

HUNTSVILLE CITY COUNCIL MINUTES
Work Session - September 19, 2024 - 5:30 p.m.
City Council Chambers, Municipal Building
Huntsville, Alabama

Members Present: **Mr. David Little, President**
 Dr. Jennie Robinson
 Mr. Bill Kling
 Mr. John Meredith

Members Absent: **Mr. Devyn Keith**

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, stating that all Council members were present with the exception of Councilmember Keith, who had something come up and was not able to be present for the meeting. He said Councilmember Keith had asked him to say he had visited with all the Council members over the prior week about the budget.

This Work Session of the Huntsville City Council was called by President Little for the purpose of Administrative Presentation of the FY 2025 Budget and discussion thereof.

Introduction Comments by Mayor Battle.

Mayor Battle said the budget was their blueprint for what they would do in the upcoming year, that they would combine money with ideas and devise plans for providing for the citizens of Huntsville. He said the No. 1 thing they did in the budget process was to meet City services, noting that the citizens counted on these services, and they were essential to running the city and made them a great community.

Mayor Battle said basic City services included public safety, and it also included paving and the building of roads, filling potholes, and picking up trash, to make the city beautiful, and caring for cats and dogs and animals of all kinds, and providing the public with parks and recreation. He said transportation for those persons who might not be able to afford a car was one of the basic City services.

Mayor Battle said the City's income was \$571 million, and this included two Enterprise Funds, School Funds, two Capital Plans, and the General Fund. He said they could compare that to the \$533 million for FY 24.

Mayor Battle said the tax base was growing, but it was growing at a smaller level this year than it had in the past.

Mayor Battle said the City's payroll was \$150 million, which was 57 percent of the budget. He said they tried to keep that number down, but they had to recognize it took people to keep the parks clean, to fix and patch the roads, and keep the public safe in the community. He said that was their job, that that was what the citizens had hired them to do.

Mayor Battle said they had 43 outside agencies, 10 of which were intergovernmental, including schools, hospitals, libraries, and more. He said 12 were in the cultural and tourism areas, including the Alabama Constitution Village, the Art Museum, the Von Braun Center, the Burritt Museum, and the Botanical Garden, plus many more.

Mayor Battle said the City's annual debt service was \$76.3 million, and he believed Ms. Smith would show them that amount was slowly but surely going down. He said they used debt to finance some of their capital costs, but they never used debt to fund operating expenses.

Mayor Battle said this budget blueprint was what they would do for the following year. He said they had considered some of the Council's wants that were

discussed, the ones they could meet. He said it was not easy to meet them all, but they had looked at them closely. He said each idea that had the support of the Council they would move to, and that was why they had a budget meeting such as they were having at this time, to make sure they were pointing the city in the right direction.

Presentation of FY 2025 Budget by Penny Smith.

(Ms. Smith made a PowerPoint presentation.)

Ms. Smith said they were going to cover a lot of ground with this presentation, and she would try to reference where they were in the financial structure of the City. She said they would start with an overview of the budget creation, and then the financial structure. She said Whitney Gentry, the Grants Manager, would have a presentation on Grants and Outside Agencies; John Hamilton, the City Administrator, would present the 1990 Capital Projects; and Shane Davis, Director of Urban and Economic Development, would present the 2014 Capital Projects.

Ms. Smith said the budget was a fiscal policy document, that it was a plan for the upcoming year. She said by State law, a balanced budget for the General Fund must be adopted before the beginning of the fiscal year.

Ms. Smith said the Council members had seen her put this information in different graphics over time, that building a budget involved a lot of people and time, to arrange all the pieces that came together.

Ms. Smith said she felt it was important for them to go through the financial structure of the City because it was so unique, that it was unlike a business and unlike one's individual budget.

Ms. Smith said that, basically, cities and counties assessed and collected taxes, and provided services for the citizens, and local, state, and national laws governed

when and how much a city could collect, and also how they spent these resources.

Ms. Smith said as they could see on the screen, the City worked through a framework of funds, that each fund was comprised of Revenues and Expenditures, Assets, Liabilities, and a Fund Balance. She said all the financial transactions that surrounded that revenue source were contained within that fund. She said this helped them track, manage, and account and report for all the various sources of Revenues and Expenditures, ensuring they were regulated in accordance with laws. She said the City of Huntsville had over 70 funds, and there were no proposed changes to the structure of the City.

Ms. Smith said the General Fund was usually the largest fund of any city, and it was that with the City of Huntsville, and she commented on the General Fund, as well as a number of other funds.

Ms. Smith said they had had some recent good news on Economic Drivers. She said Huntsville tended to be better than the general trends. She said headline inflation numbers had fluctuated this fiscal year, causing uncertainty in the markets; however, they had softened in the past few months, moving toward a holding, or even a slight downward turn in the fall. She said consumer spending had cooled, both in goods and services, and confidence was rising slightly, according to the economists. She said Huntsville income was continuing to climb, although they were still in a tight labor market. She said unemployment rates were starting to climb overall, that in 2023, they were at a local rate of 2 percent, and now it had climbed to 2.6 percent. She said population continued to rise rapidly in the city, which continued to push revenue.

Ms. Smith said this led them to the Federal Reserve, and she said they had just cut interest rates by half a percentage point, and this should open up some positive patterns in the labor markets, as well as lending markets, that it would be a boost to

the economy, and they should see some upward trends from this in the coming months.

Ms. Smith said in Congress, continuing resolutions were back on the table, coming October 1, and they were hopeful that an agreement would be forthcoming, and there would be no shutdown in the fall. She said as they were well aware, Defense spending was one of the keys in the local economy, so they would monitor those bills closely as they moved through the next few weeks.

Ms. Smith said, concerning Fiscal Year 25, that they would look at Sales and Use Taxes, Ad Valorem Taxes, and Lodging Taxes, as well as some other revenue sources. She said this information was in the Budget Books that had been furnished to the Council members. She said Sales and Use Tax was the largest of all the revenues collected and funded most of the general services of the City. She said this made up more than half of the City's revenue, and they followed this trend line closely. She said in prior years, they had seen a couple of months with double digit increases, and they thought they had settled into a historical growth of about 5 percent; however, in the current year, they had seen only two months of growth over 5 percent, and four months below the forecasted increase of 3 percent. She said the year-to-date numbers had shown they were on target to come in on budget with Sales and Use Tax. She said the August number was a little disappointing, at 1 percent over the prior year, and they were hoping the September number would show some good Sales and Use Tax collection.

Ms. Smith said they were more conservative in their forecast for FY 2025, and they had settled on 2 percent over what was projected for FY 2024. She said they were cautiously optimistic, especially considering what the Federal Reserve had just done, and hopefully they would be back before the Council at midyear to adjust that number upward.

Ms. Smith discussed the allocation of Ad Valorem Taxes and Property Tax collections, noting that collections were predicted to increase over 7 percent this year. She said the law that was recently passed by the State limiting the increases to property taxes would not be in effect until the FY 26 fiscal year.

Ms. Smith discussed Lodging Tax Revenue, and she said this pointed to individual behaviors, relative to their excess funds, and to travel in the commercial and defense industry. She said collections had fluctuated during the year and were currently waning, and unless they had a stellar September, she would be surprised if they came in on budget on this, but they would be pretty close. She said for FY 25, they had taken a conservative approach on this, at 2 percent over the projected.

Ms. Smith displayed a slide, and she said that excluding grants, these seven revenue sources made up 85 percent of the revenue received in the City, and she had already discussed some of them. She said Pilot Revenue was in the yellow band, and this revenue stream came through agreements with Huntsville Utilities, and with the expansion of both services and city population, this revenue stream continued to grow a little each year, and the total for the FY 25 Budget was at \$31.6 million.

Ms. Smith said Licenses were in the green band, and she said that based on trends, they expected this to increase some, to \$31.5 million. She said the SSUT, or Simplified Sellers Use Tax, was a state-shared tax from online sales. She said they did not receive the full 4.5 percent, that they received only a fraction of that; however, the city's population helped with the amount that came out of the state. She said this had healthy growth and was once again predicted to be up by 8 percent, to \$18.8 million.

Ms. Smith said Permits, which she would address in the next slide, were being predicted to go down. She said this was Special Revenue Funds, and she said they collected all those different types of gas taxes that were distributed, based on formulas, from the State, and they could pay for roads, bridges, and similar

expenditures only. She said the revenues would rise and fall based on fuel prices and the trends had been hovering for the last few years very low, and this year, they had been moving up by less than 1 percent. She said the majority of this was spent on road resurfacing; however, they had dedicated a portion of this to street lighting, and the cost had outstripped the revenue since about 2021. She said it was a little larger each year because that trend line of revenues was pretty flat, so the General Fund budgeted a transfer in FY 25 in the amount of \$2.2 million to support that cost of street lighting.

Ms. Smith displayed another slide, and she said Permits involved inspections not only for buildings but also Electric, Gas, and HVAC. She said at midyear, they had taken this budget down to \$9.6 million for FY 24, and they projected it to come in right under \$10 million, and it was coming in as expected. She said that for the proposed in FY 25, the revenue stream was expected to settle significantly below the current year, at \$8.3 million. She said they felt they were settling in on what was a little more normal for the city, outside of some of the big things that came in and out.

Ms. Smith said they would be moving on to Grants, and this was accounted for mostly outside the General Fund, although they had a few grants that were in the General Fund.

Ms. Smith said she would like to turn the floor over to Whitney Gentry, who was their Grants Manager.

(Ms. Gentry made a PowerPoint presentation.)

Ms. Gentry provided an overview concerning grants, and she discussed how the City considered grants, and she said they would take what had been planned for the city, and then find a grant to fit that, to lessen the City's burden.

Ms. Gentry said that currently, the City had active agreements for 47 different grants, across 11 different departments within the City, from 15 different funding

agencies. She said they had \$242 million of grant awards, with a little over \$57 million in cash match from the City.

Ms. Gentry said, as to their focus for FY 25 and forward, that on the displayed chart, in the dark blue were the grants and award dollars, and in the light blue was the match. She said there was the RAISE grant, which was part of the flood mitigation project, the PARC project, which included flood mitigation help downtown and also the pedestrian bridge. She said then there was the Safe Streets and Roads For All Grant, which was a grant that was going to address issues on Holmes Avenue, and the Reconnecting Communities and Neighborhoods grant, which was also part of the larger PARC project. She said that, finally, there was the CNI grant, which was the \$50 million grant the City was awarded for the Mill Creek project.

Ms. Smith displayed a slide depicting the General Fund Department Pie, representing all the departments contained in the General Fund, with the full cost for the departments being \$294.7 million, which included a 2 percent cost-of-living raise. She indicated Police and Fire, and she said the largest part of these was personnel. She indicated Parks & Rec, and she said 93 percent of their budget was personnel, and for Landscape Management, 70 percent of their budget was personnel, and operations continued to be hit with rising chemical costs. She said that for IT, 50 percent of their budget was for operating costs, for all the City's computer software and hardware expenses. She said that was continuing to climb, especially software costs, as they were moving to the Cloud.

Ms. Smith said 70 percent of the budget for General Services was Operating, and it included janitorial expenses, which had doubled over the past year, and it also included utilities, facilities, and grounds maintenance.

Ms. Smith said Fleet services was 50 percent for personnel and 50 percent for operating, noting that repairs and maintenance of Fleet had increased 15 percent over

the prior year and would continue to grow as Fleet expanded. She said for Public Works Construction, the main part was personnel. She said this was just the Construction side of that, that Sanitation was housed in a separate fund.

Ms. Smith displayed another slide, and she said this brought them to Personnel, or what they called "Authorized Strength." She said it was proposed this year that the Council authorize Personnel at a total of 3,261, which included part-time and full-time staff, noting this was an increase of 42 positions. She said all these graphics were in the Budget Book, beginning on page 22. She said some of the larger increases included Police, at 10 positions. She said Fire had no front line positions, but the positions would add structured oversight in the Department as they continued to see expansions of stations across the city. She said Parks & Rec had added 12 positions but had deleted 3, and she continued to enumerate positions in various departments.

Ms. Smith said that if approved, they would have a total of 3,261 full-time and part-time positions. She said about one-fifth of the current positions were vacant. She said some departments had decided not to fill the vacancies at this particular time, and they only budgeted the positions the departments said they were going to fill. She discussed further how they determined the personnel numbers listed in the proposed budget.

Ms. Smith displayed another slide, entitled "Health Care Benefits," and she said the City was self-insured, meaning the City covered all the medical costs for covered employees and beneficiaries, over the cost of premiums and co-pays. She said in FY 24 to date, they covered 5,930 individuals. She said the projected cost of premiums was set through a study of their claims history, trends across the business, and current information through Blue Cross Blue Shield. She said the forecast study noted that costs would rise by approximately 9 percent, or \$3.3 million, in the next

year. She said the FY 25 budget included this rise in costs, and although the City bore the majority of these costs, they were asking the employees to contribute to this through a 7 percent increase in premiums.

Ms. Smith said health insurance was provided to current employees and retirees and qualified beneficiaries at a cost, that active employees were provided this at 15 percent of the premium; however, when they did the math, it actually came out to about 14 percent of the total premium cost. She said retirees were supposed to be at 60 percent, but they were actually bearing the cost at 49 percent of the retiree premium. She said the City of Huntsville bore all the remaining costs, and since the City was self-insured, this meant they covered everything.

Ms. Smith said they could see on the display that the cost for active employees was about \$6 million, and for retirees, it was about \$3 million, and the remainder went to the City, at \$33 million.

Ms. Smith said there was a 2 percent COLA increase proposed in this budget but a 7 percent increase in health care, and she said she wanted to comment on this. She said the average pay for a City employee was around \$69,000 annually, and a 2 percent increase equated to about \$1,380, and if they took out the family coverage, that would equate to \$8.40 per pay period, which would equal \$218 per year, and subtracting that, the net increase in pay would be \$1,162 per year.

Ms. Smith said there were also some other benefits to care for the employees, at a cost. She reiterated that the average annual salary for an employee was \$69,000, and she said the displayed list showed the Annual Paid Benefits, and she enumerated them, and she said this equated to about 30 percent above that salary level, as added benefits from the City.

Ms. Smith said all clinic operational costs were covered by the City, and employees and their beneficiaries and retirees could attend the clinic, that there was

no co-pay involved, and many of the prescriptions were paid for by the City, at no cost to the employee.

Ms. Smith displayed a slide entitled "RSA - Pensions," and she said this was quite a benefit to employees, but the cost was increasing, so they needed to plan for the cost at this time as well as the cost in the future, which they could see on the displayed slide. She said starting on October 1, the contribution rate for the City for Tier 1 employees was at 15.37 percent, and Tier 2 was at 13.9 percent. She said in 2021 was when the change was adopted to bring a larger benefit package to Tier 2 employees, and she said that would continue to increase the cost. She said they had just come out with the announcement that beginning in FY 26, for Tier 1 employees, the City contribution rate would be 16.5, and for Tier 2, it would be 15 percent, so that was quite an increase they were looking to in the coming year, which was something they had to plan for. She said while they were presenting an annual budget, they also had to think into the future, as to what things were going to cost as they moved forward.

Ms. Smith displayed a slide depicting the History of Contribution Dollars, and she said for FY 24, the City contributions were \$23.7 million, and the employees contributed about \$10.8 million into the Retirement Fund. She discussed increases in this in past years and said they expected this trend to continue.

Ms. Smith said Ms. Gentry would make the presentation concerning Outside Agencies.

Ms. Gentry displayed a slide entitled "Outside Appropriation Process and Timeline," and she said the starting line for this was in April, when applications were sent out to agencies, and they had a May deadline for applications, and in June and July, the applications were reviewed by the Application Review Committee, which was a new committee that had been set up, and currently there were five staff

members from four different departments within the City. She said these staff members read every application, and they had a rubric on which to score the applications, and at the bottom of this, there were two simple questions: “Do you recommend funding for this agency, and if so, how much do you recommend that they receive?”

Ms. Gentry said the notes and the summary of all the Review Committee went to Mayor Battle in August, and he reviewed the applications and the notes, and he made his proposed budget for the agencies from that. She said in September, the Budget was presented to the Council for approval, and in October, the agencies would receive their funding agreements, that the City would enter into a contract with them, that they would provide the services they had told them they would, in exchange for the money they would be given, and then they let them go and do the good work they had told them they would do. She continued that they checked in with the agencies in March, that they asked for a utilization report at the six-month mark, and they asked them to specifically report on the data points they had told them: how many people they had served, how much money of the appropriation actually went into the community. She said the whole thing would start over again in April.

Ms. Gentry said the Council members had been presented the Outside Agency Appropriation Data Sheets Book, and it contained a profile of all the different agencies Mayor Battle had proposed to fund. She said she would go through the Huntsville Museum of Art, which she noted was chosen randomly, as an example. She said the first section would have Agency, Leadership, and Mission of the agency, and the next section was focused on Data, and the pie chart they could see on the display was the percentage the appropriation represented of the agency's overall budget, noting that in this example, the appropriation the City was going to give to the Huntsville Museum of Art represented 41 percent of their budget. She said they

also asked them what percentage of their clients were actually Huntsville city residents. She said that was a very important metric the ARC reviewed every year. She continued that the Museum had reported 65 percent. She said the third section was the actual project, that this was what they held the agency accountable on, and this was what they said they were going to do. She said they took the dollars the City gave them, and they translated that into good work in the community, and the project summary would tell how they were going to do that, how they were going to effect change in the community.

Ms. Gentry said that then there was the Funding History, from Fiscal Year 2022 up through the proposed 2025 budget. She said it had the funding source over on the left-hand side, and she noted that this funding source was the Liquor and Lodging Fund, but for most outside agencies, it was the General Fund. She said this would also have any other money the City had given to the agency, and in this example, they had received an ARPA grant from the City in FY 23. She said there was also if there had been any Council Improvement Funds awarded, and it had the amount and the district. She said they should note that part of the proposed budget was what was highlighted in green.

Ms. Gentry displayed another slide, and she said the outside appropriations were broken up into three categories, that there was Outside Appropriations, Culture and Tourism, and Intergovernmental Transfers/Contracts, and she said that on the right of the display, they could see how that was broken out. She said that under Funding Sources, almost exactly half came out of the General Fund and half came out of Liquor and Lodging Taxes. She said the total was just over \$33 million for this year.

Ms. Smith said that next was Enterprise Funds. She said they had been in the General Fund for the vast majority of their slides, with the exception of Grants, and

she would like to point out two larger funds that were budgeted and managed by the City. She said Enterprise Funds accounted for specific services of sewer function and treatment and trash pickup, which included household waste and bulky trash waste. She said they accounted for these in Proprietary Funds, or Enterprise Funds, that because the charges for services could be isolated and associated with specific costs of the services, they could segment this out. She said the fee was intended to recover the whole cost of providing the service

Ms. Smith said Sanitation was managed by the Public Works Department, servicing all residential households in the city. She said Personnel costs and Waste Disposal costs, plus Landfill charges, made up the bulk of the operation costs of this service. She said the charges for services was approximately \$15 million, and with operational costs coming in at about \$19.3 million, it would produce a deficit. She said that deficit was supported by the General Fund, with a transfer in, equating to about \$4.2 million. She said the cost did not include capital contributions, on any capital that was purchased, either for replacement or for expansion of the fleet in Sanitation, that that was paid for through the 1990 Capital Projects Fund. She said the transfers and any additional fleet had been budgeted in those funds appropriately for FY 25.

Ms. Smith displayed another slide, and she said this concerned Water Pollution Control, and it showed the treatment capacity at each of their six plants that were operated by the Water Pollution Control Department. She said the largest plants were Spring Branch and Western Area. She discussed the expenses to collect and treat wastewater in the city, and she said charges for services were growing steady, at around 3 percent, and this was estimated to be about \$45 million, and operating expenses were forecast to be approximately \$49 million, and including interest expense, this would result in a loss; however, this fund, unlike the

Sanitation Fund, had the reserves to cover this.

Presentation of 2014 CIP by Shane Davis.

(Mr. Davis made a PowerPoint presentation.)

Mr. Davis displayed a slide, and he said for the 2014 Capital Improvement Fund, the Annual Recurring Revenue was just under \$68 million, and they had no planned debt issuance for the year. He said FY 25 Expenditures were \$83.3 million, and the current Debt Service Obligation payments for prior debt was \$9.77 million, so the Total Expenditures were just under \$94 million. He said the plan had just under \$30 million as a Beginning Balance, so they had a projected Ending Balance at the end of FY 25 of just under \$5 million.

Mr. Davis displayed another slide, and he said when the Council had passed the ordinance to create the 2014 Capital Plan, the intent was for them to "pay as you go," and to not heavily debt laden this plan, and they could see that they were following those guidelines, that for the FY 25 budget year, there was 13 percent debt service, and for the 10-year projection, it would drop just a little bit, and it was pretty much flat, as they would see in a future chart. He said the 1 percent decrease was through projected revenue increases as the plan continued to grow.

Mr. Davis displayed another slide, and he discussed Category Funding Levels, the investments in the categories for FY 25 and the projected investments in those categories going forward. He said the plan that was most heavily used was the Road and Bridge Improvements, that they could see those dominated the plan, as was the intent of the 2014 Capital Plan. He said in the upcoming budget year, there would be just over \$30 million in additional road improvements, and he said that as they could see, in the outer years, it dipped for a year, and then there were the big spikes. He said that some years, they had the very big spikes because they had some very large projects that were anticipated to start in those capital years. He said, concerning

Debt Service, that at this time, it was level funding.

Mr. Davis said a piece they had focused on in the last 5 or 6 years was Redevelopment Efforts, which was going back into existing corridors, like University Drive and Memorial Parkway, as well as into neighborhood areas that had an opportunity to have a change in use, a mixed-use development, to spur redevelopment activity. He said Lowe Mill was a prime example of that, and also North Huntsville. He said 2025 was expected to be a big year in this, especially with retail development along some of those corridors.

Mr. Davis said there were several projects in the pipeline they were working on, that it might be late in the current year or early in the upcoming year when they could come public with some of these, but they had been anticipating them. He said they were showing just over \$20 million for this in the FY 25 budget. He said if the Council members would look in their Budget Book and turn to the last page, they would see the list of these, and he said it included Mill Creek, and they would see an eight-year commitment for the grant Ms. Gentry had mentioned, the Choice Neighborhoods Initiative with Mill Creek, so they had budgeted their housing match in this, without going to the debt market to cover that, both Mill Creek and the PARC project. He said these were the two large grant projects that highlighted their matching funds at this time, which would come out of this without debt service. He said they did not want to go in debt just to get free money, because the cost of that free money, when you amortized the debt service over 20 years, was sometimes not worth it.

Mr. Davis said, concerning Economic Development, that this had always been a very small portion of the Plan. He said this went from a small business that might need help getting a utility to a large Mazda Toyota type project. He said these funds rolled forward, and they would see some percentages later, but it was a very small

percentage of this fund. He said the intent was to put infrastructure back into the districts and neighborhoods, and that is what this plan did.

Mr. Davis said the last big category was Greenways, Parking, and Transit, and they could see on the chart that they had had some really large years, noting they had been behind in downtown parking, that the Downtown Master Plan showed that, that they had these opportunity sites, and why they had laid dormant for so long was that while they did not have a parking requirement by zoning downtown, businesses had to have somewhere for their patrons to park, and in any urban environment, that requirement was usually provided by the government, by the municipality. He said they were mainly caught up on this, but there was one more parking component in downtown for FY 2025, which he had brought to them already, with the CityCentre Phase 3, and he said that parking was really to support the future expansion of the VBC. He said the remainder of this was for greenways, and they could see that in the outer years, they were back to heavily funding greenways.

Mr. Davis displayed a slide entitled “Expenditures By Category,” and he said that on the left, there was the FY 25 budget year, which the Council was considering, and on the right was the 10-Year Expenditure Forecast. He said roads dominated the theme, both in FY 25 and in the outer years. He said the 32 percent in FY 25 might seem to be a smaller percentage, but the Redevelopment efforts, the 23 percent, was to help fund Mill Creek and some things going up and down North and South Parkway, and out University Drive West and some Governors Drive activities. He said this was like a one-time bump, and they could see how it jumped back.

Mr. Davis displayed another slide, entitled “2014 CIP Long-Term Stability,” and he said the bar chart showed both the Projected Expenditures and the Debt Service, that that was the money coming out of the fund annually. He said the orange line going across the top was the Annual Revenues, and after subtracting that, would

be the Fund Balance. He said this was to show the importance of the Fund Balance. He said in the first slide he had shown, they had finished with a Fund Balance of just under \$5 million. He said they might say they could have two or three million dollars' worth of projects this year, but he asked that they look at FY 26, when it dropped, that it was a little over a \$1 million balance, and that had to do with the projects they knew were coming, especially with the road and bridge improvements. He said that fund balance carried into FY 26 to help balance FY 26. He said FY 26 was a heavy year, with a lot of road projects, so that fund balance dropped.

Mr. Davis displayed another slide, entitled "Budget Highlights," and he said, concerning Transportation Improvements, that there were 22 active and future projects that were funded in this 10-year plan, totaling \$367 million. He said there was Northern Bypass, Phase 2, which was from Memorial Parkway to Winchester Road, and Northern Bypass, Phase 3, which was Winchester Road to U.S. 72, which would complete the loop of the Northern Bypass. He said construction on Phase 2 should go fairly quickly, that the intent was to have this under construction before the end of the following calendar year.

Mr. Davis said another project was Capshaw Road, and this project was to correct some very short left-turn lanes on that road by extending the lanes to provide more capacity and avoid traffic congestion.

Mr. Davis said they were trying to be very strategic in what they were doing concerning these improvements, noting that they still had road projects that would take many years to do, but they had been looking at traffic models and data they had to determine what they might be able to do to really move the needle while they waited for the U.S. 72 widening project, and things like that.

Mr. Davis discussed some of the other road projects, as to the status, and he commented further on corridor redevelopment.

Mr. Davis said, concerning "Economic Development," that the first three listed under this were core things they did every year. He said he wanted to point out the South Star Festival contract, which the Council had agreed to enter into, and they had said they would cover any shortfall or any marketing expenses they had said they would dollar-for-dollar match, but that was not through the General Fund. He said that was a bullet point in there for the first three years of the festival.

Mr. Davis said, concerning Quality of Life Projects, that on Affordable/Attainable Housing Efforts, they had hired a housing manager, in Community Development, and they had put some money in there as they would start to roll out some things that would come from this. He said they did not know what this would look like, that it might be adding to their Down Payment Assistance Program, or leveraging HOME funds or CDBG. He said he just wanted to make sure they were prepared for that, as the Council had asked them to do that. He also discussed the Ditto Landing Master Plan investment, the Northern Beltline, Public Parking and Greenways, and Expansion of the Arts.

Presentation of 1990 CIP by John Hamilton.

(Mr. Hamilton made a PowerPoint presentation.)

Mr. Hamilton displayed a slide, and he said that first starting with an overview of Revenues and Expenses, Sales and Use Tax was the primary revenue that funded this plan, although they had several other smaller funding sources, like Gas Tax that came from the State, and a few other things. He said the total revenue coming into this account was over \$53 million. He said the total projects proposed for this year was \$98 million, and a portion of that would be funded by a debt borrow, and there was a Net Debt Service of \$11 million, that about 21 percent of this fund's revenues went toward Debt Service, so it was a little bit heavier debt load than what they had seen in the 2014 Plan. He said they would rely on the available budget at the

end of the current year to help balance the budget for the following year.

Mr. Hamilton displayed another slide, and he said this fund did two things, a lot of their major infrastructure facilities maintenance and some projects, vertical construction, such as police stations, fire stations, and also parks and recreation facilities, those kinds of things. He said that under maintenance, was Street Resurfacing, and he said that was a small increase. He continued that they had been successful in the last several years in significantly increasing their funding of resurfacing, that he would say that program at this time was in a very healthy place, that they were very comfortable with the funding level being provided. He said it had not grown as much for the upcoming year as they would like because the projection on gas taxes had gone down. He said there were multiple accounts that fed into that \$18.3 million, and the primary one had actually increased by a quarter of a million dollars, but there was a projected reduction in the gas tax they collected from the State. He said if that projection was wrong and gas taxes came in higher, by law, every bit of that would go into resurfacing, so that number would be whatever was actually collected. He said there were other Road Maintenance Improvements, at \$2.3 million, and Drainage Maintenance/Improvements at \$2.6 million, and Pedestrian Infrastructure Maintenance/Construction at \$2.45 million.

Mr. Hamilton said one of the things in the listening session they had heard and agreed with was that anything they could do to begin investing more into sidewalks and other pedestrian infrastructure was a good thing. He said the Construction portion of this budget had increased over prior years by 12.5 percent.

Mr. Hamilton said that next they had Fleet Capital, at \$12.5 million, and he said this was an area they had also been working to grow in this plan, and it was still not where they wanted it to be, but it was what they could afford for the upcoming year. He said they would continue to work on this as they had opportunities to

expand it. He said Fleet Capital was for every vehicle the City needed, every police car and fire truck, every vehicle for Public Works, and right now for Sanitation, that they were getting the Sanitation Enterprise Fund to where it needed to be, to where it was self-sustaining, the way the Sewer was. He said it would very much help this plan, and help Fleet Capital in particular, if they took the garbage truck load off of it.

Mr. Hamilton said Council Improvement Funds were at \$375,000.

Mr. Hamilton displayed another slide, and he said there were a lot of projects ongoing, that they had made a lot of advancements in a lot of quality-of-life infrastructure in the community. He said on the display, all the ones in the left-hand column were major projects, and there were some smaller ones that he had not highlighted there. He said in the top right corner on the display, they could see the projects that were in design, and those would all get started within the coming months, and they had two that were shown that would get started in FY 25, and in the out years in the plan, there were a number of projects that were projected for future years.

Council Q/A and Discussion.

Councilmember Kling.

Councilmember Kling said there was a lot of internet business taking place, and he asked Ms. Smith how she was sure they were getting all the revenue from what these companies were charging the customer.

Ms. Smith said there was what she called SSUT, Simplified Sellers Use Tax, or the State Online Sales. She said when persons entered into Amazon, Wayfair, or something like that, they paid 8 percent tax, and it went to the State, and the State then took their 4 percent off the top, and the rest of that money went back to cities and counties, based on a formula, that they divided it 60/40, and then it went back to the cities, that it took a different kind of cut, and then it came back to the cities, by

population, and the counties got a different cut, in a different way. She said this equated to much less than the 4.5 percent they got in the City. She said it was a growing tax, obviously, that everybody was online. She said this continued to be an effort, that they challenged the State to make sure they were getting their fair share. She said the State introduces different laws throughout time, and they had to continually play catch-up with that, but they looked at it and tried to help the State enforcement, which was the State Department of Revenue, to make sure they understood how that worked in the City.

Councilmember Kling said that under Public Works, he had noticed there was a category for Commercial 96-gallon cans, at a rate of \$29 per month. He said he thought they had gotten out of that, but asked if they were still doing commercial services in Public Works.

Ms. Smith said they were trying to get out of those services.

Mr. Hamilton said they had a very few, that it was coming down, and their intent was to try to get out of those. He said in some cases, it was actually serving where HOAs had clubhouses or pools, those kinds of things, but some of them were what would be considered a true commercial business. He said they had had some success in getting out of that business, that some of those businesses were downtown, and it was actually a dumpster service, and they had been working on ways to reduce that. He said they would like to be completely out of that business, that the way they delivered services was not really well suited for commercial demands, and, also, it was putting them in competition with the private haulers. He said the way they had set up that service within the community was that the municipal government focused on houses and to let the commercial haulers focus on the commercial business, and in terms of fully meeting the intent of that program, they needed to get out of it, and they were reducing it.

Councilmember Kling said his next question would go to Mr. Davis, and he said concerning the Mill Creek Project, he thought part of the housing was going to be used by Huntsville Hospital, that they had some sort of agreement with them concerning that. He asked if the income, or whatever they were going to be getting from Huntsville Hospital, had been factored into the expenses, as far as what the City was going to be putting into the project.

Mr. Davis said the Huntsville Hospital piece was totally independent of both their HUD funds and their City funds for their replacement housing, their 60 percent AMI, and market-rate housing. He said Huntsville Hospital would acquire their own property, pay for 100 percent of the construction for their housing and management of that housing, so the City would have no cost associated with the Huntsville Hospital piece.

Councilmember Kling said rather than new money or a new project, or anything like that, he would like to see if there was a way they could get Parks & Rec to take a hard look at the construction of two pavilions out of their budget, with one being for the Old Town Pinnacle School property, where they had large trees taken out by the tornado a couple of months prior, and one being for Pine Park, in the Westlawn neighborhood, which he noted might be the only park in the city that had never had any kind of a shelter or pavilion. He said he thought they had some line items in their budget that would cover that. He continued that, also, if there were some used picnic tables that could go underneath those pavilions, rather than buying something brand new, that would certainly be fine.

Councilmember Kling said he understood there was not any game plan for art work or anything that was going to go on the walls throughout City Hall, and going on that assumption, he was thinking they could have some money, just 2 or 3 thousand dollars, and he would even put some in out of his travel account, that they

could use for art work that the office staff could go over to the Senior Center and select, and they could get a little recognition and a little income for some of those seniors, and they could use that art work in the hallways of the City Council floor. He said before proceeding with that, he wanted to make sure there was not some comprehensive plan for this.

Mr. Hamilton said he would say there was a comprehensive plan, with the first component of that being hitting the pause button, and he said that was on purpose, that they wanted to get everybody settled into the building and allow the Department heads to see their particular spaces in the building, noting that oftentimes, where furniture was placed would affect where they wanted to put art. He said they recognized there were a lot of blank walls, and in some places, persons might want a blank wall, but in other places, they might want to get some color on the walls, and other things.

Mr. Hamilton said one of the things they had done was to collect throughout all the various departments all the pieces of memorabilia, art, and other things that were in the old building, and they had those in storage. He said when they were ready to start making sure things were where they were wanted, they would go through those things.

Mr. Hamilton said that when going through that process, and over time, they might want to purchase or acquire other pieces of art, little by little. He said he would encourage the Council, in working with their staff, to have a vision for how they might want to decorate the common spaces outside of their private offices, and if they wanted to acquire art out of their budget or out of their discretionary funds, if that was how they wanted to do that, that would be perfectly fine. He said he was not familiar with the Senior Center's program, but he would certainly be willing to look at that and see if that was an appropriate source and work with them on a way of

making those selections.

Councilmember Kling said he thought the plan they had done in the new City Hall, with the local artists and the out-of-town folks, had been very good. He said he just wanted to make sure they were all communicating, so they did not do anything on the Council floor that would be inconsistent with what they had been doing.

Mr. Hamilton said he kept in contact with Ms. Powell, in the Council office, on such matters, and he would continue to do so. He said they were happy with the public art program they had had to date, but he did not think they wanted to completely fill the building with artwork that was acquired through that kind of formal process, that there could be a less formal process, and also there could be memorabilia that might be donated, or things they would want to display. He said he thought it should be a combination of the very public formal art along with some of the other things they would probably typically do. He said he saw no issues with what Councilmember Kling was proposing for the Council floor.

Mr. Hamilton said, concerning Councilmember Kling's recommendations for Pine Park and East Clinton, that there were a number of things they needed to do in existing parks in the community. He said that with the growth of the community, they had be investing heavily in new parks, but they also needed to improve and maintain existing parks. He said in most cases where they had an existing park that needed the addition of a pavilion or replacing some equipment, those kinds of things, they were handled in the maintenance account, and other things. He said if he were asked where a pavilion was for Pine Park, he would say it was in Parks & Rec's Capital Budget, but it was not necessarily called out separately.

Mr. Hamilton said he would be happy to talk with any of the Council members about any specific parks they might be interested in. He said he would ask them to consider, as they looked at the needs within their districts, that sometimes there

would be small things they might see a need for in a park, and the Council Discretionary Funds might be a good place to tap into to do some of the small things. He said if they saw a park that needed a concrete pad and a picnic table, that would probably be a good example of something for them to use their discretionary funds for, and he said they would certainly want to work with them on those kinds of things.

Mr. Hamilton said if they had specific concerns or ideas, they should set up a time to go through them and work on the best funding strategies for each of them.

Councilmember Kling said he was aware that some progress had been made on the street sweeping in the neighborhoods in the district he represented, which was a central area, and he appreciated that, but they had a lot of large trees, and they dropped a lot of pine needles and leaves, and he would like to see if they could accelerate that process.

Councilmember Kling said he would like to look into if they could increase the individual Council-directed projects accounts from \$75,000 to \$100,000, for each of the five districts, looking at areas where they could provide funding for that. He said Ms. Smith had directed him to the 1990 Capital Projects account, and looking at that budget, he wanted to ask if perhaps they could look at dropping Fleet from \$12.5 million to \$12.375,000.

Councilmember Kling said that was all he had, and he said he certainly appreciated road resurfacing being at the high levels it was, as well as sidewalks, and those types of things, that he believed had good impact throughout the city.

Councilmember Robinson.

Councilmember Robinson asked, in regard to the artwork, if it might be possible, rather than purchasing art, to talk with the Senior Center, and even Huntsville City Schools, or UAH, Oakwood, and A&M, about loaning art, and having some areas in City Hall where it was like a local gallery, and it would be a rotating

exhibit, and it would give the artists some exposure, at no expense to the City.

Councilmember Robinson said her first question was about the 1990 Capital Plan, and she said Mr. Hamilton had said the Fleet budget was not where they needed it to be, and she asked where it needed to be.

Mr. Hamilton said he would be comfortable this year if it were at least \$18 million. He said what that represented was being able to replace police cars at a rate they thought it really ought to be. He said they had made significant improvements over where they were five or six years prior, but they were still getting police cars with 200,000 and 300,000 miles on them before they were able to replace them, in some cases, and fire trucks were also being held for multiple years longer than what they ought to be, in terms of what would be a healthy life-cycle replacement for them. He said they had made improvements with garbage trucks, but he would say their nose was barely above water in terms of life-cycle replacement on them.

Mr. Hamilton said they could then go down from there to some of the smaller examples, the equipment and things General Services and Public Works needed. He said with Public Works, there was a lot of their maintenance and construction equipment they were having to push life on much longer than they should. He said as the vehicles got older, they were having to maintain them much more, so they were having to fill that hole in the General Fund by more maintenance costs, and potentially getting to the point where they were having to hire more mechanics, and things like that. He said the cost of doing business with old vehicles was going to be maintenance and personnel costs, and, also, there was the down time.

Mr. Hamilton said they spent a lot of time the prior year talking about street sweepers, and by being able to acquire new street sweepers, they had gone from an average age of over 13 years down to 5 years, and what that meant was a lot less

down time and a lot less maintenance costs. He said they could take that exact same data and extrapolate it across the entire fleet. He said they had made good progress, and they were happy about that, and getting from \$10 million the prior year to \$12.5 million was a step in the right direction, but it still did not get them to where they needed to be. He said he did not anticipate being able to buy a single fire truck with that budget. He said based on the size of the department at this time, they should be buying 100 police cars every year, and that would cost between \$5.5 million and \$6 million, and that would be 50 percent of the budget. He said, concerning the Fire Department, if they bought what they needed to every year, that would probably take up 70 to 80 percent of that budget just for the Fire Department.

Mr. Hamilton said they were still behind, but they were doing a lot better than they were a few years prior.

Councilmember Robinson asked, concerning taking money out of Fleet to fund the Council Improvement Funds, how many police cars they would be able to buy with that.

Mr. Hamilton said the \$125,000 Councilmember Kling had asked for would equate to two-and-a-half police cars.

Councilmember Robinson said she would respectfully suggest that that might not be the best place to fund Council Improvement Funds. She said that, in fact, they should probably be looking at other ways to increase funding for Fleet.

Councilmember Robinson said the Enterprise Funds, both Sanitation and Water Pollution Control, were operating at deficits, it appeared, and they were doing transfers, and she asked if the transfers were coming out of the 1990 Capital Plan or out of Operating, for the deficits.

Ms. Smith said for the Sanitation Fund, they were coming out of both, that the General Fund supplemented the Operations, and they had for a number of years.

She said they might recall that Sanitation was in the General Fund for its history, and when they had pulled it out, the Operations showed that it needed a transfer, and they had been transferring every year from the General Fund to support the Operations. She said all the capital came out of the 1990, the Fleet that Mr. Hamilton was talking about.

Ms. Smith said for Sewer, that Sewer could support their own, that they had enough reserves and liquidity to handle the deficit that was being produced this year in their funds.

Councilmember Robinson said she thought they had been paying for themselves, but it looked like there was a deficit this year.

Ms. Smith said that was getting a little bit tighter as they had moved through the years, that they had been looking at that very recently, to make sure they were growing adequately.

Councilmember Robinson asked if they could get to the point where Sanitation was paying its own way, through fees, if that would free up money for Fleet.

Ms. Smith replied in the affirmative.

Councilmember Robinson asked if there was a plan in place to make that happen.

Ms. Smith said they were working on that.

Councilmember Robinson said she did not see her favorite project, the I-565 interchange, on the 2014 Capital Plan.

Mr. Davis said Councilmember Robinson was correct. He continued that they had had some productive conversations concerning that. He said the initial conversations had not been very fruitful, between the State and the Administration, but it was good dialogue. He said the Council members might recall that they had spent \$2 million on a feasibility study for the State and Federal Highway about two

years prior, providing three different alternates it would take to accelerate that project, and they had taken it as far as they, as a local government, could take it, that it was a federal highway, that both routes were.

Mr. Davis said at least at this time, it was being put in the TIP, the State Transportation Improvement Program, which would get them noticed. He said when they thought of federal projects, they could talk about them in the MPO, that they could have it be one of their 240 projects that were in the Long-Range Transportation Plan, but if that project was not in the federal system, in the Transportation Improvement Program, it did not exist, so that was what they had been really pushing for, and they had agreed to do that. He said it showed up as visionary, because it did not have funding. He said the State had committed about \$3 million to take it to the next step, which would allow, essentially, to get a FONSI, which was a Finding of No Significant Impact, and a Preferred Project scope. He said that would get them to the start line, to start designing any right-of-way and construction, so they would see what would happen.

Mr. Davis said he thought it was premature to put anything in the budget. He said what their view had been on that project, given its size and scale, was they really wanted the State and the Feds to take care of that intersection, that it was their road, and it was \$800 million that should not be on the back of the taxpayers in Huntsville and Madison County.

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

(Recess.)

Councilmember Robinson said she had one more question for Mr. Davis on the 2014 Plan. She said he had mentioned the Northern Beltline, and she asked if this was a Rails With Trails Plan, and, if so, were they getting cooperation.

Mr. Davis said a portion of it was what they referred to as an abandoned rail,

but there was no rail to convert, that it had long since been gone. He said several years prior, they had started some legal work to determine who owned it. He said they had the history of how that rail right-of-way got sold, that many years ago, it was Alabama, Tennessee Rail, and it went through a couple of iterations, and the last account they had, it was CSX, and they sent a legal notice, and CSX said it was not theirs, that it was Norfolk Southern's. He said neither one of them would claim it, so they sent quitclaim deeds to them, saying to quitclaim it just in case, and both of them said they were not really sure.

Mr. Davis said they thought they had a good path for that, that it was a former rail that ran north and south, that actually a portion of it used to go through where Alabama A&M's football field stadium was, and a large part of the campus there. He said that was a natural connectivity from Alabama A&M to downtown. He continued that it was more than just a greenway, that there were pocket parks, that there were things that would entice redevelopment, and entice activity in and around it, rather than what they had typically seen as a standard greenway.

Councilmember Robinson asked if it was correct that it did not involve the Madison County Railroad.

Mr. Davis said that was correct.

Councilmember Robinson said they had heard a lot about cost savings with the new City Hall, with leases, utilities, and a number of other cost savings that would be realized, and she asked if those had been projected, and if they had impacted the budget at all, or if it was too early to tell.

Mr. Hamilton said in terms of the leases they had been in, they had been canceled, and any of those costs had been pulled out of the budget, but he believed they were a while from really seeing any utility savings, primarily because the two buildings with a big chunk of utilities where they had moved from were still standing,

and while the bill was probably less, there were still utilities going in there. He said what was in the Capital Plan and what would be in their upcoming borrow was the demolition of the old City Hall and expansion of Big Spring Park. He continued that on the heels of that, would be what would happen to what used to be the library, what they called the Services Building, the Engineering Building. He said there had been some conversations with the County that they might have some need for that property, so that would determine what might happen there.

Councilmember Robinson said her next question pertained to the Appropriations to Outside Agencies, and she said maybe it was kind of a formatting thing. She said in that, they had contracts with the Arts Council and the Land Trust, and she asked if just to keep things clean, perhaps in the next budget they could be moved over to Contracts.

Ms. Smith said they certainly could. She said they had played with this area a little bit, in different ways, because there was funding coming from different places, and there were different types of contracts within it. She said they were trying to keep them together, so that when they looked at Arts Huntsville, it was all lined up, all the different funding. She said they could definitely look at rearranging some of that, that they would look at that again for the actual approved budget when it came out, and they might segment those out in a different way.

Councilmember Robinson said that was just a thought, because this \$3.3 million had the most flexibility, so it took up the most time in their discussions, and those at least could be moved out.

Mr. Hamilton said he wanted to clarify that when he had talked with Councilmember Robinson earlier, he was mistaken on the Land Trust. He said what was in the Budget Book, with two lines there for the Land Trust, the first one was at \$200,000, and they were part of the way through a 10-year commitment to assist

them on the capital side, and that was what the \$200,000 was. He said the \$125,000 was where he was mistaken, and that was their annual appropriation from the City, to assist with their operating costs. He said that completely separate from that was a contract inside the 2014 Capital Plan to assist with management of the Greenway Plan. He said when he had spoken with Councilmember Robinson, he had thought that \$125,000 was that contract, but he was mistaken, that that \$125,000 was their operating appropriation.

Councilmember Robinson said her concern was that since those were agreements, and long-term agreements, that still seemed contractual.

Mr. Hamilton said the Arts Huntsville pieces were in fact contracts, and if there were discussion amongst Council wanting to tweak some of those, they would, as they went through that discussion, identify the ones that were actual contractual obligations, where the Council would not have that same level of discretion because of the contracts.

Councilmember Robinson said her last question concerned the Outside Agencies appropriations process. She said they did utilization reports and asked if they ever did verifications. She said she was aware the reports said, "Here is what we did," but if there was ever any kind of random verification process. She said that on this, she hesitated to use the word "audit."

Ms. Smith said they did not audit those agencies. She said they had, although it had been extremely rare, gone in and asked to do a review of an agency's books. She continued that they required them to submit their budgeted, and if they had an audit, their audited, financial statements, or a review of their books, each year, and that came along with the application, and that was looked at. She said they could look at those every single year, but doing an in-depth audit would take a lot of manpower.

Councilmember Robinson said she was not talking about an audit, but just if

there was some way to verify the utilization reports. She said that did happen with grants occasionally.

Councilmember Robinson said her thought, when Ms. Gentry had mentioned the utilization reports, was that the Council had Council Improvement Funds that circumvented this process, and she was wondering, which she noted would be to her fellow Council members, if they could make utilization reports part of that process as well. She said there was accountability built into this grant process, but since they were circumventing this grant process, if they could at least ask for utilization reports when they made those grants.

Councilmember Meredith.

Councilmember Meredith said he was also curious to see what savings had come to the City now that they had more departments housed within City Hall, and he asked if there was a way to at least get an accounting of the money saved through the leases.

Councilmember Meredith said it had been mentioned that suggestions from the Council had been taken into consideration, and he asked what Council suggestions were actually rolled into the budget.

Mr. Hamilton said he could not, off the top of his head, remember every one of them. He said some things they had heard in the listening session were things they had already heard and had already put into the draft budget. He said he could probably go back through his notes where each of the Council members had spoken at that listening session. He said most of the comments or requests related to the 1990 Capital Plan, not all of them but a large percentage of them. He said a lot of these things did not necessarily change the draft, because they had already heard it, or anticipated it. He said that, also, some of the things related to improvements in parks, and they had that accounted for. He said one thing he had gone back and

changed was that he had level funding on the Sidewalk Construction, and he was able to go back and tweak some things and make that increase. He said that was one specific change he did after that listening session. He said with most of the other things, the Council had done a good job in communicating to them their questions and concerns ahead of the listening session. He said with him and what he did with the 1990 Capital Plan, the listening session had just kind of confirmed that they were headed in the right direction, to a large extent, which he thought was also valuable, that knowing they were already headed in the right direction was just as valuable as knowing they needed a change.

Mayor Battle said Councilmember Kling had the pavilions in there, and they could work those in the present budget. He continued that as far as the artwork, they just needed to figure that out, that they did not want to just jump into it, that they had had a great interior designer design all of this, and they did not want to start using their tastes to put things up. He said the big one was the \$125,000, and they had to figure that out. He said so far, they had two Council members for this, and he was not sure where the others were. He said they would have to see what they would do with that.

Mayor Battle said they were still morphing this into a budget, and they would have some talks with the Council members the following week, just to see where they were on this and see if they could make it come together quickly.

Councilmember Meredith said he appreciated that. He said he was aware this was a tight fiscal year that was coming up, but, personally, he thought there had been more listening and collaboration between Council and the Administration than in the past.

Mayor Battle said he thought they always worked better when they were pushed. He said the days when they had a great budget and it was wide open were

harder days to put a budget together than when they were somewhat constrained.

Councilmember Meredith said there was a slide that he thought was labeled Ad Valorem and/or Property Tax, noting that it was slide 17 on page 9 of the handout that had been provided to them, and he asked if the increase in the ad valorem or property taxes was a result of the increased number of new homes coming into the market or if it was more a reflection of increased property values for homes that were already existing.

Ms. Smith said it was both, and it was also not just homes, that it was commercial and industry. She said as they saw things come out of the ground, that was going to increase those property taxes as well. She continued that it was also reflective of the increased value in homes and commercial businesses they had seen.

Councilmember Meredith said there had been discussion concerning the procedure for outside agencies getting funded, the ARC basically handling that issue, and that was great. He asked if one of the Council members who served on the Finance Committee could be an observer of that process, and then be able to talk to their colleagues, to let them know what was going on. He said he had never served on the Finance Committee, so he did not know what was going on until he got the book. He said if they could just get a little update, such as so and so had applied, and they did not get it, or about this amount or that amount, it would allow the rank-and-file Council member to have a better idea of what to expect.

Mayor Battle said he had not been given the book until late in August. He said they worked through qualifications, what they had done in the past, how they had spent their money, how much money they had, how much they spent in Huntsville, and how much of this was their allocation. He said the committee of five did a great job on this, and then they brought this to them, and it was his job, and the Council's job, to put the political factors into it. He said sometimes, there was a little

bit more than just the political factors that made a difference, that the nuts and bolts, the black and white, things about how they had done was one thing, but then on the other side, there were places where they had to figure what the community needed, what the community wanted, and how they could meet those needs. He said he thought he had asked for this August 1st, and they had told him to wait until August 30th, because they were still getting everything together.

Mayor Battle said they had come down with a really good process to do this. He said in the past, 10 years prior, they would go with what they had the last year, or if there was a real need, they would put something else in, but it was whatever they could get three votes on. He said it was not the good process it was at this time, where they really looked thoughtfully at every one of these. He said he thought this was a much better process than they had done 10 years prior.

Councilmember Meredith said he was not looking to ruin the process or to make it any less efficient, that it was just a thought, and he had gotten his answer.

Councilmember Robinson said when they met in Finance Committee, they were really focused on revenues and revenue trends, if money was coming in on budget, that that was really what they were looking at, and then when they got close to budget time, it was what growth looked like. She continued that this year, it was really slow, and it was probably going to be only 2 percent, or maybe 3 percent if they were lucky, but 2 percent conservatively. She said they did not get down into which department got what or which agency got what, that it was not at that level at all.

Councilmember Meredith said it had been mentioned that there was some funding allocated for HPD Range Improvements, and he was assuming they were talking about the firing range, and he asked what those improvements were.

Mr. Hamilton said the primary thing was to turn the pistol range into a weather-protected and a better noise-suppressed range, that those were the two main

things. He said this would allow them to go to a 24-hour-a-day range when they needed it to be, and it would make it much more functional. He said that, also, they had partners come in, the FBI and others, and use this facility as well, so getting to more hours in the day that they could use it, and where it was not impacted by weather, and was also a little more friendly to the neighbors who might live in that region.

Councilmember Meredith said his constituents were those neighbors, and they really appreciated the noise suppression. He asked if they were going to have lights as well, with 24-hour access and use.

Mr. Hamilton said there would be lighting required in order to make that work, noting that even during daytime, it would not be bright enough, so they had to have lights.

Councilmember Meredith said a couple of years ago, when they had really jacked up the resurfacing budget, he believed it was Mr. McNeese who had mentioned that there was only so much money they could allocate, that when they got to a certain point, there was not the capacity to do more roads. He asked if they were anywhere close to that limit at this time.

Mr. Hamilton said there were several things that would kind of limit the size of the package they would want to put out at any one time. He said one of these was before they could ever go bid it, the Sewer Department and Huntsville Utilities would have to go through and review their underground infrastructure on those streets and do any repairs that were necessary before they paved. He continued that they were all extremely frustrated when they repaved a street, and a week later, Huntsville Utilities would come and dig it up. He said while they could never guarantee they were going to avoid this, they tried to limit it as much as possible. He said Huntsville Utilities had only a certain capacity to vet those roads, so typically, with the way they worked

together, working very closely with Public Works, they would go through kind of a multiple month process, and 70 to 100 streets, depending on how long they were and the amount of infrastructure underneath them, that they could get them vetted and turn that package over to Public Works, and they would then go through the bid process, and get it out to a contractor to begin repaving, and then they would start the cycle again for the next batch of roads.

Mr. Hamilton said that lately, that had been kind of a good-sized scope to put out, to get good competition from the paving companies. He said they were now at a pace where they would have multiple contracts being executed simultaneously, that at this time, they had two packages of streets being repaved, with one being about two-thirds of the way done and the other one just getting started. He said they almost always had streets getting paved.

Councilmember Meredith said he would revisit his wish list just in case some coins dropped out of the budget. He said in a perfect world, he would like sidewalks, and they had mentioned the sidewalk budget was up, and that was wonderful. He said there was also the need for the pocket park he had mentioned at their wish-list meeting, and there was the mowing of the rights-of-way by Landscape Management.

Mr. Hamilton said that during the listening session, Councilmember Meredith had mentioned a couple of things in the northwestern part of the city, and those were ones he needed to schedule some time with Councilmember Meredith on and go through some details, just to make sure he had an understanding of what exactly he was talking about, and they could go out and look at it and start putting some parameters around that project.

Councilmember Meredith said that was fine, and he said he was aware that was perfect-world stuff, but since they were talking about the budget, he was going to

throw it out there.

Councilmember Meredith said one thing he would really like to take another look at was getting some funding for the North Alabama Food Bank. He said he was talking with the Administration concerning this, that he just wanted to get it out on the public record.

President Little.

President Little said during the listening session, he had mentioned a lot of his goals, really just quality-of-life things, and that seeing that bump in the sidewalk budget was good, noting that in the requests he got from constituents, sidewalks were at the top of the list.

President Little said that on the grant presentation, it showed a grant amount and a match, where the City matched, and he asked where the match money came from, if that was the General Fund or a Capital Plan.

Ms. Smith said it depended on the grant, that, basically, almost all those larger projects came out of the 2014 Capital Plan, but there were also matches that were in the 1990 Capital Plan, and quite a few in the General Fund as well.

President Little said he thought they had great health care in the City, compared to the private, which he was very familiar with. He asked what efforts there were, if possible, to keep health care costs down for the City, and workers' comp claims down.

Ms. Smith said this might be a question for HR to answer in some ways, but, obviously, they worked solidly on safety within all the City, and that helped their workers' comp. She said the health care clinic was one of the biggest ways, and also looking at the workforce, as to what were the needs in the workforce, whether that was mental health or other things, what were ways they could make their workforce more healthy, whether that would be for mental health or other behavioral health.

President Little said he was aware there were a lot of health and wellness efforts they did, and he knew if people would take advantage of them, they would be a little healthier, and they would not have to spend more money on insurance or medicine.

Mayor Battle said one of the things they had just gone through was that everybody could save \$25 on their health insurance if they did an HRA, a Health Risk Assessment, that they would do a blood draw, and from the blood draw, they could tell if somebody had a propensity for diabetes, which was one of the biggest cost factors, and they could get a little bit ahead of that. He said they could also make sure they did not have any markers in their system that would tie to cancer or other things they had lots of expenses coming out of, and they could get a little bit ahead. He said the whole reason they had done the health clinic was that they had so many people who never went to see a doctor until they were very, very sick. He said he would say that because of the health clinic, they had been able to extend the lives of quite a few of their employees. He said sometimes extending a life did not mean less money being spent, but it meant they had done the right thing for their employees, and he thought that was one of the things they had to look at.

Mayor Battle said that on their health care costs, they were going to work with Mr. Riley, and he said they might even go back to having a team on the Healthy Huntsville circuit, where they would see who could lose the most weight, and try to get the employees to work through some of that. He said they had to continue to fight to keep those costs down.

President Little said he had heard from several neighbors about Oak Park, that he thought they had looked at the budget, and they had seen some money pointed at Mayfair, and they did not see Oak Park on the list.

Mr. Hamilton said that over the past few months, Mr. Gossett and his team

had identified some specific things that needed to get done at Mayfair Park, and as he had worked with the budget, it just made sense to kind of split it out and give them a little pocket of money to deal with those smaller issues at Mayfair Park. He said Oak Park had a number of things they wanted to do to it, and most of it was refreshing and repairing the existing programming that was there. He said that had been off and on for the last several years, that folks had come in and recommended they completely change the programming at Oak Park. He said what the Parks & Rec staff had found, in terms of the demand for the athletic fields and things that were there, that a complete change of the programming at that park would not be called for. He said as President Little continued to work with the neighborhoods there, if there were other passive-type recreational things that were needed, they needed to find other places to do those, and there was certainly opportunity to do that.

Mr. Hamilton said he thought Oak Park fell into the category of there were things that Public Works would do out of their budget, and if there were some facility repairs that were needed, they would come out of the General Services budget, and also Parks & Rec had a maintenance account where they could also address some things. He said that with some of the work there, it made more sense to align it with the existing maintenance account versus a whole separate project.

Mr. Hamilton said if they wanted to come in and scrape the ball fields and turn that park into something different, that would certainly be something they would go through a more formal design process on and have a formal project for, but that was not the vision for that park.

Mr. Hamilton said there were other park facilities in that part of town, within President Little's district, where there were some significant changes coming, with the biggest example being the Goldsmith Schiffman Stadium. He said based on the development that was happening there and the potential for that facility, they were

early in the process of getting the design going, and while they would still have the athletic component at an appropriate scale there, that facility had room to do some other pretty significant things, and that part of town needed that, so they were working on developing that project.

President Little said if any of his fellow Council members had an amendment they were going to be working on, he would highly recommend that they get with the Legal Team to get that written up.

President Little adjourned the meeting.

PRESIDENT OF THE CITY COUNCIL

ATTEST:

CITY CLERK

(Meeting adjourned at 8:10 p.m. on September 19, 2024.)