REGULAR COUNCIL MEETING
MONDAY, DECEMBER 9, 2024 – 7:00 PM
EXECUTIVE SESSION IMMEDIATELY FOLLOWING

CALL TO ORDER

President Jim Fodor called the Regular Council Meeting to order at 7:00 PM. City Council convened for a regular meeting in Council Chambers – Courtroom #1. This meeting was rescheduled due to inclement weather from December 2, 2024.

ROLL CALL FOR ATTENDANCE

Councilpersons Derrick Abney, Nick Augustine, Lori DiNallo, Jim Fodor, Mario Rodriguez, and Christine Shoop were present. Paul Hach was not able to attend.

Mr. Fodor asked for a motion to excuse Paul Hach from tonight's Council Meeting.

Mrs. Shoop moved to excuse Paul Hach, seconded by Mr. Rodriguez. All Council Members were in favor by answering "Aye". Motion carried.

Other City Staff in attendance: City Manager Doug Lewis, Law Director Jim Lyons, Economic Development Director Susan Crotty, Finance Director Bill Parkinson, Electric Superintendent Joe Price, Electric Plant Supervisor Paul Morton, and Senior Engineer SCADA / IT Evan Pastor, and Clerk of Council Samantha Danielson.

APPROVE AGENDA AS SUBMITTED

Mr. Fodor asked for a motion to approve the agenda.

Mr. Augustine moved to approve the agenda, seconded by Mr. Rodriguez. All Council members were in favor by answering "Aye". Motion carried. Agenda approved.

INVOCATION was given by Councilperson Derrick Abney.

PLEDGE OF ALLEGIANCE was recited.

MINUTES: Special Meeting 11.12.24 and Regular Meeting 11.18.24

Mr. Fodor asked for a motion to approve the minutes from the Special Meeting on November 12, 2024.

Mrs. Shoop moved to approve the minutes from the Special Meeting on November 12, 2024, seconded by Mr. Abney. All Council members were in favor by answering "Aye". Motion carried. Minutes approved.

Mr. Fodor asked for a motion to approve the minutes from the Regular Meeting on November 18, 2024.

Mrs. Shoop moved to approve the minutes from the Regular Meeting on November 18, 2024, seconded by Mr. Augustine. All Council members were in favor by answering "Aye". Motion carried. Minutes approved.

Mrs. Shoop made a motion to move New Business before Public Comments, seconded by Mr. Rodriguez. All Council Members were in favor by answering "Aye". Motion carried.

NEW BUSINESS: Electric Rate Study by UFS

Electric Superintendent Joe Price addressed council stating that UFS performed a cost of service study to explain where the city stand as far as fund balances based on what the city charges for electricity. According to the study, there will be a necessity for rate increase for 2025, 2026, and 2027. The study will be performed again once the city has the solar up and running in hopes of lowering the cost. The study is performed every three years per city ordinance. It was presented to the Electric Committee, on November 5, 2024, where rates were reviewed and unanimously agreed to move forward with the recommendations. Dan Kasbohm, from Utility Financial Solutions, LLC, gave a presentation on financial projection, cost of service, and rate design summary for the City of Painesville Electric Department, and recommendations. He gave an overview of the following items: Projection assumptions and summary Projection Targets: Debt Coverage Ratio, Minimum Cash Reserve, and Optimal Operating Income; Cost of Service Objectives; Cost of Service Summaries: Cost of Service and Revenue by Customer Class; Monthly Customer Charges; Rate Design Direction and Example Three Year Rate Design Summary: Examples of Bill Impact for E1, E3, E4, E6 and lighting. Mr. Price further clarified to council about the deficit/surplus outlined in the study, and grant funding for the solar project. An overall increase of 3.5% in 2025, 3.5% in 2026, and a 1.5% in 2027. The breakdown is charted and reflects: Residential - E1 3.8% increase in the rate in 2025, 3.8% in 2026, and 1.6% in 2027; General Commercial - E3 rate would increase 4.5% in 2025, 4.5% in 2026, and 1.9% in 2027; Large Commercial - E4 rate increase of 3.1% in 2025, 3.1% in 2026, and 1.3% in 2027; Industrial -E6 will increase in rate by 2.6% in 2025, 2.6% in 2026, and 1.1%

in 2027; and Light Industrial -AL rate will increase 3.5% in 2025, 3.5% ion 2026, and 1.5% in 2027. See attached presentation slides.

PUBLIC COMMENTS: None

COMMITTEE REPORT: BZA

City Manager Doug Lewis reported for this committee which was held on November 19, 2024. The following item was presented: An application has been submitted by Enbridge Gas Ohio requesting a variance to allow a utility cabinet to be located in the front setback. The new station is proposed to be placed within an easement at 117 Mentor Avenue. The new measurement and regulation equipment will be housed in a steel cabinet. Section 1119.15 (c)(1)(B) states that no utility structures shall be located in the front yard. Additionally, per the Design Review Committee and Section 1119.15 (c)(2), a fence and landscaping is required to screen the utility cabinet. The applicant is required to install a fence that screens the 5'67" tall cabinet, which is located within 20' of the right of way, therefore the fence cannot exceed 3'. By a vote of 4-0 the variance requests were approved to allow placement of a utility cabinet in the front setback of 117 Mentor Avenue and install a 6' fence within 20' of the R-O-W with the following stipulations: 1.) A 6' tall white vinyl fence is to be installed 5' from the ROW, enclosing the utility cabinet; 2.) Maintain a 2' space from the cabinet and the fence on all sides; 3.) Plant 6' tall evergreens around the fence for additional screening; 4.) Any proposed bollards are to be located within the fence.

LEGISLATION:

ITEM #1 ORDINANCE

2nd Reading* – An Ordinance to make appropriations for the current expenses and expenditures of the City of Painesville, State of Ohio for the fiscal year beginning January 1, 2025 and adopting the operating budget, and declaring an emergency.** ***(1st Reading 11.18.24)

Finance Director Bill Parkinson spoke on this piece of legislation and gave a presentation. He gave a budget overview and summary of the Water Operating Fund, WPCP Operating Fund, Electric Operating Fund and Storm Water Fund, and their capital projects. See attached presentation slides.

This will go to third reading.

ITEM #2 RESOLUTION

2nd Reading* – A Resolution to adopt the Solid Waste Management 5-year Update Plan for the Lake County Solid Waste Management District, and declaring an emergency.** ***(1st Reading 11.18.24)

City Manager Doug Lewis spoke on this piece of legislation. He stated every five years, the Lake County Solid Waste Management District must update its Solid Waste Management Plan and provide that plan to the Ohio EPA. The Policy Committee for the Lake County Solid Waste Management District voted to adopt the draft Solid Waste Management Plan. There is minimal change from the 2018/19 update. The majority of changes relate to the change in report format as dictated by the OEPA. Most of the goals of the District have remained the same from the previous plan due to interference from the Pandemic. Within 90 days of receipt of this plan, legislative authorities within the district must review and approve\disapprove the plan through a resolution. Staff has reviewed the document and is recommending that the City Council approve the plan. There are no additional financial implications recommended in the Solid Waste Management Plan for the City or the residents. This legislation can go three readings.

Mrs. DiNallo moved to suspend, seconded by Mrs. Shoop.

On roll call, Mr. Rodriguez, Mrs. Shoop, Mr. Abney, Mr. Augustine, Mrs. DiNallo, and Mr. Fodor answered "Yes". Motion carried.

Mrs. Shoop moved to adopt, seconded by Mr. Rodriguez.

On roll call, Mr. Rodriguez, Mrs. Shoop, Mr. Abney, Mr. Augustine, Mrs. DiNallo, and Mr. Fodor answered "Yes". Motion carried 6-0.

RESOLUTION 60-24 is ADOPTED.

ITEM #3 RESOLUTION

2nd Reading* – A Resolution authorizing and directing the City Manager to enter into negotiations for a cooperative agreement with the Fairport Harbor Senior Citizens Center Organization to provide services for the senior citizens of the City of Painesville, and declaring an emergency.** ***(1st Reading 11.18.24)

Council President Jim Fodor spoke on this piece of legislation. He stated the Painesville Senior Organization quit providing services several years ago. The City did financially support them, however, the seniors were told to find another senior center. Many of the seniors went to Fairport, therefore makes sense to fund them financially as well.

This will go to third reading.

ITEM #4 RESOLUTION
2nd Reading* – A Resolution authorizing and directing the City Manager to apply for, and accept, funding from the Painesville Area Senior Citizens Center Organization, and declaring an emergency.** ***(1st Reading 11.18.24)

Council President Jim Fodor spoke on this piece of legislation. He stated this resolution is highly suggesting to the Painesville Senior Organization that the moneys that they have are to be either donated to Painesville City and it will be put in as a line item to be used for senior services or facilities or earmark it for the Fairport Senior Center. Mr. Fodor has spoken to the organization chairman/president of the board. They are in the process of disbanding. There has not been any correspondence from the residents on this matter.

This will go to third reading.

ITEM #5 RESOLUTION
***1st Reading* – A Resolution authorizing and directing the City Manager to enter into a contract for the purchase of a .09 acre parcel of vacant land within the City of Painesville from SIDCO (aka, R.W. Sidley, Inc.), and declaring an emergency.**

City Manager Doug Lewis spoke on this piece of legislation. He stated the City was approached by R.W. Sidley, to purchase property from SIDCO regarding the sale of vacant land located off East Erie Street next to our existing pump station. For the reason stated, he thought it would be best to offer it to the City first. The .09 acre property is vacant and consists of trees. Therefore, it would not require additional maintenance for staff. Staff is recommending that we purchase the property in case we need to expand the pump station in the future. The cost to purchase the property is minimal at $2,500 plus closing costs. The City has the funds to purchase the property. Staff recommends purchasing this property. This legislation can go three readings.

Mrs. DiNallo moved to suspend, seconded by Mrs. Shoop.
On roll call, Mr. Augustine, Mrs. DiNallo, Mr. Rodriguez, Mrs. Shoop, Mr. Abney, and Mr. Fodor answered "Yes". Motion carried.

Mrs. Shoop moved to adopt, seconded by Mr. Augustine.
On roll call, Mr. Augustine, Mrs. DiNallo, Mr. Rodriguez, Mrs. Shoop, Mr. Abney, and Mr. Fodor answered "Yes". Motion carried 6-0.
RESOLUTION 61-24 is ADOPTED.

ITEM #6 RESOLUTION
***1st Reading* – A Resolution authorizing and directing the City Manager to advertise for bids and to enter into contracts with the lowest and best bidders for furnishing materials, supplies and services to various departments/divisions of the City of Painesville, and declaring an emergency.**

Finance Director Bill Parkinson spoke on this piece of legislation. He stated this is an annual item for Council's consideration. This authorizes the administration to go out for bids for various items, chemicals, materials, items for utility services, general operations, insurance, fuel, janitorial services. Details are listed in the resolution. This can go three readings.

This will go to second reading.

UNFINISHED BUSINESS: S. St. Clair Street One-Way and On Street Parking Discussion
Mrs. Shoop would like the City to do preliminary work to try the one way now before the streetscape begins in 2026. Administration has looked into this request and the modification would be approximately $100,000 for paint, signage, and street signal adjusted if contracted out. It would be substantially lower if the city does the work. Concerns on how the local businesses felt about starting the one-way sooner than expected were expressed. It was clarified that one business would like it now as long as it adds additional parking. Businesses where shown a rendering of the proposed layout and the city received positive feedback. Funding has been applied for through TLCI and additional grant funding for the bike lane. Cost for the signal and signage would be the same it is done now or later. Council

came to a consensus for the Administration to forth with legislation and cost to start the project.

DEPARTMENTAL PRESENTATIONS: None

ADMINISTRATIVE REPORTS: Law Director and City Manager

Law Director Jim Lyons had no report at this time.

City Manager Doug Lewis reported on the following items: He made a brief announcement about Republic garbage and recycling pick-up will be at 8:00 AM on Tuesday at Heisley Park.

CORRESPONDENCE: Clerk of Council

The next regular Council meeting will be held on Monday, December 16th at 7:00 PM; Santa's Mailbox will be available from November 22nd to December 16th at the Painesville Square. Write a letter to Santa and he will write you back. You must include your return address; Santa in the Square will be at the Painesville Square on weekends in December leading up to the big day. Hours are listed on our website; Community Observation Partnership Program will be on Wednesday, December 11th for Ward 1 & 4B at Morse Ave. Community Center at 6:00 PM; and Wreath Across America will be on Saturday, December 14th at 12:00 PM at Painesville Evergreen Cemetery, Painesville Riverside Cemetery, and Painesville St. Mary's Cemetery.

CLOSING COMMENTS: Members of Council

Mr. Abney had no comments at this time.

Mr. Rodriguez thanked everyone who attended and watched tonight's meeting. He thanked the city workers who worked on snow removal and fixed electric lines over the holiday and through the snow storm. He commented on an email he received from a resident on how well residents helped each other during the snow storm and how it makes a great community.

Mrs. DiNallo had no comments at this time.

Mr. Augustine also thanked the city workers who worked during the snow storm. There were many positive comments from residents about the condition of the streets and sidewalks and how quickly they responded to everything. He also made a positive comment about the Holiday Shop and Stroll and how wonderful it was.

Mrs. Shoop also thanked the road crew and made positive comments about the tree lighting and the Shop and Stroll events. She thanked and gave a shout out to Mr. Rodriguez's wife for getting the "Code Blue" moving with the county.

Mr. Fodor "dittoed" everyone's comments.

EXECUTIVE SESSION

Mr. Augustine motioned to move into the Executive Session being held in accordance with Article II, Section 6(2) To consider the purchase or lease of property for public purposes if premature disclosure of information would be adverse to the public interest; In accordance with Article II, Section 6(3) To discuss pending or potential litigation involving the City; and in accordance With ORC. 121.22(8) To consider confidential information related to marketing plans, specific business strategy, production techniques, trade secrets, or personal financial statements of an applicant for economic development assistance, or to negotiations with other political subdivisions respecting requests for economic development assistance in accordance with section 3735.67 of the Revised Code, seconded by Mrs. Shoop.

On roll call, Mr. Abney, Mr. Augustine, Mrs. DiNallo, Mr. Rodriguez, Mrs. Shoop, and Mr. Fodor answered "Yes". Motion carried to move into the Executive Session at 8:38 PM.

Mr. Fodor asked for a motion to adjourn the Executive Session.

Mrs. Shoop moved to adjourn the Executive Session, seconded by Mr. Rodriguez. All Council Members were in favor by answering "Aye". Motion carried to adjourn the Executive Session at 9:33 PM.

ADJOURNMENT

Mr. Fodor asked for a motion to adjourn the Regular Meeting.

Mrs. Shoop moved to adjourn the Regular Meeting, seconded by Mr. Augustine. All Council Members were in favor by answering "Aye". Motion carried to adjourn the Regular Meeting at 9:34 PM.

Meeting adjourned at 9:34 PM.

Samantha Danielson
Clerk of Council

Jim Fodor
President of Council

UFS UTILITY FINANCIAL SOLUTIONS, LLC

City of Painesville Electric Department

Financial Projection, Cost of Service, and Rate Design Summary

Revised on 11/26/2024

Discussion

Financial Projection
- Meet revenue requirements
- Measure to key financial targets

Cost of Service
- Monthly meter charge
- Identify if one rate subsidizes another

Recommendations
- Optional revenue adjustments
- Optional adjustments towards cost of service

Projection Assumptions

The following assumptions were used in projections

Fiscal Year	Inflation	AMP PP (MWh)	Growth	AMP PP ($/MWh)	Investment Income	Generation Capital Plan	Generation Solar Farm (Grant)	Distribution Capital Plan	Total Capital	Grant $'s Received
2025	3.0%	239,560		$ 82.86	1.5%	$ 1,974,000	$25,000,000	$ 1,508,000	$ 28,482,000	$ 25,000,000
2026	3.0%	239,560	0.0%	$ 87.96	1.5%	590,000	19,000,000	1,508,000	21,098,000	19,000,000
2027	3.0%	239,560	0.0%	$ 92.48	1.5%	390,000	19,000,000	1,508,000	20,898,000	19,000,000
2028	3.0%	238,581	-0.4%	$ 93.34	1.5%	360,000	12,000,000	1,508,000	13,868,000	12,000,000
2029	3.0%	237,899	-0.3%	$ 95.45	1.5%	360,000	5,000,000	1,508,000	6,868,000	5,000,000

Capital Project Notes:
A: $1.0M for Turbine Inspection #7 in 2025
B: $80M Solar project over next 5 years supported 100% through grant.

Outstanding Debt Notes:
A: 2024 refinance of $3.4M (CRE PROP.) : electric assigned about 50% of P&I through 2043
B: 2007 CITI Corp. lease : electric assigned 4% of P&I through June 2027

2024 year-end cash is estimated at $10.7M for the electric department

Projection Summary *(with Solar Farm & Grant)*

Projection under current rates

Fiscal Year	Projected Rate Adjustments	Total Capital	Debt Coverage Ratio	Projected Expenses [1]	Projected Revenues	Adjusted Operating Income	Optimal Operating Income	Projected Cash Balances	Recommended Minimum Cash
2025	0.0%	$ 28,482,000	10.59	$32,347,764	$31,424,372	$ (923,392)	$2,752,234	$ 8,533,543	$ 7,973,365
2026	0.0%	21,098,000	5.13	33,978,379	32,188,150	(1,790,230)	2,891,372	7,004,008	8,275,890
2027	0.0%	20,898,000	2.94	35,446,490	33,269,550	(2,176,941)	3,170,878	5,364,930	8,545,084
2028	0.0%	13,868,000	(0.48)	35,952,884	33,256,208	(2,696,676)	3,371,058	3,310,467	8,691,696
2029	0.0%	6,868,000	(3.11)	36,791,654	33,688,315	(3,103,339)	3,427,701	916,060	8,853,994

Note [1]: Expenses include city transfer and less depreciation on contributed solar farm

Projection with rate track

Fiscal Year	Projected Rate Adjustments	Total Capital	Debt Coverage Ratio	Projected Expenses [1]	Projected Revenues	Adjusted Operating Income	Optimal Operating Income	Projected Cash Balances	Recommended Minimum Cash
2025	3.5%	$ 28,482,000	18.46	$32,347,764	$32,514,775	$ 167,011	$2,752,234	$ 9,623,946	$ 7,973,365
2026	3.5%	21,098,000	21.26	33,978,379	34,407,120	428,741	2,891,372	10,313,382	8,275,890
2027	1.5%	20,898,000	23.34	35,446,490	35,989,120	542,630	3,170,878	11,393,874	8,545,084
2028	1.5%	13,868,000	25.03	35,952,884	36,470,697	517,813	3,371,058	12,553,899	8,691,696
2029	1.5%	6,868,000	25.93	36,791,654	37,405,770	614,116	3,427,701	13,876,947	8,853,994

Projection Target #1

(Debt Coverage ratio – current rates with Solar Farm project)

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Debt Coverage Ratio					
Net Income	$ (799,497)	$ (2,403,171)	$ (3,426,740)	$ (4,467,276)	$ (5,160,273)
Add Depreciation/Amortization Expense	2,218,639	3,063,573	3,776,826	4,368,813	4,726,866
Add Interest Expense	49,162	45,659	42,134	38,000	35,000
Cash Generated from Operations	$ 1,468,304	$ 706,061	$ 392,220	$ (60,464)	$ (398,407)
Debt Principal and Interest	$ 138,596	$ 137,596	$ 133,298	$ 126,000	$ 128,000
Projected Debt Coverage Ratio (Covenants)	**10.59**	**5.13**	**2.94**	**(0.48)**	**(3.11)**
Minimum Debt Coverage Ratio	**1.4**	**1.4**	**1.4**	**1.4**	**1.4**

Projection Target #2

(Minimum Cash Reserve – current rates with Solar Farm project)

Description	Allocation	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Minimum Cash Reserve Levels Determinants						
Operation & Maintenance Less Depreciation Expense		$ 10,345,183	$ 11,376,372	$ 12,316,496	$ 13,149,158	$ 13,757,966
Purchase Power Expense		19,850,975	21,072,135	22,153,535	22,268,614	22,707,189
Historical Rate Base		107,878,065	109,976,065	111,874,065	113,742,065	115,610,065
Current Portion of Debt Service Payment		138,596	137,596	133,298	126,000	128,000
Five Year Capital Improvements - Net of bond proceeds		11,214,000	11,214,000	11,214,000	11,214,000	11,214,000
% Plant Depreciated		43%	28%	14%	7%	6%
Calculated Minimum Cash Level						
Operation & Maintenance Less Depreciation Expense	12.3%	$ 1,275,434	$ 1,402,566	$ 1,518,472	$ 1,621,129	$ 1,696,188
Purchase Power Expense	11.0%	2,182,536	2,316,797	2,435,693	2,448,346	2,496,565
Historical Rate Base	2%	2,157,561	2,199,521	2,237,481	2,274,841	2,312,201
Current Portion of Debt Service Reserve	83%	115,035	114,205	110,637	104,580	106,240
Five Year Capital Improvements - Net of bond proceeds	20%	2,242,800	2,242,800	2,242,800	2,242,800	2,242,800
Minimum Cash Reserve Levels		**$ 7,973,365**	**$ 8,275,890**	**$ 8,545,084**	**$ 8,691,696**	**$ 8,853,994**
Projected Cash Reserves less Encumbrances		$ 8,533,543	$ 7,004,008	$ 5,364,930	$ 3,310,467	$ 916,060
Minimum Cash Reserve (Days Cash)		96	93	90	90	89

Projection Target #3

(Optimal Operating Income – current rates with Solar Farm project)

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Optimal Operating Income Determinants					
Net Book Value/Working Capital	$ 61,382,459	$ 79,416,886	$ 96,538,060	$106,037,247	$108,178,382
Outstanding Principal on Debt	993,101	901,164	810,000	722,000	629,000
Contributed Capital Estimated	25,000,000	44,000,000	63,000,000	75,000,000	80,000,000
System Equity	$ 35,389,358	$ 34,515,722	$ 32,728,060	$ 30,315,247	$ 27,549,382
Debt:Equity Ratio	2%	3%	5%	3%	3%
Optimal Operating Income Allocation					
Interest on Debt	4.60%	4.60%	4.68%	4.69%	4.85%
Contributed Capital Estimated	3.10%	3.10%	3.10%	3.10%	3.10%
System Equity	5.45%	4.29%	3.59%	3.33%	3.31%
Optimal Operating Income					
Interest on Debt	$ 49,162	$ 45,659	$ 42,134	$ 38,000	$ 35,000
Contributed Capital Estimated	775,000	1,364,000	1,953,000	2,325,000	2,480,000
System Equity	1,928,072	1,481,713	1,175,744	1,008,058	912,701
Optimal Operating Income	**$ 2,752,234**	**$ 2,891,372**	**$ 3,170,878**	**$ 3,371,058**	**$ 3,427,701**
Projected Operating Income	$ (923,392)	$ (1,790,230)	$ (2,176,941)	$ (2,696,676)	$ (3,103,339)
Rate of Return in %	**4.5%**	**3.6%**	**3.3%**	**3.2%**	**3.2%**

Optimal Operating Income
- Difference between revenue collected and expenses incurred
- Ensures current customers are paying their fair share for use of system and not deferring the charge to future generations
- Funds interest expense on debt and inflationary increase on historical investment of system

Cost of Service

Objective One:
Equitably allocate revenue requirements among customer classes
- ✓ Identify potential cross-subsidization between rate classes
- ✓ Identify cross-subsidization between customers in class

Objective Two:
Define optimal rate structures
- ✓ Customer charge
- ✓ Distribution charge
- ✓ Power supply charge



Cost of Service Summary

Cost of service and revenue by customer class

Customer Class	Cost of Service	Projected Revenues	Effective % Change	Year 1	Year 2	Year 3
RES - E1	$ 15,523,907	$ 13,617,246	14%	3.8%	3.8%	1.6%
Gen Com - E3	4,155,741	3,289,592	26%	4.5%	4.5%	1.9%
Lrg Com - E4	9,911,651	9,201,291	8%	3.1%	3.1%	1.3%
Ind - E6	4,769,783	4,620,927	3%	2.6%	2.6%	1.1%
Light - AL	468,916	425,317	10%	3.5%	3.5%	1.5%
TOTAL: $	**34,829,998**	**$ 31,154,372**	**11.8%**	**3.50%**	**3.50%**	**1.50%**

Note: Effective % change identifies an amount current rates need to be adjusted to meet full cost to provide service

Example: 3.5% rate adjustment that will address fairness of rates using a bandwidth of +/- 1.0% (+2.5% to +4.5%)

Monthly Customer Charges

Cost of Service by class vs Current Charges

Customer Class	COS Customer Charge	Current Average Customer Charge	3-Year Option	Proposed	5-Year Option
Residential (E1, E2, E5)	$ 18.17	$ 15.00	$ 1.06	$ 0.85	$ 0.63
General Commercial (E3)	33.42	30.00	1.14	1.00	0.68
E4 Large Commercial	97.19	75.00	7.40	6.00	4.44
E6 Industrial Commercial	519.03	225.00	98.01	50.00	58.81

Rate Design Direction

Provide a 3-year rate design for 2025, 2026, 2027

Include revenue adjustments of +3.5%, +3.5%, +1.5%

Move customer charges towards COS

EXAMPLE Bill Impact (E6)

City of Painesville - Electric Department
Rate Design for 2025, 2026, and 2027
E6 Industrial Commercial

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	$ 225.00	$ 275.00	$ 325.00	$ 375.00
Energy Charge				
Block 1 (0-140,000kWh)	$ 0.08147	$ 0.08281	$ 0.08432	$ 0.08305
Block 2 (140001 -9,999,999kWh)	$ 0.05165	$ 0.05250	$ 0.05346	$ 0.05265
Demand Charge				
All Demand	$ 8.50	$ 9.50	$ 10.50	$ 11.50
Power Cost Adjustment:				
All Energy	$ 0.033199	$ 0.033199	$ 0.033199	$ 0.033199
Revenue from Rate	$ 4,620,927	$ 4,754,541	$ 4,892,797	$ 4,949,449
Average $/kWh	$ 0.1072	$ 0.1103	$ 0.1135	$ 0.1148
Change from Previous	-	2.9%	2.9%	1.2%

Example Three Year Rate Design Summary

Customer Class	Projected Revenues Under Proposed Rates Year 1	Projected Revenues Under Proposed Rates Year 2	Projected Revenues Under Proposed Rates Year 3	Projected Percentage Change Year 1	Projected Percentage Change Year 2	Projected Percentage Change Year 3	COS
Residential (E1, E2, E5)	$ 9,620,654	$ 9,976,148	$ 10,145,430	3.7%	3.7%	1.7%	17.7%
Residential Twp (ET1, ET2)	4,501,231	4,667,951	4,742,999	3.7%	3.7%	1.6%	6.1%
General Commercial (E3)	2,252,773	2,347,390	2,389,643	4.2%	4.2%	1.8%	29.3%
General Commercial Twp (ET3)	1,162,390	1,212,004	1,235,233	4.3%	4.3%	1.9%	20.3%
City School (SE3)	13,432	13,989	14,218	4.1%	4.2%	1.6%	49.5%
Lighting	440,273	455,420	462,339	3.5%	3.4%	1.5%	10.3%
E4 Large Commercial	7,432,058	7,677,316	7,784,798	3.3%	3.3%	1.4%	10.9%
ET4 Large Commercial Twp	1,494,562	1,536,603	1,547,845	2.8%	2.8%	0.7%	-24.4%
SE4 City School	571,398	590,979	600,637	3.4%	3.4%	1.6%	50.7%
E6 Industrial Commercial	4,754,541	4,892,797	4,949,449	2.9%	2.9%	1.2%	3.2%
Totals	$ 32,243,312	$ 33,370,598	$ 33,872,591	3.50%	3.50%	1.50%	11.8%

EXAMPLE Bill Impact (Lighting)

City of Painesville - Electric Department
Rate Design for 2025, 2026, and 2027
Area and Roadway Lighting

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
Area Lighting				
City - 175 MV Rate	$ 11.20	$ 11.60	$ 12.00	$ 12.20
City - 250 MV Rate	$ 14.30	$ 14.80	$ 15.30	$ 15.55
City - 400 MV Rate	$ 19.05	$ 19.70	$ 20.35	$ 20.65
City - 1000 MV Rate	$ 33.65	$ 34.80	$ 36.00	$ 36.55
City - 1000 Decorative Rate	$ 44.30	$ 45.80	$ 47.35	$ 48.05
City - 250 HPS Rate	$ 19.05	$ 19.70	$ 20.35	$ 20.65
City - 400 HPS Rate	$ 25.20	$ 26.05	$ 26.95	$ 27.35
City - 1000 HPS Rate	$ 44.30	$ 45.80	$ 47.35	$ 48.05
Twp Area Lighting				
Twp - 175 MV Rate	$ 12.30	$ 12.75	$ 13.20	$ 13.40
Twp - 250 MV Rate	$ 15.75	$ 16.30	$ 16.85	$ 17.10
Twp - 400 MV Rate	$ 20.95	$ 21.65	$ 22.40	$ 22.70
Twp - 1000 MV Rate	$ 37.00	$ 38.30	$ 39.60	$ 40.20
Twp - 1000 Decorative Rate	$ 48.75	$ 50.40	$ 52.10	$ 52.85
Twp - 250 HPS Rate	$ 20.95	$ 21.65	$ 22.40	$ 22.70
Twp - 400 HPS Rate	$ 27.70	$ 28.65	$ 29.65	$ 30.10
Twp - 1000 HPS Rate	$ 48.75	$ 50.40	$ 52.10	$ 52.85

City of Painesville - Electric Department
Rate Design for 2025, 2026, and 2027
Area and Roadway Lighting

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
Roadway Lighting				
City - 175 MV Rate	$ 8.15	$ 8.45	$ 8.75	$ 8.90
City - 250 MV Rate	$ 9.55	$ 9.85	$ 10.20	$ 10.35
City - 400 MV Rate	$ 13.20	$ 13.65	$ 14.10	$ 14.30
City - 250 HPS Rate	$ 15.45	$ 16.00	$ 16.55	$ 16.80
City - 400 HPS Rate	$ 18.80	$ 19.45	$ 20.10	$ 20.40
Twp Roadway Lighting				
Twp - 175 MV Rate	$ 9.00	$ 9.30	$ 9.65	$ 9.80
Twp - 250 MV Rate	$ 10.50	$ 10.85	$ 11.20	$ 11.40
Twp - 400 MV Rate	$ 14.50	$ 15.00	$ 15.50	$ 15.75
Twp - 250 HPS Rate	$ 17.00	$ 17.60	$ 18.20	$ 18.50
Twp - 400 HPS Rate	$ 20.70	$ 21.40	$ 22.10	$ 22.45
Revenue from Rate	$ 425,337	$ 440,273	$ 455,420	$ 462,339
Change from Previous		3.5%	3.4%	1.5%

Note [1]: Township lighting is equal to listed rate x 1.1

EXAMPLE Bill Impact (E1)

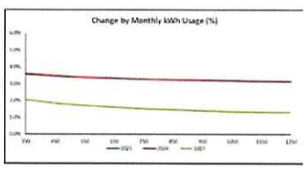
Twp. adder remains at 13% for Rate-ET1

City of Painesville - Electric Department
Rate Design for 2025, 2026, and 2027
Residential (E1, ET1)

Twp. adder-->	*13%*	*13%*	*13%*	*13%*
Rates	Current	2025	2026	2027
Monthly Facilities Charge:				
All Customers	$ 15.00	$ 15.85	$ 16.70	$ 17.55
Energy Charge:				
All Energy	$ 0.10015	$ 0.10460	$ 0.10925	$ 0.11072
Power Cost Adjustment:				
All Energy	$ 0.033199	$ 0.033199	$ 0.033199	$ 0.033199
Revenue from Rate	$ 13,617,246	$ 14,121,864	$ 14,644,100	$ 14,886,428
Change from Previous		3.7%	3.7%	1.7%

Change by Monthly kWh Usage (5)

Energy	All Energy	2025	2026	2027
350	350	$ 2.23	$ 2.29	$ 1.37
450	450	$ 2.62	$ 2.69	$ 1.49
550	550	$ 3.00	$ 3.09	$ 1.62
650	650	$ 3.38	$ 3.49	$ 1.74
750	750	$ 3.76	$ 3.89	$ 1.87
850	850	$ 4.14	$ 4.29	$ 2.00
950	950	$ 4.52	$ 4.68	$ 2.12
1,050	1,050	$ 4.90	$ 5.08	$ 2.25
1,150	1,150	$ 5.28	$ 5.48	$ 2.37
1,250	1,250	$ 5.67	$ 5.88	$ 2.50



Questions?

UFS UTILITY FINANCIAL SOLUTIONS, LLC



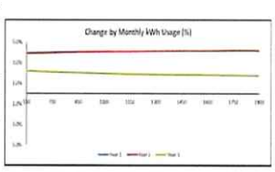
EXAMPLE Bill Impact (E3)

City of Painesville - Electric Department
Rate Design for 2025, 2026, and 2027
General Commercial (E3, ET3, SE3)

Twp. adder-->	*16%*	*16%*	*16%*	*16%*
Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	$ 30.00	$ 31.00	$ 32.00	$ 33.00
Energy Charge:				
All Energy	$ 0.10300	$ 0.10898	$ 0.11525	$ 0.11750
Power Cost Adjustment:				
All Energy	$ 0.033199	$ 0.033199	$ 0.033199	$ 0.033199
Revenue from Rate	$ 3,289,592	$ 3,428,595	$ 3,573,383	$ 3,639,094
Change from Previous	$ -	4.2%	4.2%	1.8%

Change by Monthly kWh Usage (5)

Energy	Year 1	Year 2	Year 3
550	$ 2.94	$ 3.03	$ 1.76
700	$ 3.46	$ 3.58	$ 1.96
850	$ 3.99	$ 4.13	$ 2.16
1000	$ 4.52	$ 4.69	$ 2.36
1150	$ 5.05	$ 5.24	$ 2.55
1300	$ 5.57	$ 5.79	$ 2.75
1450	$ 6.10	$ 6.35	$ 2.95
1600	$ 6.63	$ 6.90	$ 3.15
1750	$ 7.15	$ 7.45	$ 3.35
1900	$ 7.68	$ 8.01	$ 3.54



EXAMPLE Bill Impact (E4)

City of Painesville - Electric Department
Rate Design for 2025, 2026, and 2027
Large Commercial (E4, ET4, SE4)

Twp. adder-->	*16%*	*16%*	*16%*	*16%*
Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	$ 75.00	$ 81.00	$ 87.00	$ 93.00
Energy Charge				
All Energy	$ 0.08147	$ 0.08281	$ 0.08432	$ 0.08305
Demand Charge				
All Demand	$ 8.50	$ 9.50	$ 10.50	$ 11.50
Power Cost Adjustment:				
All Energy	$ 0.033199	$ 0.033199	$ 0.033199	$ 0.033199
Revenue from Rate	$ 9,201,291	$ 9,498,018	$ 9,804,899	$ 9,933,281
Change from Previous	-	3.2%	3.2%	1.3%

PROPOSED BUDGET

FISCAL YEAR 2025

MONDAY, DECEMBER 9, 2024

ELECTRIC, SEWER, STORMWATER and WATER FUNDS

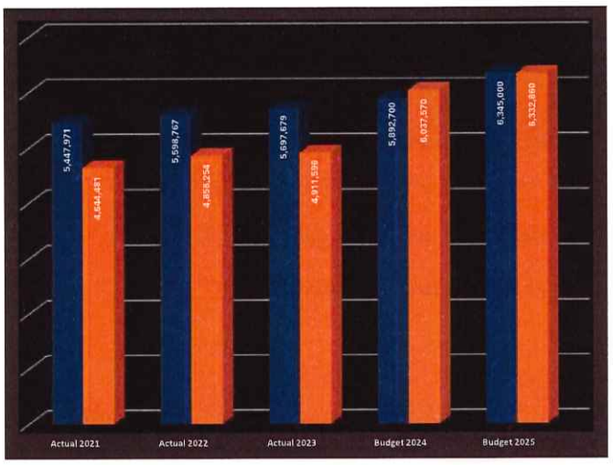
Enterprise Funds

Funds used to account for activities for which a fee is charged to external users for goods or services

§5705.09 – Establishment of Funds

Water	Fund #'s 710-719
Water Pollution Control	Fund #'s 720-729
Electric	Fund #'s 730-739
Storm Water	Fund #'s 760-769

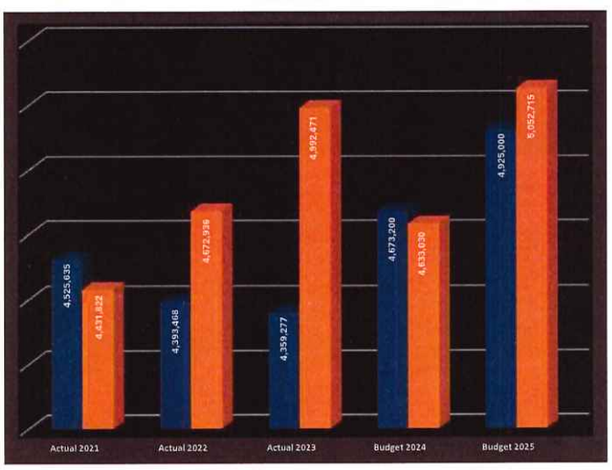
WATER OPERATING FUND



WATER	Actual 2021		Actual 2022		Actual 2023		Budget 2024		Budget 2025	
Metered Water Sales	5,279,568	96.9%	5,544,745	99.0%	5,585,679	98.0%	1,796,000	98.3%	6,245,000	98.4%
All Other Revenue	168,003	3.1%	54,022	1.0%	111,703	2.0%	102,700	1.7%	100,000	1.6%
Employee Compensation	2,952,583	62.0%	2,991,593	61.5%	2,958,397	60.2%	3,659,870	60.8%	3,795,395	59.7%
Professional Services & Supplies	1,422,667	29.9%	1,526,951	31.4%	1,627,331	33.1%	1,974,295	32.7%	2,114,850	33.4%
Debt Service	293,486	6.1%	293,486	5.9%	293,486	5.9%	293,415	4.7%	292,415	4.5%
Transfers & Advances	33,575	0.7%	56,404	1.2%	42,261	0.9%	125,000	2.0%	150,000	2.4%
All Other Expenditures	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

CAPITAL PROJECTS - WATER	
PAINT STORAGE TANK ON CRILE ROAD	$ 770,000.00
E. WALNUT STREET WATER MAIN REPAIRS	$ 550,000.00
UPGRADE CHLORINE ROOM TO GRADE PHASE 1	$ 320,000.00
DESIGN FOR WATER PLANT UPGRADE	$ 250,000.00
WEST EAGLE STREET WATER MAIN - GRANT PORTION	$ 202,230.00
REPLACE 2011 SLUDGE TRUCK	$ 170,000.00
REPAIRS TO PUMP #6 FOR HIGH SERVICE AREAS	$ 100,000.00
REPLACE WATER MAIN ON TIGER DRIVE	$ 100,000.00
REPLACE 2007 DUMP TRUCK, TRUCK HAS 41,000 MILES AND KEEPS HAVING TO BE REPAIRED	$ 90,000.00
CONTINUE WITH CITYWIDE VALVE REPLACEMENT PROGRAM	$ 50,000.00
REPLACE VFD IN LOW SERVICE AREAS	$ 25,000.00
FIRE ALARM SYSTEM FOR NEW BUILDING	$ 20,000.00
AUBURN WATER TOWER DESIGN/ENGINEERING	$ 15,000.00
NEW TRUCK TO REPLACE TRUCK THAT IS CONTINUOUSLY NEEDING REPAIRS, 20% OF COST	$ 6,000.00

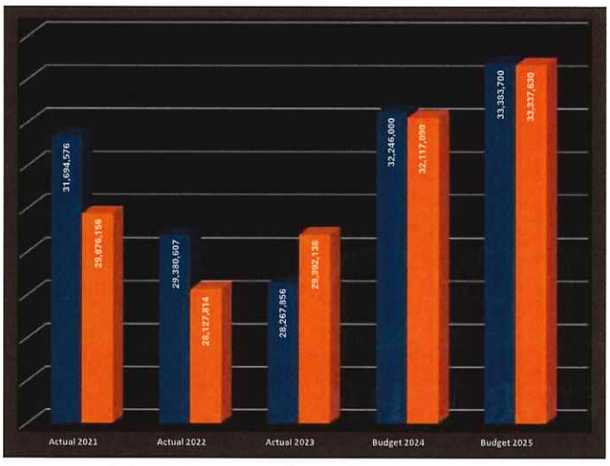
WPCP OPERATING FUND



WATER POLLUTION CONTROL	Actual 2021		Actual 2022		Actual 2023		Budget 2024		Budget 2025	
Water Pollution Control Service Chrgs	4,329,954	95.7%	4,342,282	98.8%	4,329,990	99.2%	4,613,000	98.7%	4,676,000	99.0%
All Other Revenue	196,561	4.3%	51,167	1.2%	36,287	0.7%	60,200	1.3%	49,000	1.0%
Employee Compensation	2,464,246	56.1%	2,495,498	53.4%	2,463,627	49.8%	3,124,870	67.4%	3,247,750	68.7%
Professional Services & Supplies	1,209,650	27.2%	1,668,742	23.3%	1,565,579	32.2%	1,279,260	29.0%	1,791,865	35.4%
Debt Service	18,894	0.4%	18,894	0.4%	18,894	0.4%	18,900	0.4%	18,895	0.4%
Transfers & Advances	960,000	28.3%	1,068,903	22.3%	1,469,379	28.0%	110,000	2.4%	175,000	3.5%
All Other Expenditures	0	0.0%	0	0.0%	0	0.0%	0	0.0%	6	0.0%

CAPITAL PROJECTS - SEWER		
REPAIRS TO DIGESTER AT WPCP	$	1,300,000.00
UPGRADE ELEVATOR THAT IS NON-OPERATIONAL	$	175,000.00
CITY-WIDE SANITARY SEWER IMPROVEMENTS	$	100,000.00
CONTINUE WITH DIFFUSER REPLACEMENT PROGRAM IN AERATION BASINS	$	75,000.00
REPLACE BED ON TRUCK #75 THAT IS WEARING OUT	$	40,000.00
IMPROVE CONTROL SYSTEM SO ALL AREAS WILL HAVE HEATING/AIR CONDITIONING	$	30,000.00
SEAL-COATING & CRACK SEALING DRIVES/PARKING LOTS	$	25,000.00
REPLACE GARAGE DOOR WITH ALUMINUM INSULATED ENERGY-EFFICIENT DOORS	$	12,500.00
NEW TRUCK TO REPLACE TRUCK THAT IS CONTINUOUSLY NEEDING REPAIRS. 20% OF COST	$	6,000.00

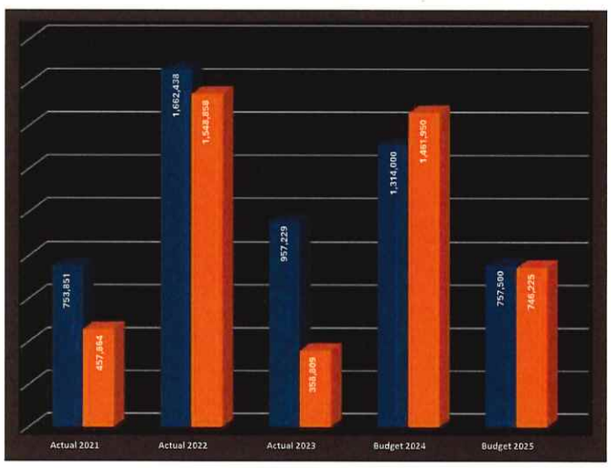
ELECTRIC OPERATING FUND



ELECTRIC	Actual 2021		Actual 2022		Actual 2023		Budget 2024		Budget 2025	
Electric Service Charges	31,136,932	98.2%	28,455,424	98.9%	27,111,586	95.9%	31,911,000	99.0%	32,911,000	99.6%
All Other Revenue	550,644	1.8%	324,982	1.1%	1,196,279	4.1%	321,000	1.0%	468,700	1.4%
Employee Compensation	6,818,134	22.0%	6,642,198	24.6%	6,575,476	22.8%	8,064,396	25.6%	7,942,395	23.9%
Professional Services & Supplies	20,594,564	66.4%	18,965,538	67.2%	20,596,203	70.8%	23,137,110	72.9%	22,116,640	66.3%
Debt Service	12,596	0.0%	12,596	0.0%	12,596	0.0%	12,596	0.0%	12,596	0.0%
Transfers & Advances	1,703,213	5.5%	1,652,258	5.9%	1,285,689	4.4%	0	0.0%	2,500,000	7.5%
All Other Expenditures	735,709	2.3%	774,223	2.8%	762,590	2.6%	763,000	2.4%	763,000	2.2%

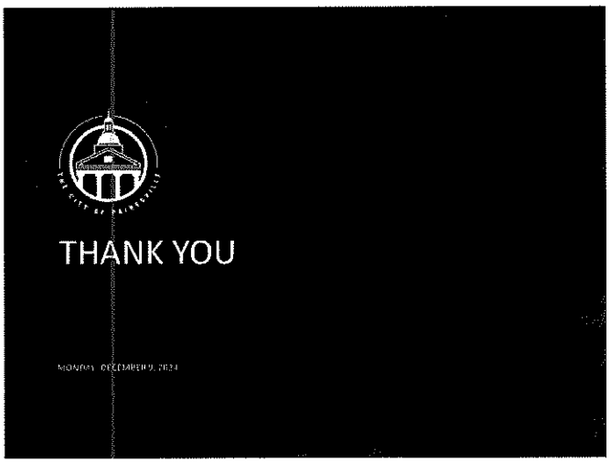
CAPITAL PROJECTS - ELECTRIC		
SOLAR FIELD LAND ACQUISITION	$	1,000,000.00
PHASE I OF RENOVATIONS TO CRE PROPERTY; WILL HOUSE ELECTRIC DIST. OFFICES & EQUIP.	$	500,000.00
BOTH TRUCKS ARE CONTINUALLY NEEDING REPAIRS; ESSENTIAL TO HAVE RELIABLE SERVICE TRUCKS.	$	450,000.00
PURCHASE TRANSFOMERS FOR CITYWIDE USE	$	350,000.00
REPAIR/REPLACE HG CIRCUIT FOR DOWNTOWN AREA	$	340,000.00
TO REPLACE CIRCUIT BREAKERS NEEDED FOR CITY. THIS IS PHASE I OF TWO-YEAR PROJECT	$	300,000.00
RECLOSERS TO CONTROL DATA FOR SCADA SYSTEM TO HELP RESTORE POWER AFTER A FAULT/OUTAGE	$	150,000.00
DESIGN OF CIRCUIT BREAKERS TO MEET GUIDELINES FOR CITY	$	100,000.00
DESIGN/DIAGNOSIS OF HG CIRCUIT WHICH SERVICES THE DOWNTOWN AREA OF PAINESVILLE CITY	$	100,000.00
CONDUIT FOR CITYWIDE REPAIRS	$	100,000.00
ROOF REPAIRS FOR BOILER #3 AND #4	$	60,000.00
NEW TRUCK TO REPLACE TRUCK THAT IS IN CONTINUOUS NEED OF REPAIRS. 60% OF COST	$	18,000.00
REPLACE OLD CONDUIT BENDER THAT IS NOT WORKING	$	14,000.00

STORM WATER FUND



STORM WATER	Actual 2021		Actual 2022		Actual 2023		Budget 2024		Budget 2025	
Storm Water Service Charges	605,389	97.3%	434,536	99.6%	423,154	99.6%	430,000	99.7%	453,000	99.7%
Grant Funding	250,750	28.7%	1,204,892	72.8%	592,680	50.6%	885,000	67.2%	300,000	28.7%
All Other Revenue	15,712	2.7%	3,852	0.2%	3,358	0.4%	4,000	0.3%	2,500	0.3%
Employee Compensation	104,993	0.9%	134,096	0.9%	115,179	20.3%	157,660	1.3%	161,785	6.3%
Professional Services & Supplies	71,320	4.7%	25,892	1.7%	28,638	5.0%	23,950	1.6%	24,550	3.2%
Capital Outlay	290,535	16.9%	1,255,770	68.8%	47,643	36.0%	1,130,000	86.6%	480,000	68.4%
Debt Service	130,700	25.5%	133,100	8.6%	125,228	27.7%	135,342	9.2%	134,890	18.0%
Transfers & Advances	0	0.0%	0	0.0%	0	0.0%	15,000	1.0%	25,000	3.4%
All Other Expenditures	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

CAPITAL PROJECTS - STORM WATER		
STORM WATER IMPROVEMENTS TO WEST EAGLE STREET - 100% LEVEL II STORMWATER FUNDS	$	300,000.00
CITY-WIDE STORM WATER IMPROVEMENTS	$	100,000.00


THANK YOU
MONDAY, DECEMBER 9, 2024