more than an individual who paid a peak rate one time and a drop the next time.

Mr. Kelley said that was an insightful question, and it would depend on how one wanted to handle this. He said one could either chase the peaks and pay an \$800 bill and then a \$100 bill or one could average it out. He said he did not know how much power one customer would use, that he had to build the infrastructure for the maximum amount of power that could be used, but he did not know how much would really be used, so that fixed portion of the bill helped cover that fixed cost.

Councilmember Keith reiterated that what people wanted to know was how their bill would be different from one time to another.

Mr. Kelley said for the average customer, it would be a six or seven dollar increase when it was all said and done. He said that was a high cost, that he recognized that, that they were doing this with the understanding of what it meant.

Mr. Kelley displayed a slide he had previously shown, on Electric Usage, and he discussed the year-over-year change. He said had they asked for a five percent rate increase in 2014, it would have been back to where they were before the rate increase three years later, and then the next year, it would have shot up. He said that provided, concerning Councilmember Keith's point, more predictability for the Utility and for the customer.

Councilmember Keith said what he was saying was if the increase were to be

6 to 7 dollars but not to exceed 11, as a threshold of expectation.

Mr. Kelley said, like they had talked about water previously, there were some customers who used incredible amounts of water, and he did not think the threshold was that wide on electric, but that was a great point. He said they would show the Council the average, the minimum, and the maximum.

Councilmember Keith said if Mr. Kelley could predict that over five years, no average person would be above \$11, he thought that perspective would have value to his constituents.

Councilmember Kling said they had all these programs to encourage people to use less electricity, things to help cut down on their bill, but it seemed like as a result of that, Mr. Kelley was saying their cash flow was not what they needed it to be, so there needed to be a rate increase. He said it appeared to him there was a problem with this just kind of going around in circles.

Mr. Kelley said he sometimes shared that sentiment. He said he thought it was the right thing to do to help customers to use less of the product, but if a customer chose not to, that was their choice. He said they should understand that when TVA increased its rate, that flowed into the consumption portion of the bill, and 80 percent of the bill went to TVA. He continued that as the customer used less, TVA's cost declined, because that was power they would not have to generate, so TVA saw a reduction as consumption dropped, but the Huntsville Utility part did not change very much. He said that, unfortunately, he just had to come and talk to the Council about the Huntsville Utility part, and the Huntsville Utility part was fairly fixed, which was why they always seemed to be having that conversation, but on the customer impact, as their usage declined, it helped on the TVA side of the bill, so it was overall a net good, but there were still Huntsville Utilities' needs to keep their fixed infrastructure strong, so there was a push and pull on that.

Councilmember Kling said he believed they all had people in their districts who went from paycheck to paycheck and had to do the best they could. He said the availability fee bothered him, because those who used very little and lived in a small house would be paying the same amount as a person who lived in a much larger house and would use many times the amount of electricity. He said this was going to hurt those at the bottom, and that was why he wished there was a way those who consumed more would be paying more rather than everyone having that fixed amount they were going to have to pay for availability. He said the last time he looked, just for water, gas, and electric availability, it could be getting well over \$300 per year before the first kilowatt or anything had been taken.

Mr. Kelley said that was correct, that most of their customers had sewer and sanitation, and a host of utilities as well, and all of that got added onto the bill.

Councilmember Kling said he had been hearing from people in many areas of the city about outages they were having, and he asked what could be done for them, that if they were going to end up paying five percent more, what would they be doing to give them more reliability.

Mr. Kelley said different areas of the city required constant attention, that Blossomwood, in particular, was an interesting neighborhood because the power lines on many of the streets were in the back of the house, and that had been a bad decision, and they could not fix that now. He said there were areas in town that might be ripe for looking at undergrounding, to improve the reliability. He said it might make a lot of sense to find those pockets where they could not find the harmony between the trees and the power lines and look at squirrel guards, et cetera. He said there were a lot of little things they could do to make things better, but they also needed to look at how those lines were routed, if they could move the lines, the circuits, around, so that customers would not have as much line exposure. He said if

from the time the power left the substation to get to a house was 10 miles, that was 10 miles of mistakes or problems that could happen, and if it was 2 miles from a substation, it would be a lot less, so limiting that line exposure would help as well.

Councilmember Kling asked if Mr. Kelley could look into upgrading the substations, the older areas, his district and Councilmember Robinson's district, or all over. He said they wanted to give people as much reliability as possible. He said the Council members got a lot of irate phone calls, and most of the time, it was related to bad weather, but sometimes it was something else.

Mr. Kelley said bad weather they understood, and cars were a problem, as well as squirrels, that those three things were their primary drivers, but there were infrastructure issues, mechanical issues, that they needed to go out and fix and make sure the substations and the circuits, especially in the older parts of town, were up to high-quality grade. He said there was some new electronic equipment they were rolling out at all their substations, and that would improve their ability to control and monitor those systems.

Councilmember Robinson said she had a lot of concern expressed about why the rates were being raised again, and that rates were being raised every year, and she asked Mr. Kelley if it was correct that they did not raise rates every year.

Mr. Kelley said when the Council had approved the rate increase six years prior, they had asked to thread that in over a five-year period, so that was increasing a little bit each year over five years, because the Council had asked to do that to soften the impact to the customer. He said TVA raised rates on its own schedule, that they had raised rates the prior year, and they were raising rates this year. He said that, also, within the power bill, there was a component called "Fuel Cost Adjustment," and in their current bills, they had not had that as a line item on the bill, but in the new bills, it would be a line item, and that was a variable cost from TVA that changed

monthly, based on the cost of TVA's fuel they burned in their power plants. He said that fuel cost adjustment changed every month. He said the fuel cost adjustment was about two cents at this time, but the prior summer, it was six cents. He said Huntsville Utilities did not have anything to do with the fuel cost adjustment, that they could not control it.

Councilmember Robinson asked if there was something they could do to make the bill more predictable, as to Councilmember Keith's point. She said she thought that was the shock to the system, that people did not understand it.

Mr. Kelley said one thing he had done in his account, and that he encouraged all his friends to do, was to sign up for the budget billing system. He said the prior year, when there had been the big cold snap, bills had been super high, but on budget billing, it would be a 12-month rolling average, and his bill went up and down, but it went up and down five or ten dollars a month, that it did not swing a hundred dollars and a hundred dollars. He said budget billing was a great service, and it was at no cost, that customers could just ask to get on budget billing, and they would put out a 12-month rolling average.

Councilmember Robinson said these rate increases were really difficult for the public, but Mr. Kelley had made a really good case on why this was needed. She said she just wished they could implement a process that would make it more predictable, so they would not be coming with big rate increases. She said she also understood they had old infrastructure, and this increase could help them make improvements that would help in making those outages occur at least a little less frequently.

Mr. Kelley said a lot of Huntsville Utilities' core electric infrastructure was built when Huntsville was expanding in the '80s, and it was time to go back through and rebuild a lot of that.

Councilmember Keith said that in his opinion, what people were struggling

with was what their final bill was going to look like, not a percentage but a certain amount. He said he thought this was the forecasting that was important, that as best they could, to summarize in this time frame of two weeks, because people might not understand, like Mr. Kelley had said, six or seven dollars, that they just heard the five percent, and to many people, that was a lot of money. He said if they did this, he did not think it should be spread out over a certain number of years, that they should do it, and give a percentage, and in his opinion, they should give a dollar amount of increase, and that would allow level forecasting. He said he was not intending to say Huntsville Utilities had to rewrite its proposal.

Mr. Kelley said, concerning this change in the availability, they had to go to TVA and ask for permission, to see if they would do that. He said they had done that in other jurisdictions, so he felt confident they would let them do it, but the basic structure of the rate schedule was dictated by TVA.

Mr. Kelley said that with their new billing system, in the following year, they were going to be looking at what as known as "prepay," which would let customers give a lump of money, and then it would dial out, and when it ran out, the lights would go off, and when you put money in, the lights would come back on, that it was an automated system. He said the benefit of prepay would be that there would be no deposit, that they would not have to hold deposits, that the customer would manage that themselves. He said that was not what the Council was asking for, but it would provide the ability to have a consistent infusion.

Councilmember Keith said he believed in forecasting, that most people wanted to know how much they were probably going to pay if they lived here. He said it was a complicated thing, and he thought it needed to be explained from bill perspectives and not needs assessments.

Mr. Kelley said if they wanted customers to pay based on their consumption,

so the low-use customers were not paying as much as the high-use customers, that sort of ran counter to "Just give me a flat dollar amount, and everyone pays the same."

Councilmember Keith said if he told someone who was paying \$500 on average, they would be paying \$600 now, but that included everything, he thought that was a more consumable perspective for people than a percentage perspective.

Mr. Kelley said he thought another dynamic was when people thought about their Huntsville Utilities bill, they thought about electric, water, gas, sewer, sanitation, and there was probably even more stuff on there. He said they provided billing services for Huntsville, Madison, Madison County, New Hope, and so forth, that there were a lot of parties that all added cost into that bill.

Mr. Kelley said it was important for customers to know that a five percent increase was not to their total utility bill, that it was to the electric portion, which, granted, was the largest portion.

President Little said as he understood it, in 2016, there was a proposed rate increase that was voted down, and he said things like that could ultimately trigger a butterfly effect and have an adverse effect on the bond rating the Utilities enjoyed, and ultimately the City. He asked if this were to fail, for whatever reason, what would they be having to deal with a year from this date, or in 18 months or 2 years. He asked if Mr. Kelley could provide some vision on that.

Mr. Kelley said if this were to fail, they would pull back on as many things as they possibly could, construction projects, improvement projects, beautification projects, some of which involved the City of Huntsville, and that could not happen. He said they would also have to look at head count, that they would have to look at a lot of things, to stabilize the situation. He continued that what would happen was they would pull into their financial reserves, that that was what had happened in

2016. He said they had dropped their financial reserves down to a number S&P found completely unacceptable. He said it had taken several years to build that cash back, that it was a big priority of the Board to get that cash back. He said it had taken a rate increase in 2018 to dig out of that hole and to accomplish what was originally intended in 2016. He said they could delay, but eventually there was just financial reality involved.

President Little said transformer costs involved a big jump, and, obviously, that would include repairing existing ones and installing new ones.

Mr. Kelley replied in the affirmative. He said as they looked at increasing the service fees to builders and developers, that would help offset the cost of the new stuff. He said they had a tremendous number of transformers they were replacing every day, as they modernized their electric system.

Councilmember Kling asked, since they were Huntsville Utilities and they were providing service to all these outlying areas, and the farther out they would go, the more expensive it would be to transmit the power, if Mr. Kelley had looked at the possibility of adding some sort of two-tiered increase, where the City of Huntsville ratepayers would have one rate, and those who would be more expensive to transmit to would pay a higher percent increase.

Mr. Kelley said they had a structure like that in place with the water rates, but they did not have that with electric, that TVA would not allow that, because they did not allow rate discrimination between customers in the same class in the same utility.

Councilmember Meredith said Mr. Kelley had mentioned Huntsville Utilities and the bills, and the other things they did, and he would like to point out that his constituents in Limestone County got service elsewhere, out of Athens Utilities, the Limestone County Water Authority, and the Monrovia-Harvest Water

Authority, although that was Madison County. He said out in the wild west, it was still kind of haphazard, but they appreciated all Huntsville Utilities did.

Mr. Kelley said that the electric service stopped at County Line Road, but the water and gas systems served most of Councilmember Meredith's district.

Motion to postpone consideration of Resolution No. 24-749 to the next Regular Meeting of the Council, on October 24, 2024.

Motion by Keith/Seconded by Meredith/Unanimously Approved.

President Little said there would be a 10-minute recess.

(Recess.)

President Little reconvened the meeting.

(Councilmember Kling and Councilmember Meredith are not present on the dais.)

LEGAL DEPARTMENT ITEMS/TRANSACTIONS.

Vacation of Easements.

Ordinance No. 24-750, vacating a Utility and Drainage Easement between Lots 1 and 2, Cloud Nine Subdivision. (Walton)

Moved for Approval by Robinson/Seconded by Kling

Roll-Call Vote: Ayes: Kling, Robinson, Little

Nays: None

Absent: Keith, Meredith

Unanimously Adopted by the Council members present.

(ORDINANCE NO. 24-750)

UNFINISHED BUSINESS ITEMS FOR ACTIONS.

(Councilmember Meredith is now present on the dais.)

Ordinance No. 24-734, declaring certain equipment surplus and to be sold at public auction, which ordinance was introduced at the September 26, 2024,

Regular Council Meeting.

Moved for Approval by Robinson/Seconded by Meredith

Roll-Call Vote: Ayes: Kling, Meredith, Robinson, Little

Nays: None

Absent: Keith

Unanimously Adopted by the Council members present.

(ORDINANCE NO. 24-734)

Ordinance No. 24-735, declaring certain real property surplus and authorizing the Mayor to execute a deed conveying the property to Madison County, which ordinance was introduced at the September 26, 2024, Regular Council Meeting.

Moved for Approval by Robinson/Seconded by Kling.

Roll-Call Vote: Ayes: Kling, Meredith, Robinson, Little

Nays: None

Absent: Keith

Unanimously Adopted by the Council members present.

(ORDINANCE NO. 24-735)

Ordinance No. 24-736, declaring certain real property surplus and no longer needed for a municipal purpose and authorizing the Mayor to enter into a Purchase and Sale Agreement between the City of Huntsville and Fennel Noble Family Limited Partnership, which ordinance was introduced at the September 26, 2024, Regular Council Meeting.

Moved for Approval by Robinson/Seconded by Meredith.

Roll-Call Vote: Ayes: Kling, Meredith, Robinson, Little

Nays: None

Absent: Keith

Unanimously Adopted by the Council members present.

(ORDINANCE NO. 24-736)

(Councilmember Keith is now present on the dais.)

NEW BUSINESS ITEMS FOR CONSIDERATION OR ACTION.

(Items 20.q, 20.t, and 20.ac were held from the consolidation.

Motion for consolidation and adoption of the following items:

**Moved for Approval by Little/Seconded by Meredith/Unanimously
Approved.**

Consolidated Items:

Resolution authorizing travel expenses.

(RESOLUTION NO. 24-751)

Resolution authorizing the acceptance of donations.

(RESOLUTION NO. 24-752)

Resolution authorizing the Mayor to enter into agreements with the low bidders meeting specifications as outlined in the attached Summary of Bids for Acceptance.

(RESOLUTION NO. 24-753)

Ordinance amending Budget Ordinance No. 24-700, by changing appropriated funding for various departments and funds.

(ORDINANCE NO. 24-754)

Resolution authorizing the Mayor to execute Change Order No. 3 and FINAL to the Contract between the City of Huntsville and Thrash Commercial Contractors, LLC, for the Von Braun Center East and South Hall Renovations, located at 700 Monroe Street SW, Huntsville, Alabama.

(RESOLUTION NO. 24-755)

Ordinance approving appropriations, goods, or services for District 2 Council

Improvement Funds.

(ORDINANCE NO. 24-756)

Ordinance approving appropriations, goods, or services for District 3 Council Improvement Funds.

(ORDINANCE NO. 24-757)

Ordinance approving appropriations, goods, or services for District 4 Council Improvement Funds.

(ORDINANCE NO. 24-758)

Resolution authorizing the Mayor to enter into a Funding Agreement between the City of Huntsville, Alabama and the Alabama Department of Commerce, for Flood Mitigation, Project No. 71-25-SP01.

(RESOLUTION NO. 24-759)

Resolution authorizing the Mayor to enter into an Agreement between the City of Huntsville, Alabama and Garver, L.L.C., for Professional On-Call Services for Economic and Engineering Projects, Project No. 71-24-SP21.

(RESOLUTION NO. 24-760)

Resolution authorizing the Mayor to execute Modification No. 2 to the Agreement between the City of Huntsville, Alabama and Garver, L.L.C., for Zierdt Road between Martin Road and Madison Boulevard, Project No. 65-06-RD01 & ALDOT Project No. STPHV-ACAA62037-ATRP(016).

(RESOLUTION NO. 24-761)

Resolution authorizing the Mayor to enter into an Agreement between the City of Huntsville, Alabama and OMI, Inc., for Permitting Services for Broglan Branch, Project No. 71-24-DR03.

(RESOLUTION NO. 24-762)

Resolution authorizing the acquisition and/or condemnation of certain

property for non-motorized vehicle and pedestrian easements for the Holmes Avenue Streetscape and Corridor Improvements Phase 2 Project.

(RESOLUTION NO. 24-763)

Resolution authorizing the Mayor to execute Modification No. 2 to the Agreement between the City of Huntsville and Mark Johnson Construction, L.L.C., for Construction Periodic for Sanitary Sewer Operations-2023, Project No. 71-22-SP38.

(RESOLUTION NO. 24-764)

Resolution authorizing the Mayor to enter into an Agreement between the City of Huntsville, Alabama, and Weaver Environmental Services Company, Inc., for Periodic Bid for Emergency Manhole Rehabilitation-2024, Project No. 71-24-SP19.

(RESOLUTION NO. 24-765)

Resolution authorizing the Mayor to enter into a Contract between the City of Huntsville, Alabama and the low bidder, LTS Construction, L.L.C., for Periodic Bid for Emergency Pipe Bursting-2024, Base Bid and Option No. 1, Project No. 71-24-SP20.

(RESOLUTION NO. 24-766)

Resolution authorizing the Mayor to execute Change Order No. 2 and Final to the Contract between the City of Huntsville and Wiregrass Construction Company, Inc., for the Huntsville Ice Sports Center Parking Lot Improvements.

(RESOLUTION NO. 24-768)

Resolution authorizing the Mayor to execute Change Order No. 2 and Final to the Contract between the City of Huntsville and Consolidated Construction Company, for Construction Services for the Huntsville Transit Transfer Station.

(RESOLUTION NO. 24-769)

Resolution authorizing the Mayor to enter into an Agreement with Family

Services Center, Inc., for the use of CDBG funds for the rehabilitation of LIFT Emergency Family Housing facilities.

(RESOLUTION NO. 24-771)

Resolution authorizing the Mayor to enter into an Agreement with Mosaic Community Planning, LLC, for the use of CDBG funds, for consultation services.

(RESOLUTION NO. 24-772)

Resolution authorizing an Agreement between the City of Huntsville and 535 Consulting Group LLC.

(RESOLUTION NO. 24-773)

Resolution authorizing an Agreement between the City of Huntsville and Direct Communications.

(RESOLUTION NO. 24-774)

Ordinance to amend Budget Ordinance No. 24-700, to modify the authorized strength of the department.

(ORDINANCE NO. 24-775)

Resolution authorizing the Mayor to enter into a Memorandum of Agreement between the City of Huntsville and The Center for Internet Security (CIS).

(RESOLUTION NO. 24-776)

Resolution authorizing the City Clerk to invoke Southern States Bank Sidewalk Letter of Credit No. 50035678 for Little Mountain Phase 2 Subdivision.

(RESOLUTION NO. 24-777)

Resolution authorizing the Mayor to enter into a Facility Use Agreement between the City of Huntsville and Downtown Huntsville Inc., for an event called the “Tinsel Trail” in Big Spring Park.

(RESOLUTION NO. 24-778)

Resolution authorizing the Mayor to execute an Amendment to the Agreement

between the City of Huntsville and the Alabama Historical Commission, for the Terry Heights Phase II Survey.

(RESOLUTION NO. 24-780)

Resolution authorizing the Mayor to enter into a Master Services and Purchasing Agreement between the City of Huntsville and AXON Enterprise, Inc.

(RESOLUTION NO. 24-781)

Resolution authorizing the Mayor to enter into a Subscription Services Agreement between the City of Huntsville and Leads Online, LLC.

(RESOLUTION NO. 24-782)

Resolution authorizing the Mayor to enter into a Special Employee Agreement between the City of Huntsville and Diana Crawford.

(RESOLUTION NO. 24-783)

Items Not Consolidated:

Resolution No. 24-767, authorizing the Mayor to enter into a Standard Agreement between the City of Huntsville and Foresite Group, for Engineering Services for the Goldsmith-Schiffman Park Development.

Moved for Approval by Robinson/Seconded by Kling.

Mr. Ricky Wilkinson, Director of General Services, said this was a design services contract with Foresite Group, and it included civil engineering and landscape architecture for the Goldsmith-Schiffman Field project, in the amount of \$195,000.

Unanimously Adopted.

(RESOLUTION NO. 24-767)

Resolution No. 24-770, authorizing the Mayor to execute Change Order No. 9 and Final to the Contract between the City of Huntsville and Turner Construction Company, for the New City Hall.

Moved for Approval by Robinson/Seconded by Little.

Mr. Wilkinson said this was Change Order No. 9 and Final with Turner Construction Company, for the City Hall project, and the amount of the change order was \$1,213,814.90. He said this included extended general conditions for additional time that was approved during the project, some utility coordination, as well as some water mitigation in the parking garage and the level 2 mezzanine area, some Day 2 Adds, which included, as they moved departments in, needing electrical outlets installed, et cetera, and it also included some back charges for some commissioning delays that were experienced.

Councilmember Robinson said she had held this item for transparency for the public because building this building, as fabulous as it was, had cost a bit of money, that she thought the whole project was \$83 million, and this change order, \$1.2 million, was really just a fraction of that.

Councilmember Robinson asked if this meant they had finished the punch list.

Mr. Wilkinson said the punch list was still ongoing, that there were several items on the punch list that they were waiting for materials to come in, that it was not done, but very close.

Unanimously Adopted.

(RESOLUTION NO. 24-770)

Resolution No. 24-779, authorizing the Mayor to submit an application on behalf of the City of Huntsville for Transportation Alternatives Program "Connecting the Cove" project.

Moved for Approval by Robinson/Seconded by Kling.

Mr. Shane Davis, Director of Urban and Economic Development, said they brought before the Council this type of grant application through all their districts, and they referred to these as "TAP Funds," or "Transportation Alternatives

Program Funds," that flowed through the Federal Highway Administration into ALDOT. He said they were competitive grants that communities throughout the state could apply to. He said this particular request was for 1.3 miles in the Hampton Cove/Big Cove community, on Big Cove Creek, that paralleled U.S. 431. He said there was existing greenway connectivity there, but there were missing links, and they wanted to add the missing gaps and add some new connectivity into the residential neighborhoods. He said it was about an \$800,000 project, and if they were successful with this, they would be able to secure federal funds for \$640,000, and with the annual greenway appropriation in the Capital Plan, they could pick up the extra \$160,000. He said this was a great project, and they thought it would be super competitive in the grant scoring, so they felt good about this, should the Council let them make this application.

Unanimously Adopted.

(RESOLUTION NO. 24-779)

NEW BUSINESS ITEMS FOR INTRODUCTION.

Introduction of Ordinance No. 24-784, amending Chapter 22, Article I, Section 22-1, of the Code of Ordinances of the City of Huntsville.

Ms. Penny Smith, Director of Finance, said she and Chris McNeese, Director of Public Works, would be bringing a presentation to the Council concerning the proposal that had just been introduced. She said this was an ordinance change, so it required an introduction and then consideration at the next Council meeting. She said this ordinance was contained within their packet, and she and Mr. McNeese would go through some things that were happening in the Sanitation Fund.

(There was a PowerPoint presentation.)

Ms. Smith said Mr. McNeese would do an overview of the operation and talk about the needs there, and what was the current service and level of service that was

provided to the citizens. She said she would then talk about the model they had paid to have developed, the rate study itself, and the current financials, and the recommendations that had come out of that.

Mr. McNeese said in the amendments that were being proposed, they were going to address a lot of corrections to their operational language, as they operated from day to day. He said this would not affect their level of service at all, that they would still maintain the level of service they had been creating for the last 10 years he had been in Public Works. He said that with this, they were emphasizing their primary focus in Sanitation, which was single-family dwellings, and he said that was collections for residential services.

Mr. McNeese said that, per ordinance, the residents were obligated to receive their service, and they were obligated to provide the means by which to collect that service. He said that also set up the argument they had with their single-family homes, and that was that the people who were receiving the service actually paid for the services rendered. He said they did not want any subsidizing going on with that. He said within the city limits of Huntsville, there were different means of living, that there were single-family dwellings, multi-family dwellings, low-income, and public housing, and apartments. He said at this time, the people who lived in all those situations were buying goods and consumables, and they were paying sales tax, and a portion of that sales tax was revenue for the City of Huntsville, and it went toward funding City services, and one of those services was Sanitation, with collecting goods. He said if the dots were connected just right, some folks in the apartments were subsidizing some degree of collections for the single-family dwellings. He said their focus needed to be, with every bit of that cost and fee of collection, to put it toward the individuals who were receiving the service, and that was what these amendments were going to be accomplishing.

Mr. McNeese said he would touch quickly on single-family dwellings, noting that they covered more than 70,000 single-family dwellings. He said they also had a small list of commercial collections that were slowly dwindling, that they had businesses that had either relocated, changed ownerships, or just closed their operations, and they were slowly dropping off the list. He said that list was comprised of small businesses, pools, or churches, that they considered those commercial. He said they did reserve the right to decline service, that with a lot of the commercial businesses that came to them, they would direct them to the private sector, to private haulers.

Mr. McNeese said he wanted to discuss their operational summary, that he wanted to talk to them about how they collected. He said they had a lot of people moving into the Tennessee Valley, into the city of Huntsville, and when they came in, Sanitation received a lot of questions and a lot of phone calls, regarding how they served, what the fees were, and what services they rendered.

Mr. McNeese said that what he wanted to convey to them was the daily operation at Sanitation. He said they collected four days a week, Monday through Thursday, and employees were off on Friday, although they reserved that extra day for holidays or when they had circumstances such as inclement weather. He said on each collection day, they had 25 routes they were collecting on, and each one of those routes had two trucks, an automated truck and a boom truck, so every day they would be sending out 50 industrial-size trucks, for 25 routes, and on each one of those routes, they tried to collect between 750 and 850 households, so they had one truck, an automated truck, going on a route and stopping and starting what could be up to 850 times in one day.

Mr. McNeese said that currently, they were charging \$16.50 a month, and that service allowed a household to receive eight industrial-size trucks that came to their

house, for \$16.50 per month. He said when this was compared to a neighboring city, such as Madison, he thought they charged \$27.80, \$13.50 for garbage collection, and he thought the private hauler charged \$14.30 for boom collection. He said they had a long run of a very small amount, of \$16.50 per month, to capture those costs.

Mr. McNeese said another service they provided was that they maintained the carts, that they had four environmental service technicians, and they maintained the carts, that they would repair or replace the carts, that they went out and maintained them. He said they wanted to repair the carts rather than replacing them because they wanted to be a good steward of the taxpayers' money and stretch that dollar as far as they could.

Mr. McNeese said something that would not change, like their level of service would not change, was a special rate they offered for citizens who met the qualifications. He said this was a \$10 per month rate rather than the \$16.50. He said they offered this, and persons would call in, and they would answer some questions, and they would probably get a visit from their inspectors, and if they met the qualifications, they would be a candidate for that special rate.

Mr. McNeese said this amendment recommended a rate change, from the recent rate study that was conducted by a third-party consultant, through the Finance Department, that Ms. Smith would address momentarily. He said he believed the last fee revision was in 2010, and if this amendment was approved, it would be the second amendment to the fees in the last 25 years. He said the big thing that was affecting their costs was inflation, that that was the biggest impact to them, with materials, equipment, trucks, and maintenance costs. He said that with trucks, they had a lot of moving parts, and they would stop and go a lot each day, that there was a lot of abuse to these trucks, a lot of motion, and a lot of wear and tear on them. He said they were trying hard to keep the cycle of their fleet as young as possible, as short as possible, so

they could keep fresh trucks on the road, out of their Fleet Department, keep them on the road and collecting. He said they were not charging nearly enough to cover the cost of the level of service with the way it was set up at this time, and they wanted to directly charge the individuals who were receiving this service. He said that properly funding this would allow them to keep that level of service going. He said when he had received any calls from the Council members concerning this service, it usually revolved around equipment, around the trucks. He said trucks were very expensive, and the cost was going up, and they would just have to adjust to accommodate those costs.

Mr. McNeese said he would answer any questions the Council members might have.

Ms. Smith said she would talk about Revenue Sufficiency and the Cost of Services Study, or Rate Study.

Ms. Smith displayed a slide, and she said in 2022, they had decided they would move these cost of services out of the General Fund and into an Enterprise Fund. She said they had done this for a number of reasons, and she would like to review a few of the benefits of this. She said fiscal transparency was a big one, and separating the accounting, the data, and the cash reserves helped them, that they could report easily on what was happening within the funds, comparing revenues to expenditures and understanding what those reserves were made up of, and understanding the life cycle of the fund as it moved throughout time. She said it facilitated planning and sustainability of the fund itself, so instead of having to go and compete against the General Fund, against Fire, or against Police, or Fleet, or other types of services, it could start developing its own funding sources for that service. She said that depending on the funding level, at this time, it went to the Capital Projects Fund or to the General Fund. She said they had pulled that all out in 2022 and started standing

it up on its own. She said if funded properly, the burden on the General Fund would lessen, so those important things that were happening in the General Fund would get more attention, and they would be able to stretch those dollars further.

Ms. Smith said this department touched every home in the city, unlike any other service they provided in the city of Huntsville.

Ms. Smith displayed another slide, and she said the prior year, the City Council had authorized a contract to be entered into with Gershman, Brickner & Bratton, who had partnered with Raftelis to conduct the work of a Solid Waste Rate Study. She said this was designed to identify the full cost of the service, to help them in what they did to pull together all the services and the costs surrounding the service of providing solid waste and yard waste service.

Ms. Smith said they had developed a model that would provide a rate adjustment plan that would achieve the revenue needed to sustain the services well into the future. She said they had said this should be designed with flexibility in mind, as they had to consider the burden to the ratepayer and other rate adjustments in the city, like the electric rates they had just heard about.

Ms. Smith said they had asked this company to do a five-year planning horizon, to enable them to adjust those things over time, especially looking at the life cycles of the fleet, and they had asked them to help with an understanding of how the model worked, and to plan for the presentation to the Council, and they had also asked them to help them with analyzing other jurisdictions' cost of services, and they would see this later on the slides.

Ms. Smith displayed another slide, and she said she had started to show the model, but it was very confusing unless they really knew where all the dials were within the model, so she had listed on the displayed slide all the different types of inputs that were within the model. She said the objectives they had asked to be

provided were met. She said the City had provided a lot of data, and she thanked the departments involved in this. She said they could see all the inputs for the model on the display. She said they had broken down Fleet, including escalation factors, inflation that was mentioned, which affected certain prices, and they identified the relationships between costs. She said this could be a tool they could use over time, as they looked through the years, understanding how adding routes might affect the financials, that it would be an increase to Fleet and an increase to Operations, adding manpower, and it would also increase overtime.

Ms. Smith said they had received a breakdown of costs, between bulk rates and garbage rates, and about 65 percent of the costs actually went to garbage collection, as opposed to the remaining 35 percent that went to bulk rate collection.

Ms. Smith displayed another slide, and she said she would present a little history, and then she would move into a forecast, and then look at the rates themselves.

Ms. Smith displayed a slide entitled "Revenue History," and she said all their fees were collected by Huntsville Utilities or Limestone County Utilities. She said the growth, on average, across the years, was about 1.6 percent, and she said because they had not had a rate increase since 2010, all growth was due to an increase in population or an increase in accounts. She said the last rate increase, as Mr. McNeese had mentioned, was in 2010, up to \$16.50, and then before that, it was in 1998.

Ms. Smith displayed another slide, entitled "Expense History," and she said she had added the expense history, that she had adjusted the amounts in the expenses, pulling in some of the expenses from different places, in order to understand the deficits that were supported in the past. She said Personnel and Operations was in the General Fund, Sanitation, that it resided there when it was in the General Fund, and Fleet Maintenance resided in the General Fund, General

Services. She said Capital Purchases came out of the 1990 Capital Projects Funds, and the Administrative costs were spread throughout HR, Finance, Legal, Workers' Comp, things like that. She said the average growth over time was about 3 percent, and some of the spikes on that chart were when they purchased vehicles.

Ms. Smith displayed a slide entitled "Expense Forecast," and she said they had a little thing they went through, going back to their expense. She said although the chart only went back to 2016, in 2010, a Sanitation worker had an average salary of about \$27,000, and in 2024, it was \$38,500, which was a 40 percent increase, so that was a 40 percent increase in salary level since the last rate change, so they could imagine how costs were driven.

Ms. Smith said, concerning the Expense Forecast, that this came out of the model, and she said as they looked forward, Personnel growth, on average, was about 4.2 percent. She said in FY 26 and FY 30, they added more routes, that as accounts increased, they were going to need to add routes to their system, and that was done in those two years, so they would see a little bit of bump up for Fleet and Operations in those years. She said the purple lines at the bottom on the display represented Personnel, and the middle was Operations, and at the top was Capital.

Ms. Smith displayed a slide entitled "Deficit Forecast - No Rate Change," and she said this was looking at if they did not do anything, if they had no rate change, and the orange line represented that 1.6 percent increase over time, and they would see all those deficits that would need to come either out of the 1990 Capital Projects Funds or out of the General Fund, over time.

Ms. Smith displayed a slide entitled "Forecast - With Proposed Rate Changes," and she said, as Mr. McNeese had mentioned, in January 2025, they were proposing a \$5 rate increase for residential services, and then in January of 2027, adding another \$3. She said this would not actually cover the whole cost, so they were still going to

have some transfers that would be needed either from the General Fund or the 1990 Plan. She said this was in consideration of what they felt like was appropriate for this time period, as they moved forward, that they could consider other rate increases as they moved into the future, but this would get them on better footing.

Ms. Smith displayed another slide, and she said this showed the rates for surrounding jurisdictions. She said some of these provided garbage service but no bulk service, and some provided some bulk service but at a fee, that it varied, but they could take a look at it. She said some of these were set within their property taxes, so they were kind of in the General Fund, and it was hard to see what the actual rates were.

Ms. Smith displayed a slide entitled "Proposed Rate Adjustment," and she said there was single-family, multi-family, and that special rate that was mentioned earlier. She said they had Excessive Bulk Waste that would increase, and Commercial Standard Rates that would also increase with this.

Ms. Smith said she would answer any questions the Council members might have.

Mr. Hamilton said he wanted to quickly hit the highlights on this. He said as Mr. McNeese had said, there was nothing in this ordinance that would change the service level. He said he had found as they had modernized their operations, gotten new equipment, et cetera, some of the language in the ordinance had not kept up with that, so they had taken this opportunity to clean that up and make sure the ordinance was more readable and more directly described to the citizens exactly what they did or did not do. He said if there were any questions from citizens about if there was going to be a change in the way they received services, the answer to that was absolutely not, that this would not change any of the service levels or the operational pieces of this.

Mr. Hamilton said as they talked about the rate, he thought all of them started thinking about how this would impact those who had low income or fixed income and would be most impacted by cost structures, and he thought that was very appropriate. He said many of the people who would be in the low-income level would not have any access to this service whatsoever, that, for example, if someone lived in public housing, even if they wanted this service, they could not have it, that it would not be accessible to them, and if they lived in some of the projects Scott Erwin had worked with, they were multi-family buildings, and they did not have access to this service, and, also, when Mr. Davis talked about workforce housing, he was talking about apartment buildings, and they would not have access to this service.

Mr. Hamilton said a very large percentage of those who were most impacted by low income would have absolutely no access to this service, but every time they paid taxes on anything, they were paying taxes that subsidized his garbage service. He said he lived in a single-family home in Blossomwood, and he was paying \$16.50 a month for his garbage service, and the model said he should be paying \$24, and that difference was made up by all the citizens in Huntsville paying taxes. He said the single mother living in public housing and working two or three part-time jobs, trying to make ends meet, that every time she went to the grocery store, she would be paying taxes to fund his garbage service.

Mr. Hamilton said the system was set up where those who received the service paid for it, but, unfortunately, part of what they were dealing with at this time was the fact that they had not brought before the Council rate increases in smaller increments year over year, the way they should have to keep up with inflation. He said the last time they had looked at fees was in 2010, and everyone was aware of what had happened with prices of everything, equipment, gas, diesel, and personnel, and on down the list, and since they had not brought before the Council the fee increases they

should have been considering at the time, to keep up with inflation, the subsidy from all the folks who were not receiving this service was just getting bigger and bigger every year.

Mr. Hamilton said what this attempted to address was closing that gap. He said they recognized that because it had been so long, they were bringing before the Council what seemed like a pretty big increase, that it was \$5 initially, and then two years later, a \$3 increase, and that still would not get them all the way there, that it could certainly be a bigger increase, but they had recognized the shock to the system that might bring. He said they were certainly open to conversation about there being a better way to structure this, and they recognized that in going forward, they had to be more diligent in updating the models, updating their pricing structure, and bringing this before the Council on a more regular basis, so these things were more predictable.

Mr. Hamilton said that they recognized that for 14 years, they had not touched this, and they had really needed to. He said they felt strongly that they had to find a way to close that gap and take that load off the people who did not receive the service and put that load on the people who did. He said for persons receiving this service who were significantly impacted by low income, they had the low-income rate, that if someone qualified for food stamps and received this service, they could apply for that much lower rate. He said that went through Community Development, and if someone qualified for that, they would be paying a much lower rate. He said that was a program that when they had self-assessed, they saw it was not advertised as well as it should be, and they needed to put some effort, as part of this process, into advertising it better, because they believed there were probably a lot of people who qualified for it who had not applied for it and should. He said they were committed to making sure that was better advertised, and they had the resources in place to assist

people in accessing that lower rate.

Mr. Hamilton said he would answer any questions the Council members might have.

Councilmember Robinson asked Ms. Smith how much they needed to cover these costs, how high it would eventually need to go to cover the costs.

Ms. Smith said that was a question for as they moved into the future, but if they were to raise the rates at this time to cover the cost of what they had, they would have to go all the way up to \$24.50.

Councilmember Robinson asked if this plan, effective January 2027, would be \$24.50.

Ms. Smith said that was correct, but this was as of today, and as they moved forward, they would get into rising costs, so in 2027, they would actually need more to completely cover the costs, and in 2030 or 2031, they would need more. She said that, obviously, they did not want to go to that stark difference, all the way today, but over time, they would get there. She said they were aware there would be some transfers that would be needed to help them get to those rates over the next few years, but this would get them to a much better place.

Councilmember Robinson asked if the goal was to cover these costs and to no longer subsidize.

Ms. Smith replied in the affirmative.

Councilmember Robinson said Mr. Hamilton had brought up a really good point about people who did not use this service paying, so this would be where users would be paying for this service, and general taxpayers would not be, and it would add more to the General Fund as well. She asked how long it would take to get there, and how they were going to do it, if every few years, they were going to increase it by another dollar.

Ms. Smith said she thought if they wanted to cover it, they would need an escalation factor on that. She said they had discussed that, and it was recommended to have an escalation factor of 3 percent, that every single year it would go up, or to have some kind of an escalation factor where they would gain that every single year. She said they had not felt that would be what the Council would want, so they were bringing this before them, but if the Council would like for them to consider doing an escalation factor every year and adjusting the rates that way, they were open to some changes.

Councilmember Robinson said that would make it more predictable for the consumer, and it would not come as quite such a shock. She said it would distribute the load over time, but it would eventually get to the point where Sanitation was paying its bills based on fees for service.

Councilmember Kling said the cost of a second can was going from \$3 to \$9, and he asked if that was high enough, if raising those levels might allow them to lower the increase on regular service, and if it might be a deterrent.

Councilmember Kling said, also, he was aware they had been phasing out commercial service, because he would occasionally hear from a church or somebody that they did not have that much garbage, and they would like to get it picked up, and then Mr. McNeese would have to tell him they could not do that, which he would relay. He asked if they had thought about taking the increase they had for commercial waste and maybe raising it even higher, maybe raising it to 40. He said something that would really make the businessman decide he wanted to get out and go with commercial collection would get them out of a service he thought they wanted to get out of.

Mr. McNeese said it sounded like a deterrent rate Councilmember Kling was referencing, and he needed to let Mr. Hamilton and Ms. Smith address the dollar

amount they would want to change it to, or that it had been changed to, as recommended by the study. He said, however, he wanted to address the phasing out of the commercial, that there was not a goal of phasing this out, even though their primary focus was single-family dwellings. He said each request would be evaluated on its own merit, individually, and if it was within certain areas that were zoned for both commercial and residential, there were some of those houses that had a business in them, and if they were going to go down the street and pick up residential, residential, residential, and they ran across that business, they were there, and they would go ahead and pick it up. He said it was a case-by-case evaluation when they got such requests, and their goal was not to completely do away with it but just to minimize it as much as possible.

Mr. Hamilton said the way the proposal was laid out, what they had sought to do was on the base rate any customer would pay, whether it would be residential or commercial, to be relatively consistent in what that increase was, across all customer types.

Mr. Hamilton said they were currently charging \$3 for an extra can, and what the model said was they should be charging about \$13. He said they felt like that amount of an increase was a shock to the system, and they did not feel like it was supportable, that going from \$3 to \$9 would triple the price, with the extra can, on a percentage basis, being a much larger increase.

Mr. Hamilton said they felt this would get those customers who were producing that much more garbage closer to what they ought to be paying, in terms of their fair share, and it would also likely incentivize people to get into the recycling program, which was offered for free, and rather than filling up a second can with material that ought to be recycled, to get one of those free blue cans from SWDA, which would ultimately make that program more effective.

Mr. Hamilton said if it was the will of the Council that they have the commercial customers take a larger piece of the load, or those with second cans take a larger piece, they could consider those changes.

Introduction of Ordinance No. 24-785, declaring certain equipment surplus and to be sold at public auction.

Introduction of Ordinance No. 24-786, annexing 30.67 acres of land lying east of Little Cove Road and north of Cobble Farms Drive.

President Little said this concluded the official business portion of the meeting.

(At this point, the livestreaming of the meeting was ended.)

SECOND ROSTER PUBLIC COMMENTS.

President Little said this portion of the meeting was reserved for persons wishing to address the Council on matters relating to City business, whether or not such items were on the meeting agenda. He said persons could sign up to speak on the Second Public Comments Roster prior to or during the meeting, and when called, they should approach the microphone and state their name, home address, and city of residence. He said each speaker could address the Council for three minutes, and that speakers shall refrain from entering into a dialogue with Council members or City staff and from making comments regarding the good name and character of any individual

Ms. Wesam Shash, Madison, Alabama, addressed the Council, stating that her address was on file (3357 Castlecreek Dr.), and having signed up to speak concerning "funding for Fema."

Mr. David Snyder addressed the Council, stating his address was on the sign-in sheet (3816 Bob Wallace Ave.), and having signed up to speak concerning "International Policies."

Mr. Nathaniel Yao, 101 Royal Drive, addressed the Council, having signed up to speak concerning "Military Industrial Companies."

Mr. Jordan Woods addressed the Council, stating that his address was on file (115 Dexter Circle), and having signed up to speak concerning "Federal Law/HSV."

Mr. Austin Jones, Owens Cross Roads, addressed the Council, stating that his address was on the sheet (173 Sedgewick Dr.), and having signed up to speak concerning "1st Amendment."

Mr. Sammy Ajjuri addressed the Council, stating his address was on file (222 Park Stone Dr.), and having signed up to speak concerning "Quality of life."

Dr. Marisa Allison, District 2, addressed the Council, stating her address was on the list (710 Owens Dr., SE), and having signed up to speak concerning "Genocide in Gaza."

Mr. Kenneth Topka, 3114 Tenker Creek Lane, Owens Cross Roads, addressed the Council, having signed up to speak concerning "H2O rates."

Dr. Angela Sommerset, 9 Chalkstone, addressed the Council, having signed up to speak concerning "multiple" (illegible).

Mr. Yahia Gadalla, 3357 Castlecreek Drive, addressed the Council, having signed up to speak concerning (illegible).

Ms. Sarah Colletti addressed the Council, stating her address was on the sheet (W.H. Lawrence Road, Unincorporated Morgan County), and having signed up to speak concerning "baby" (illegible).

Ms. Moni Ahmad addressed the Council, stating her address was on file (123 Foxhound Drive, Madison), and having signed up to speak concerning, "doctors working" (illegible).

Mr. Daniel Ellis addressed the Council, stating that his address was on the

document (3149 Lakeland Dr., Madison), and having signed up to speak concerning, "Palestine."

Ms. Vera Vergara, addressed the Council, stating her address was on the document (3149 Lakeland Dr., Madison), and having signed up to speak concerning, "Palestine."

Ms. Alyx Kim-Yohn, District 3, addressed the Council, stating her address was on file (12023 Chicamauga Tr., SE), and having signed up to speak concerning, "divestment from Israel."

ADJOURNMENT.

President Little said the meeting was adjourned.

PRESIDENT OF THE CITY COUNCIL

ATTEST:

CITY CLERK

(Meeting adjourned at 9:50 p.m. on October 10, 2024.)