REGULAR COUNCIL MEETING
MONDAY, DECEMBER 16, 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.

ROLL CALL FOR ATTENDANCE

Councilpersons Derrick Abney, Nick Augustine, Lori DiNallo, Jim Fodor, and Christine Shoop were present. Paul Hach was not able to attend. Mario Rodriguez arrived at 7:59 PM.

Other City Staff in attendance: City Manager Doug Lewis, Assistant City Manager Tony Zampedro, Law Director Jim Lyons, Economic Development Director Susan Crotty, Finance Director Bill Parkinson, Electric Plant Supervisor Paul Morton, Police Administrative Lieutenant Toby Burgett, 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 Mrs. Shoop. All Council members were in favor by answering "Aye". Motion carried. Agenda approved.

INVOCATION was given by Councilperson Christine Shoop.

PLEDGE OF ALLEGIANCE was recited.

MINUTES: None

NEW BUSINESS: Water and Sewer Rate Study and Recommendations

Jullian Jurczyk, Manager from Utility Financial Solutions, LLC, gave an informational report on the City of Painesville Water and Wastewater Departments for the Cost of Service Study and Financial Projection. She gave an overview and summarized the financial projection for a five-year rate track from current rates to projection with rate track and percentages of increases, cost of service – unit cost and percentage for 2025, and rate design and samples from 2025 to 2029 for inside the city and outside the city for both departments. She gave with an example of what a monthly combined bill from the current year to 2029, and national comparison of residential averages for water and wastewater rates. She concluded with proposing the following revenue adjustments: water rates 2025-2026 with no change and 2027-2029 with a 5% increase, and wastewater rates 2025-2026 10% increase and 2027-2029 with a 5% increase. Concerns were brought forth about future infrastructure fees and costs to city/residents. Legislation will be brought before Council at a future time. See presentation slides.

PUBLIC COMMENTS: None

COMMITTEE REPORT: JEDD – Moved to next meeting

LEGISLATION:

ITEM #1 ORDINANCE

3rd 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, 2nd Reading 12.09.24)

Finance Director Bill Parkinson spoke on this piece of legislation and gave a presentation. The presentation was on the Capital Projects for the fiscal year of 2025. He explained the capital requests for the following departments: Engineering, Police, Fire, Public Works, Parks and Recreation, Water, Water Pollution Control, Electric, and Storm Water. The City will continue to look for and apply for grants to help with costs. See presentation slides.

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

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

ORDINANCE 41-24 is ADOPTED.

ITEM #2 ORDINANCE

***1st Reading* – An Ordinance amending Chapter 929 of the Painesville Code of 1998 relating to Electric Service and Rates**

City Manager Doug Lewis spoke on this piece of legislation. He stated the City had received a presentation from Utility Financial Solutions (UFS) regarding the proposed electric rates for 2025, 2026, and 2027. The City is required to look at rates every three years and prepare a proposal to Council. The proposed rate by UFS was 3.5% in 2025, 3.5% in 2026, and 1.5% in 2027. The City is hoping to implement solar in the future to help reduce rates. This can go three reads.

This will go to second reading.

ITEM #3 RESOLUTION

3rd 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, 2nd Reading 12.09.24)

Council President Jim Fodor spoke on this piece of legislation. He stated this is the third reading for the City to partnering or going with Fairport to provide services for our Painesville residents seeing that the current Painesville Senior Group has stopped providing services. This legislation allows the City to work with Fairport Senior Center to develop an agreement which is acceptable to both parties and based upon that, the City will bring back a dollar recommendation going forward in the contract. Council will have to approve.

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

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

RESOLUTION 62-24 is ADOPTED.

ITEM #4 RESOLUTION

3rd 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, 2nd Reading 12.09.24)

Council President Jim Fodor spoke on this piece of legislation. He stated this legislation is directed towards the Painesville Senior Organization, and if they go out of business and have moneys left over, they either donated to Painesville City and it will be put in as a line item to be used for senior services or facilities or donate it to the Fairport Senior Center.

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

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

RESOLUTION 63-24 is ADOPTED.

ITEM #5 RESOLUTION

2nd 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.** ***(1st Reading 12.09.24)

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.

Mrs. DiNallo moved to suspend, seconded by Mr. Augustine.

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 Mrs. DiNallo.

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

RESOLUTION 64-24 is ADOPTED.

ITEM #6 RESOLUTION

***1st Reading* – A Resolution authorizing and directing the City Manager to sign the subgrant between the City of Painesville and Cuyahoga County, and declaring an emergency.**

City Manager Doug Lewis spoke on this piece of legislation. He stated this is a collaboration between the City of Painesville Administration, the City of Painesville Electric Department, Cuyahoga County Green Energy, and the City of Cleveland has awarded the parties an EPA Climate Pollution Reduction Grant (CPRG) totaling $129,396,997.00, $80,665,000.00 of which is proportioned towards the construction of Solar and Battery Storage project(s). The EPA motivation comes from the City of Painesville's commitment to retire an existing coal/steam generation facility in operation since 1903. Cuyahoga County was the lead applicant for the USEPA Grant with the City of Painesville listed as a subrecipient. As such, Cuyahoga County will serve as the administrator of the grant funding requiring the City Painesville to enter into a this Subrecipient Agreement with Cuyahoga County, and as such the Subrecipient Agreement must be adopted by Painesville City Council affirming a mutual understanding prior to any reimbursement paid to the City of Painesville, and prior to the joint percurrent and purchase of project materials benefiting the City of Painesville Electric Division. The City can receive 100% reimbursement from the USEPA for qualifying assets in an amount to not exceed $80,665,000.00. The legislation must be approved before any funds can be submitted for reimbursement. The City will follow all requirements for competitive bidding. Staff is requesting approval of the Subrecipient Agreement and requested that it be passed on first reading. It is necessary to receive reimbursement for work that is in the process of being performed. Administration would like to have this in place by the end of the year.

Mr. Abney moved to suspend, seconded by Mrs. Shoop.

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

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

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

RESOLUTION 65-24 is ADOPTED.

ITEM #7 RESOLUTION

***1st Reading* – A Resolution directing the Finance Director to spend and/or obligate and encumber the amount remaining in the City's ARPA Fund to support and retain public sector workers as is permitted in the ARPA regulations and directing the Finance Director to commit those funds so that they are spent in fiscal year 2024 and if not spent in ~~2025~~ 2024 to create the obligation to spend those moneys in fiscal year 2025, and declaring an emergency.**

Finance Director Bill Parkinson spoke on this piece of legislation. He stated this legislation is from the State Auditor's Office recommendation for the remaining ARPA Funds. This will expand the remaining funds in ARPA by December 31st. The US treasury says that funds must be obligated to specific project or an expense. This way the City can save it to the general fund and not worry about the US Treasury regulations. The amount is $259,000 and then reports will be filed in 2025. It will be used for salaries (supporting and Retaining Public Sector Workers).

Law Director pointed out clerical errors. The date in the title and in the legislation should be 2024 instead of 2025. He recommended amending the legislation to correct the clerical errors.

Mrs. DiNallo moved to amend the legislation to read 2024 instead of 2025 in the areas recommended by the law director, seconded by Mr. Augustine.

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

Mrs. Shoop moved to suspend the amended legislation, seconded by Mr. Rodriguez.

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 the amended legislation, seconded by Mr. Augustine.

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

RESOLUTION 66-24 is ADOPTED.

UNFINISHED BUSINESS: Lodging Tax; Utilities Committee Update

Lodging Tax

Assistant City Manager Tony Zampedro reported that this is an update regarding lodging tax discussion at a previous council meeting. Information was provided to council members regarding Lake County from the State Department of Taxation for 2022 collections. He explained the counties taxes for cities, townships, and village that are availing themselves of hotel tax and percentage rates. He provided Council with an example of legislation from Mentor-on-the-Lake. Mr. Zampedro explained, if the City moves forward regarding legislation, it would be a new chapter to our tax code and suggested proposed changes to the language/definitions, tax/fees, uses for the revenue, and fiscal officer's responsibility to collect the taxes and the possibility to contract a company to collect the taxes. It was clarified, if the city implements the tax rate, it would generate approximately $70,000.00 to $80,000.00 revenue, and dedicating the monies to the arts and entertaining within the city to bring people into the community. This is will continued to be discussed at a further date.

Utilities Committee Update

Council President Fodor reported that the City has an Electric Committee established and Council discussed at previous meeting to either make or expanding it into a Utilities Committee. Discussion ensued about amending the current legislation regarding the Electric Committee. Council agreed that Administration would amend the Electric Committee to create the Utilities Committee.

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 reminded residents and wanted to make aware that there is no way of avoiding snow being pushed back into their driveway when snowplowing the roads and sidewalks. The administration has received concerns and complaints regarding this. The main responsibility is to get the roads open so people can get to work and sidewalks cleared so students can get to school. The City unfortunately is not in a position to come back and clear people's driveway's apron after the city has plowed. This occurs to every council person and administration that lives in the city, and he understanding the frustration. Yard waste collection has ended last week.

CORRESPONDENCE: Clerk of Council

The next regular Council meeting will be held on Monday, January 6th at 7:00 PM; and City Offices are closed on Tuesday the 24th and Wednesday the 25th for the Winter Holiday, and for Wednesday, January 1st for the New Year's Day.

CLOSING COMMENTS: Members of Council

Mr. Abney thanked all those involved in the Senior Citizen Luncheon and who attended tonight's meeting.

Mrs. DiNallo wished everyone a safe and happy holiday season.

Mr. Rodriguez thanked everyone who attended and watched tonight's meeting.

Mr. Augustine had no comments at this time.

Mrs. Shoop wished everyone a Merry Christmas and Happy Holiday.

Mr. Fodor mentioned he received emails from residents who live by Recreation Park with concerns about the agreement that is currently in place with the Painesville City Schools and Lake Erie College about the length of time before a football game that music is allowed to be played. Data is being collected and further discussion will take place. Our police department has had seven complaints in 2024: one for loud music at the stadium, three was loud music in the pavilions, and two were noise in the neighborhood or general area, and one was fireworks. There were about seventy-five athletic contests at Recreation Park of which forty-four were Lake Erie College and thirty-one were Painesville City, and it involved a certain number of days. Mr. Fodor will provide Council with the data. He has also talked to Superintendent Englehart with concerns. The LED lights have been tested for lumens and direction, and the decibels levels during athletic contest and with the sound system. They are aware and have done data collection before they went into the current contract which did go three readings.

EXECUTIVE SESSION

Mr. Augustine motioned to move into 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, 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 8:53 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 9:23 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 9:24 PM.

Meeting adjourned at 9:24 PM.

Samantha Danielson
Clerk of Council

Jim Fodor
President of Council

City of Painesville, OH

Water & Wastewater Departments

Cost of Service Study and Financial Projection

Jillian Jurczyk, Manager
Utility Financial Solutions, LLC

Objectives

- Financial Projection
- Cost of Service
- Rate Design

Assumptions

Water

Fiscal Year	Inflation	Customer Growth	Capital Improvements Plan	Bond Issues Including Fees	Period	Rate
2025	3.0%	0.5%	$ 2,370,000	$ 400,000	20	5.00%
2026	3.0%	0.5%	2,275,000	-	20	5.00%
2027	3.0%	0.5%	2,995,000	-	20	5.00%
2028	3.0%	0.5%	2,310,000	835,000	20	5.00%
2029	3.0%	0.5%	1,959,000	784,000	20	5.00%

Wastewater

Fiscal Year	Inflation	Customer Growth	Capital Improvements Plan	Bond Issues Including Fees	Period	Rate
2025	3.0%	0.5%	$ 1,427,500		20	5.00%
2026	3.0%	0.5%	1,230,000		20	5.00%
2027	3.0%	0.5%	3,525,000	4,500,000	20	5.00%
2028	3.0%	0.5%	1,380,000		20	5.00%
2029	3.0%	0.5%	1,525,000	2,000,000	20	5.00%

Water Cost of Service

Unit Cost - 2025

Description	COS Revenue Requirement	Projected Revenue	COS % Change
Water Rate	$ 4.48	$ 3.31	35.3%

**Outside city rate is 1.5x multiplier*

Sample Water Rate Design

Inside City

Rates	Current	2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5
Infrastructure Improvement Charge						
5/8"	$ 14.00	$ 14.00	$ 14.00	$ 14.50	$ 15.00	$ 15.50
1"	15.75	15.75	15.75	16.75	17.75	18.75
1 1/2"	131.25	131.25	131.25	131.25	131.25	131.25
2"	175.00	175.00	175.00	175.00	175.00	175.00
3"	210.00	210.00	210.00	210.00	210.00	210.00
4"	262.50	262.50	262.50	277.50	292.50	307.50
6"	306.25	306.25	306.25	326.25	346.25	366.25
8"	306.25	306.25	306.25	326.25	346.25	366.25
Usage Charge Per CCF - Inside City						
All Usage	$ 3.31	$ 3.31	$ 3.31	$ 3.51	$ 3.72	$ 3.94
Minimum Bill						
5/8" - 4 Units	$ 13.24	$ 13.24	$ 13.24	$ 14.03	$ 14.87	$ 15.76
1" - 9 Units	29.79	29.79	29.79	31.57	33.46	35.46
1.5" - 16 Units	52.96	52.96	52.96	56.12	59.48	63.05
2" - 24 Units	79.44	79.44	79.44	84.18	89.22	94.57
3" - 40 Units	132.40	132.40	132.40	140.29	148.69	157.62
4" - 80 Units	264.80	264.80	264.80	280.59	297.38	315.24
6" - 140 Units	463.40	463.40	463.40	491.03	520.42	551.67
8" - 200 Units	662.00	662.00	662.00	701.47	743.46	788.10
Revenue from Rate	$ 7,933,125	$ 7,933,125	$ 7,933,125	$ 8,329,781	$ 8,746,270	$ 9,183,584
Change from Previous		0.0%	0.0%	5.0%	5.0%	5.0%
Avg Res Impact Monthly $		$ -	$ -	$ 1.49	$ 1.55	$ 1.62

Sample Water Rate Design

Outside City

Rates	Current	2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5
Infrastructure Improvement Charge						
5/8"	$ 14.00	$ 14.00	$ 14.00	$ 14.50	$ 15.00	$ 15.50
1"	15.75	15.75	15.75	16.75	17.75	18.75
1 1/2"	131.25	131.25	131.25	131.25	131.25	131.25
2"	175.00	175.00	175.00	175.00	175.00	175.00
3"	210.00	210.00	210.00	210.00	210.00	210.00
4"	262.50	262.50	262.50	277.50	292.50	307.50
6"	306.25	306.25	306.25	326.25	346.25	366.25
8"	306.25	306.25	306.25	326.25	346.25	366.25
Private Fire Hydrant	25.00	25.00	25.00	25.00	25.00	25.00
Usage Charge Per CCF - Outside City						
All Usage	$ 4.93	$ 4.93	$ 4.93	$ 5.22	$ 5.54	$ 5.87
Minimum Bill						
5/8" - 4 Units	$ 19.72	$ 19.72	$ 19.72	$ 20.90	$ 22.15	$ 23.48
1" - 9 Units	44.37	44.37	44.37	47.02	49.83	52.82
1.5" - 16 Units	78.88	78.88	78.88	83.58	88.59	93.91
2" - 24 Units	118.32	118.32	118.32	125.37	132.88	140.86
3" - 40 Units	197.20	197.20	197.20	208.96	221.47	234.76
4" - 80 Units	394.40	394.40	394.40	417.91	442.93	469.53
6" - 140 Units	690.20	690.20	690.20	731.35	775.13	821.67
8" - 200 Units	986.00	986.00	986.00	1,044.79	1,107.33	1,173.82
Revenue from Rate	$ 7,933,125	$ 7,933,125	$ 7,933,125	$ 8,329,781	$ 8,746,270	$ 9,183,584
Change from Previous		0.0%	0.0%	5.0%	5.0%	5.0%
Avg Res Impact Monthly $		$ -	$ -	$ 1.97	$ 2.06	$ 2.16

Water Department

Water Projection Summary

Five-Year Rate Track

Projection under current rates

Fiscal Year	Projected Rate Adjustments	Adjusted Operating Income	Optimal Operating Income	Projected Cash Balances	Recommended Minimum Cash Reserve	Debt Coverage Ratio
2025	0.0%	$ 1,330,016	$ 1,804,374	$ 11,284,091	$ 5,382,005	2.22
2026	0.0%	1,124,813	1,927,763	10,540,404	5,443,546	2.13
2027	0.0%	907,383	2,073,972	9,066,172	5,406,135	2.26
2028	0.0%	684,969	2,176,220	8,946,550	6,310,739	2.27
2029	0.0%	470,822	2,269,599	8,946,574	6,443,441	2.02

Projection with rate track

Fiscal Year	Projected Rate Adjustments	Adjusted Operating Income	Optimal Operating Income	Projected Cash Balances	Recommended Minimum Cash Reserve	Debt Coverage Ratio
2025	0.0%	$ 1,330,016	$ 1,804,374	$ 11,284,091	$ 5,382,005	2.22
2026	0.0%	1,124,813	1,927,763	10,540,404	5,443,546	2.13
2027	5.0%	1,304,039	2,073,972	9,462,829	5,406,135	2.58
2028	5.0%	1,331,174	2,176,220	10,007,412	6,310,739	2.84
2029	5.0%	1,379,054	2,269,599	10,897,667	6,443,441	2.77

Wastewater Department

Projection Summary

Five-Year Rate Track

Projection under current rates

Fiscal Year	Projected Rate Adjustments	Adjusted Operating Income	Optimal Operating Income	Projected Cash Balances	Recommended Minimum Cash Reserve	Debt Coverage Ratio
2025	0.0%	$ (465,078)	$ 321,267	$ 1,667,062	$ 1,754,946	1.82
2026	0.0%	(604,644)	397,094	295,072	1,855,486	0.56
2027	0.0%	(774,092)	494,548	272,271	2,083,823	0.10
2028	0.0%	(949,192)	543,271	(1,848,629)	2,346,281	(0.06)
2029	0.0%	(1,103,184)	565,450	(2,554,085)	2,542,866	(0.19)

Projection with rate track

Fiscal Year	Projected Rate Adjustments	Adjusted Operating Income	Optimal Operating Income	Projected Cash Balances	Recommended Minimum Cash Reserve	Debt Coverage Ratio
2025	10.0%	$ (97,465)	$ 321,267	$ 2,034,676	$ 1,754,946	3.17
2026	10.0%	171,205	397,094	1,438,534	1,855,486	2.96
2027	5.0%	230,272	494,548	2,420,096	2,083,823	1.52
2028	5.0%	297,240	543,271	1,545,628	2,346,281	1.72
2029	5.0%	399,624	565,450	2,342,980	2,542,866	1.56

Wastewater Cost of Service
Unit Cost - 2025

Description	COS Revenue Requirement	Projected Revenue	COS % Change
Wastewater Rate	$ 7.27	$ 5.90	23.3%

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Sample Wastewater Rate Design

Rates	Current	2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5
Usage Charge Per CCF - Inside City						
All Usage	$ 5.91	$ 6.50	$ 7.15	$ 7.51	$ 7.88	$ 8.28
Minimum Bill						
5/8" - 4 Units	$ 23.64	$ 26.00	$ 28.60	$ 30.03	$ 31.54	$ 33.11
1" - 9 Units	53.19	58.51	64.36	67.58	70.96	74.50
1.5" - 16 Units	94.56	104.02	114.42	120.14	126.15	132.45
2" - 24 Units	141.84	156.02	171.63	180.21	189.22	198.68
3" - 40 Units	236.40	260.04	286.04	300.35	315.36	331.13
4" - 80 Units	472.80	520.08	572.09	600.69	630.73	662.26
6" - 140 Units	827.40	910.14	1,001.15	1,051.21	1,103.77	1,158.96
Revenue from Rate	$3,620,624	$3,982,686	$4,380,955	$4,600,003	$4,830,003	$5,071,503
Change from Previous		10.0%	10.0%	5.0%	5.0%	5.0%
Avg Res Impact Monthly $		$ 2.95	$ 3.25	$ 1.79	$ 1.88	$ 1.97

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Appendix

Combined Bill Impact

5/8" Meter Impact	Current	2025	2026	2027	2028	2029
Infrastructure Improvement Fee	$ 14.00	$ 14.00	$ 14.00	$ 14.50	$ 15.00	$ 15.50
Water Rate	$ 3.31	$ 3.31	$ 3.31	$ 3.51	$ 3.72	$ 3.94
Wastewater Rate	$ 5.91	$ 6.50	$ 7.15	$ 7.51	$ 7.88	$ 8.28
Avg Use (CCF)	5	5	5	5	5	5
Monthly Bill	$ 60.10	$ 63.06	$ 66.31	$ 69.59	$ 73.02	$ 76.59
Monthly Impact Combined Bill		$ 2.95	$ 3.25	$ 3.29	$ 3.43	$ 3.57
		4.9%	5.2%	5.0%	4.9%	4.9%

UFS UTILITY FINANCIAL SOLUTIONS, LLC

National Comparison – Residential Average

Painesville Rates
(after five years of rate adjustments)

- Water rates are **29% lower** than the national average
- Wastewater rates are **42% lower** than the national average



Bluefield Research. (2023). *U.S. municipal water & sewer annual utility rate index 2023*. Bluefield Research. https://www.bluefieldresearch.com/insight/u-s-municipal-water-sewer-annual-utility-rate-index-2023/

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Rate Design Direction

- Proposing the following revenue adjustments:
  - Water Rates
    - 2025 – 2026 = No change
    - 2027 – 2029 = 5.0% increase
  - Wastewater Rates
    - 2025 – 2026 = 10% increase
    - 2027 – 2029 = 5.0% increase

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Water Target #1: Debt Coverage Ratio
Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Debt Coverage Ratio					
Net Income	$ 1,165,707	$ 1,003,830	$ 802,938	$ 547,343	$ 304,173
Add Depreciation/Amortization Expense	1,673,423	1,731,485	1,797,360	1,863,673	1,917,035
Add Interest Expense	164,309	147,892	131,663	164,657	198,203
Cash Generated from Operations	$ 3,003,439	$ 2,883,208	$ 2,731,961	$ 2,575,673	$ 2,419,411
Debt Principal and Interest	$ 1,352,695	$ 1,351,895	$ 1,211,192	$ 1,135,292	$ 1,199,477
Projected Debt Coverage Ratio (Covenants)	**2.22**	**2.13**	**2.26**	**2.27**	**2.02**
Minimum Debt Coverage Ratio	**1.40**	**1.40**	**1.40**	**1.40**	**1.40**

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Water Target #2: Minimum Cash Reserve
Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	12.3%	12.3%	12.3%	12.3%	12.3%
Historical Rate Base	2%	2%	2%	3%	3%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of bond proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	54%	54%	54%	55%	56%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	$ 630,179	$ 649,084	$ 668,557	$ 688,613	$ 709,272
Historical Rate Base	1,651,089	1,696,589	1,756,489	2,704,034	2,762,804
Current Portion of Debt Service Reserve	1,122,737	1,122,073	1,005,290	942,292	995,566
Five Year Capital Improvements - Net of bond proceeds	1,978,000	1,975,800	1,975,800	1,975,800	1,975,800
Minimum Cash Reserve Levels	**$ 5,382,005**	**$ 5,443,546**	**$ 5,406,135**	**$ 6,310,739**	**$ 6,443,441**
Projected Cash Reserves	**$ 11,284,091**	**$ 10,540,404**	**$ 9,066,172**	**$ 8,964,550**	**$ 8,946,574**

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Water Target #3: Optimal Operating Income
Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Target Operating Income Determinants					
Net Book Value/Working Capital	$ 38,348,152	$ 38,891,667	$ 40,089,306	$ 40,535,634	$ 40,577,598
Outstanding Principal on Debt	13,772,596	12,568,593	11,489,064	11,353,430	11,136,155
System Equity	$ 24,575,555	$ 26,323,073	$ 28,600,242	$ 29,182,204	$ 29,441,443
Debt:Equity Ratio	36%	32%	29%	28%	27%
Target Operating Income Allocation					
Interest on Debt	1.19%	1.18%	1.15%	1.45%	1.78%
System Equity	6.67%	6.76%	6.79%	6.89%	7.04%
Target Operating Income					
Interest on Debt	$ 164,309	$ 147,892	$ 131,663	$ 164,657	$ 198,203
System Equity	$ 1,640,065	$ 1,779,871	$ 1,942,309	$ 2,011,563	$ 2,071,397
Target Operating Income	**$ 1,804,374**	**$ 1,927,763**	**$ 2,073,972**	**$ 2,176,220**	**$ 2,269,599**
Projected Operating Income	**$ 1,330,016**	**$ 1,124,813**	**$ 907,383**	**$ 684,969**	**$ 470,822**
Rate of Return in %	**4.7%**	**5.0%**	**5.2%**	**5.4%**	**5.6%**

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Wastewater Target #1: Debt Coverage Ratio
Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Debt Coverage Ratio					
Net Income	$ (306,231)	$ (676,441)	$(1,082,665)	$(1,243,117)	$(1,482,066)
Add Depreciation/Amortization Expense	753,448	786,667	846,104	907,417	943,729
Add Interest Expense	52,167	71,797	308,573	293,925	378,882
Cash Generated from Operations	$ 499,384	$ 182,023	$ 72,012	$ (41,775)	$ (159,455)
Debt Principal and Interest	$ 273,783	$ 324,014	$ 708,721	$ 699,125	$ 860,516
Projected Debt Coverage Ratio (Covenants)	**1.82**	**0.56**	**0.10**	**(0.06)**	**(0.19)**
Minimum Debt Coverage Ratio	**1.40**	**1.40**	**1.40**	**1.40**	**1.40**

Wastewater Target #2: Minimum Cash Reserve
Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	12.3%	12.3%	12.3%	12.3%	12.3%
Historical Rate Base	3%	3%	2%	3%	3%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of bond proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	60%	60%	54%	55%	55%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	$ 514,959	$ 530,408	$ 546,320	$ 562,710	$ 579,591
Historical Rate Base	495,247	532,147	425,265	679,297	725,047
Current Portion of Debt Service Reserve	227,240	268,931	588,239	580,274	714,228
Five Year Capital Improvements - Net of bond proceeds	517,500	524,000	524,000	524,000	524,000
Minimum Cash Reserve Levels	**$ 1,754,946**	**$ 1,855,486**	**$ 2,083,823**	**$ 2,346,281**	**$ 2,542,866**
Projected Cash Reserves	**$ 1,667,062**	**$ 295,072**	**$ 272,271**	**$(1,848,629)**	**$(2,554,085)**

Water Target #3: Optimal Operating Income
Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Target Operating Income Determinants					
Net Book Value/Working Capital	$ 6,591,416	$ 7,034,749	$ 9,713,645	$ 10,186,229	$ 10,767,499
Outstanding Principal on Debt	3,125,401	2,873,184	6,973,036	6,567,836	8,086,202
System Equity	$ 3,466,015	$ 4,161,565	$ 2,740,609	$ 3,618,393	$ 2,681,298
Debt:Equity Ratio	47%	41%	72%	64%	75%
Target Operating Income Allocation					
Interest on Debt	1.67%	2.50%	4.43%	4.48%	4.69%
System Equity	7.76%	7.82%	6.79%	6.89%	6.96%
Target Operating Income					
Interest on Debt	$ 52,167	$ 71,797	$ 308,573	$ 293,925	$ 378,882
System Equity	$ 269,100	$ 325,297	$ 185,976	$ 249,346	$ 186,568
Target Operating Income	**$ 321,267**	**$ 397,094**	**$ 494,548**	**$ 543,271**	**$ 565,450**
Projected Operating Income	**$ (465,078)**	**$ (604,644)**	**$ (774,092)**	**$ (949,192)**	**$(1,103,184)**

CAPITAL PROJECTS

FISCAL YEAR 2025

MONDAY, DECEMBER 16, 2024

CAPITAL REQUESTS – PUBLIC WORKS

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2025 Budgeted Capital (Capital at 100%)

1) Replace Dump Truck*	$70,000	
Total Public Works Department 2025 Capital		$70,000

*$225,000 is in 2024 Project. This is remainder for upgrade

CAPITAL REQUESTS - ENGINEERING

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2025 Budgeted Capital (Capital at 100%)

1) West Eagle Street Paving*	$1,310,000	
2) S. State St. Design & Resurfacing*	$270,000	
3) E Walnut St. Design & Resurfacing*	$440,000	
4) Latimore and Mill Street Design	$150,000	
5) Sidewalk Improvements in City	$75,000	
6) Colonial Dr. Bridge Repairs	$132,900	
7) Various Street Resurfacing*	$1,030,000	
8) Elm Street Sidewalks Grant	$400,000	
9) Streetscape Design & Engineering	$350,000	
10) Amphitheater Parking Lot Resurfacing	$150,000	
11) Railroad Grade Crossing Relocation	$300,000	
12) Various Sanitary Sewer Improvements	$100,000	
Total Engineering 2025 Capital		$4,707,900

*West Eagle Street Paving split with OPWC Grant
*S. State and E. Walnut - City's portion of ODOT Project
*Includes Harmon, Lincoln, Valleyview Bank, Liberty and N. St. Clair

CAPITAL REQUESTS – PARKS & REC

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2025 Budgeted Capital (Capital at 100%)

1) Replace Boiler at City Hall	$70,000	
2) Renovate Police Briefing Room	$35,000	
3) Upgrades to Police Department	$62,500	
4) Fencing at Splash Pad	$46,000	
5) Replace Truck	$50,000	
6) Skate Park Improvements	$100,000	
Total Recreation & Public Lands 2025 Capital		$363,500

CAPITAL REQUESTS - POLICE

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2025 Budgeted Capital (Capital at 100%)

1) Intersection Cameras throughout City	$270,000	
2) LPR Cameras throughout City	$80,000	
3) Narcotics Equipment	$20,000	
4) Range/Simulation Training Equipment	$40,000	
5) 3 Vehicles and Upfitting*	$253,560	
6) Mobile Radios and GTAC In-Car Computers	$46,000	
7) Two Super Duty Shredders	$10,000	
Total Police 2025 Capital		$719,560

*Split with Police Levy Money

CAPITAL REQUESTS - WATER

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2025 Budgeted Capital (Capital at 100%)

1) Chlorine Room Phase I	$320,000	
2) Water Plant Upgrade Design	$250,000	
3) #6 High Service Pump	$100,000	
4) Replace VFD in Low Service Areas	25,000	
5) Sludge Truck Replacement	$170,000	
6) Auburn Water Tower Design	$15,000	
7) Paint Crile Rd. Water Storage Tank	$770,000	
8) E. Walnut Street Water Main Repairs	$550,000	
9) Citywide Valve Replacement Program	$50,000	
10) Tiber Drive Water Main Replacement	$100,000	
11) Fire Alarm System For New Building	$20,000	
12) New 1-Ton Dump Truck	$90,000	
Total Water Department 2025 Capital		$2,460,000

CAPITAL REQUESTS - FIRE

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2025 Budgeted Capital (Capital at 100%)

1) Replace Staff Truck	$50,000	
2) Re-chassis Ambulance	$260,000	
Total Fire Department 2025 Capital		$310,000

CAPITAL REQUESTS – WATER POLLUTION CONTROL

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2025 Budgeted Capital (Capital at 100%)

1) Seal-Coating Drives/Parking Lots	$25,000	
2) Elevator Upgrade at Plant	$175,000	
3) Garage Doors Replacement	$12,500	
4) HVAC System Upgrades	$30,000	
5) New Dump Truck Bed	$40,000	
6) Continue Areation Diffuser Program	$75,000	
Total WPCP 2025 Capital		$357,500

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CAPITAL REQUESTS - ELECTRIC

2025 Budgeted Capital (Capital at 100%)

1)	Boiler #3 and #4 Roof Repairs	$60,000
2)	Circuit Breakers Design	$100,000
3)	Circuit Breakers Replacement Phase I	$300,000
4)	Conduit Bender Replacement	$14,000
5)	Renovations for Electric Dist. Bldg. Phase I	$500,000
6)	H6 Circuit Design/Diagnosis	$100,000
7)	Downtown H6 Repair/Replacement	$340,000
8)	Reclosers for SCADA System	$150,000
9)	Transformers	$350,000
10)	Conduit	$100,000
11)	Replace Two Bucket Trucks	$450,000

Total Electric Service Funds 2025 Capital $2,464,000

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CAPITAL REQUESTS – STORM WATER

- 2025 Budgeted Capital (Capital at 100%)

1)	West Eagle Storm Water Improvement*	$300,000
2)	Various Storm Water Improvements	$100,000

Total Storm Water 2025 Capital $400,000

*100% Level II Storm Water Funds

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CAPITAL REQUESTS



