SPECIAL COUNCIL MEETING
FOR PURPOSES OF A WORK SESSION 2026 BUDGET
MONDAY, NOVEMBER 10, 2025 – 3:45 PM

CALL TO ORDER

President Jim Fodor called the Special Council Meeting to order at 3:45 PM. City Council convened for a Special Meeting in Council Chambers – Courtroom #1.

ROLL CALL FOR ATTENDANCE

Councilpersons Derrick Abney, Jim Fodor, and Christine Shoop were present. Lori DiNallo arrived at 3:47 PM, Paul Hach arrived at 3:51 PM, and Mario Rodriguez arrived at 3:56 PM and left at 5:08 PM. Nick Augustine was not able to attend.

Other City Staff in attendance: City Manager Doug Lewis, Assistant City Manager Tony Zampedro, Economic Development Director Susan Crotty, Police Chief Dan Waterman, City Engineer Leanne Exum, Director of Planning Sarah Sitterle, Finance Director Bill Parkinson, Human Resources Director Kris Young, Public Service Director Jarod McCrone, Water Pollution Control Superintendent Kevin Aiken, Fire Chief Tom Hummel, Recreation & Public Lands Director Michelle LaPuma, Water Superintendent Orin McMonigle, Electric Superintendent Joe Price, Public Information Officer Kathleen Sullivan, Judge Paul Malchesky, and Clerk of Council Samantha Danielson.

2026 BUDGET DISCUSSION

Mr. Fodor turned the meeting over to City Manager Doug Lewis and Finance Director Bill Parkinson.

Mr. Lewis gave an opening statement that the budget reflects the City's ongoing commitment to fiscal responsibility, service excellence and substantiable growth while continuing to provide high quality services for our residents and businesses. The overall proposed revenues are projected to be $131.3 million, an increase of $50.1 million, or 61.7% over the 2025 budget. The General Fund is projected to be $19.8 million. The City's total revenues are primarily derived of tax collection, state revenue, fees, utility charges and grants. Accounting for 84% of the total income. Most of the increase in the 2026 Budget can be attributed to the CPRG Grant, $45 million in 2026, which will provide funding for solar and battery project. Income tax collections continue to grow due to new business expansions and construction activity within the City. The Concord-Township JEDD is projected to generate $1.8 million in 2026. A 12% increase over 2025. Property taxes revenues will remain stable following the 2024 county-wide reappraisal with adjustment to outside millage rates keeping overall revenues flat. The utilities revenues are projected to be nearly $67 million, up 13%, due to adjustments in rates and increase consumption. The proposed expenditures for 2026 total $158.7 million which is supported largely by local, state and federal sources. The 2026 expenditure plan emphasizes operational efficiency and investment in critical infrastructure. Major spending categories include employee compensation, which makes-up 19.7%, utilities, which makes-up 14.3%, and capital projects, which makes-up 37.7%. Excluding capitals and transfers, the overall expenditures are expected to rise by approximately 5.4%, reflecting in inflationary pressures, increase insurance costs and higher purchasing power expenses. The proposed 2026 Capital Budget totals over $59 million supporting long term sustainability and immediate infrastructure needs. The solar project field makes-up 72% of the total capital investment. Infrastructure improvements makes-up 15.4 % of the total capital budget, and with road improvements at $3.7 million. That makes-up 23% of the non-solar capital spending. 23% of the 15.4% in infrastructure improvements will be spent on road improvements. The City will be making a continuing investment in water, fire, and police facilities supported by voters approved levies and new revenues sources. The 2026 Operating Budget represents responsible, forward-looking financial plan that supports priorities that maintain essential services and invest in our future. The Administration looks forward to working with Council to ensure the continued financial strength and prosperity of Painesville.

Mr. Parkinson gave an overview and discussed the proposed budget for 2026 which included the City's various revenues and expenditures, and the general fund. He gave an overview of the various revenues by category to include the City income tax collections, local government fund, property taxes, TIF's, fees and other revenues. He also outlined the expenditures by category including employee compensation, supplies and materials, purchased services, utility services, payment to other governmental agencies, capital projects, and debt service. Cash balances were outlined for the general, water, sewer, and electric funds, and an overview of major funds were discussed. The Department Heads discussed the reasons for

increases/decreases in their budge, their various capital projects for 2026, and answered Council's questions regarding the budget and other related topics. City Manager and Department Heads were satisfied with their budget. See attached presentations.

ADJOURNMENT

Mr. Fodor asked for motion to adjourn the Special Meeting.

Mr. Abney moved to adjourn the Special Meeting, seconded by Mrs. Shoop. All Council Members were in favor by answering "Aye". Motion carried to adjourn the Special Meeting at 6:10 PM.

Meeting adjourned at 6:10 PM.

Samantha Danielson
Clerk of Council

Jim Fodor
President of Council

PROPOSED BUDGET

FISCAL YEAR 2026

COUNCIL WORK SESSION, MONDAY, NOVEMBER 10, 2025

Summary of Revenue

Financial Analysis, pg 5

- Operating revenues projected at $131.3 million
  - Increase of $50 million, or 61%, over 2025
  - **EXCLUDES** advances, transfers, internal services, debt proceeds
  - Most of the increase can be ascribed to solar grant ($45)
  - Remainder attributable to income taxes (anticipated construction jobs as a result of city and county projects, and the growth in the industrial income tax base), and
  - Utilities (rate increases / consumption)

Revenue Assumptions

Financial Analysis, pg 5

- **Legislative**
- **Departments**
- **Grant Opportunities**
- **History**
- **Economic Trends**
- **Levies**
- **HB96**

Summary of Revenue

Financial Analysis, pg 5

- The City's budget primarily derives its funding from:
  - tax collections 12.8%
  - state revenue 1.4%
  - fees 1.8%
  - utility charges 33.1%
  - grants 32.7% (mostly due to solar grant)
  - remainder (18.2%) is a combination of other financing sources (2.3%), debt proceeds (0.0%), internal services (11.6%), and advances & transfers (4.3%)

Summary of Revenue

Financial Analysis, pg 5

- With respect to the General Fund, revenue expected to increase by 6%
  - Modest growth in local tax collections
  - Continued strong interest earnings (although rates are declining)
  - All other revenue components are expected to be either relatively flat or experience modest growth.

Summary of Revenue

Financial Analysis, pg 6

REVENUE SOURCES for ALL FUNDS	Actual 2019	Actual 2021	Actual 2024	Actual 2022	Actual 2024	Budget 2025	Budget 2026	$ Difference	% Difference
Property Taxes	2,569,658	2,499,824	2,606,018	2,487,671	2,667,343	2,737,000	3,161,730	423,830	15.5%
Tax Increment Financing	714,730	1,042,177	600,041	1,730,232	1,993,556	2,905,000	2,239,000	291,000	9.9%
Income Taxes	10,429,694	10,533,265	12,727,021	13,402,159	14,680,430	13,963,200	14,486,500	423,300	3.0%
Local Government Fund	837,582	952,519	1,026,347	1,055,977	1,067,872	1,075,000	1,125,000	50,000	4.7%
Other Misc. Taxes	982,619	1,060,964	1,043,776	1,060,675	1,104,100	1,971,000	1,105,250	34,250	3.2%
Fees for City Services	703,771	700,053	632,991	501,826	961,819	754,150	1,014,250	260,100	34.5%
Charges for Utility Services	40,363,160	43,656,362	41,273,254	39,532,749	45,647,284	46,852,000	51,742,490	4,890,490	10.3%
Permits & Inspections	382,591	464,902	394,656	347,923	372,435	354,750	325,450	(29,300)	-8.3%
Municipal Court	1,213,445	1,450,529	1,447,606	1,353,445	1,567,990	1,484,500	1,538,792	54,292	3.7%
Other Revenue	2,683,550	2,907,162	3,091,275	3,824,117	4,556,823	2,505,600	3,965,650	1,670,050	41.2%
State & Federal Grant Funding	5,298,724	2,277,267	2,577,794	946,879	2,191,516	8,243,910	51,998,250	43,754,280	318.7%
Total Operating Budget	$ 66,251,091	$ 68,004,710	$ 69,646,759	$ 67,217,845	$ 76,271,180	$ 81,229,910	$ 131,331,292	$ 50,102,272	61.7%
Bond & Note Proceeds	1,000,000	175,000	2,870,000	2,010,229	2,168,971	0	0	0	0.0%
Internal Services	4,275,044	5,104,443	13,791,263	13,982,917	16,784,946	9,745,130	16,189,990	11,440,860	169.3%
Transfers & Advances	3,780,041	5,813,709	6,218,701	5,231,347	14,666,791	4,271,545	6,673,977	2,401,662	56.2%
Total Other Revenue	$ 9,055,085	$ 11,093,152	$ 22,880,043	$ 22,125,093	$ 33,597,918	$ 14,016,675	$ 22,863,967	$ 13,842,522	125.6%
TOTAL REVENUE	$ 75,306,176	$ 79,097,862	$ 91,726,802	$ 89,342,938	$ 109,869,098	$ 95,246,585	$ 154,195,259	$ 63,944,794	69.3%

Expenditure Assumptions

Financial Analysis, pg 6

- Balanced budget (i.e. revenues = expenditures)
- Reduce operating expenses, whenever possible
- Lingering inflation (core inflation 3.6%)
- Supply chain issues
- Process improvements
- One additional employee
  - Electric Distribution Supervisor

Expenditure Assumptions

Financial Analysis, pg 6

- The General Assembly is considering a potential increase in municipalities' contributions to police and fire pensions
  - HB280 and SB239
  - Increase Employer from 19.5% to 24.0%
    - $1.00 contributed today would be $1.23 tomorrow
  - Increase Employee from 12.25% to 12.50%

Overview of Revenue

Financial Analysis, pg 7

The City has four main funds, which represents 75.2% of the total revenue budget.

	FUND	FUND TYPE	% of BUDGET
1.	General Fund	General Fund; main operating fund for the City	12.9%
2.	Federal Grant Fund	Solar Field Project	30.9%
3.	Water Operating Fund	Enterprise	4.0%
4.	Sewer Operating Fund	Enterprise	3.7%
5.	Electric Operating Fund	Enterprise; largest fund the City manages	23.8%

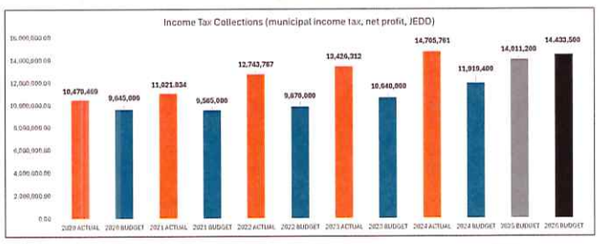
REVENUE by CATEGORY

Financial Analysis, pg 7

- City Income Tax Collections
- Local Government Fund
- Property Taxes
- TIF's
- Fees
- Other Revenue

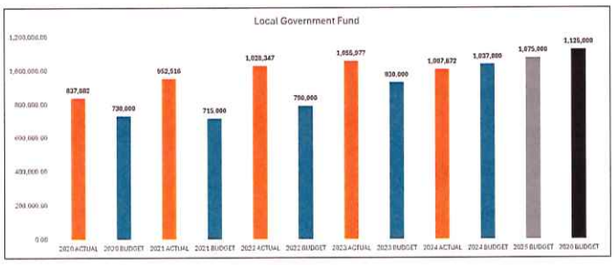
Revenue by Category

Financial Analysis, pg 7



Revenue by Category

Financial Analysis, pg 8



Revenue by Category

Financial Analysis, pg 9

- Inside Millage Levies
  - General Fund 2.16 mills
  - Debt Service 0.24 mills
  - Police Pension 0.30 mills
  - Fire Pension 0.30 mills

– County Auditor, 2024 Schedule A, 12/29/2023

Revenue by Category

Financial Analysis, pg 9

- Voted (outside) Millage Levies
  - Fire Protection (05/08/1990)
    - continuing
    - 0.70 voted mills
    - res/ag → 0.23 effective mills (0.30)
    - comm/ind → 0.56 effective mills (0.61)

– County Auditor, Schedule A

Revenue by Category

Financial Analysis, pg 9

- Voted (outside) Millage Levies
  - Fire Improvement (11/07/2017)
    - 5-year renewal (expires 12/31/2027)
    - 1.47 voted mills
    - res/ag → 0.87 effective mills (1.16)
    - comm/ind → 1.19 effective mills (1.33)

– County Auditor, Schedule A

Revenue by Category

Financial Analysis, pg 9

- Voted (outside) Millage Levies
  - Roads and Bridges (11/07/2017)
    - 5-year renewal (expires 12/31/2027)
    - 3.00 voted mills
    - res/ag → 1.79 effective mills (2.36)
    - comm/ind → 2.43 effective mills (2.72)

– County Auditor, Schedule A

Revenue by Category

Financial Analysis, pg 9

- Voted (outside) Millage Levies
  - Police Protection (11/05/2019)
    - 5-year renewal (expires 12/31/2029)
    - 2.50 voted mills
    - res/ag → 1.60 effective mills (2.12)
    - comm/ind → 2.16 effective mills (2.42)
  - **County Auditor, Schedule A**

Revenue by Category

Financial Analysis, pg 9

- Tax Increment Financing (TIF) is an economic development mechanism available to local governments to finance, for example, public infrastructure improvements.
- City, Schools, Developer remit an agreed upon compensation to the schools.

Revenue by Category

Financial Analysis, pg 9

- Works by locking in taxable value real property holds at the time the authorizing legislation was approved.
- Payments derived from the increased assessed value of any improvements to real property and directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation.[1]

1 – Ohio Dept. of Development, "Incentive District TIFs.pdf", page 1

Revenue by Category

Financial Analysis, pg 9

- Local governments may authorize TIFs to fund a number of public infrastructure needs including public roads and highways, water and sewer lines, remediation, land acquisition, demolition, the provision of gas, electric, and communications service facilities, and the enhancement of public waterways.[1]

1 – Ohio Dept. of Development, "Incentive District TIFs.pdf", page 1

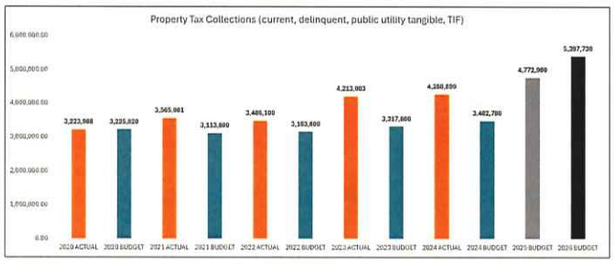
Revenue by Category

Financial Analysis, pg 9

- The City of Painesville manages six TIF funds; Victoria Place, Shamrock, Avery Dennison, Downtown Painesville, Encore Estates, and Richmond St.

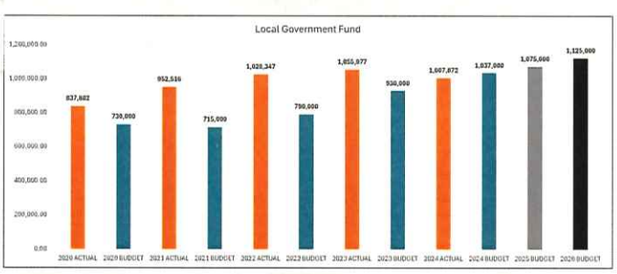
Revenue by Category

Financial Analysis, pg 9



Revenue by Category

Financial Analysis, pg 9



Summary of Revenue

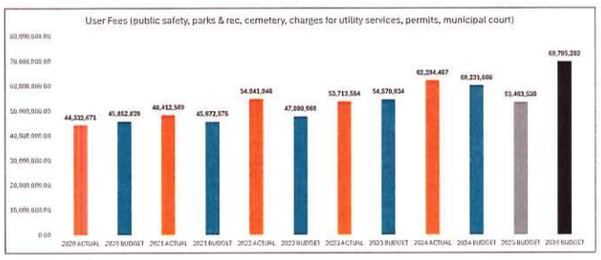
Financial Analysis, pg 10

- New Utility Rates Implemented 2025

	2025	2026	2027	Ordinance
– Electric	3.5%	3.5%	1.5%	ORD 02-25
– Water	0.0%	0.0%	5.0%	ORD 05-25
– Sewer	10.0%	10.0%	5.0%	ORD 04-25

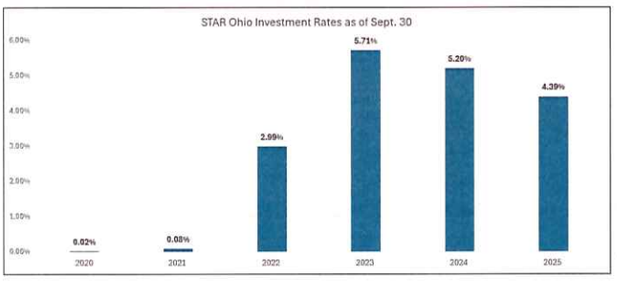
Revenue by Category

Financial Analysis, pg 10



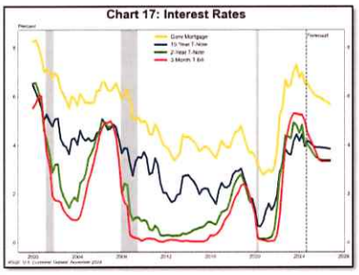
Revenue by Category

Financial Analysis, pg 10



Revenue by Category

Financial Analysis, pg 10





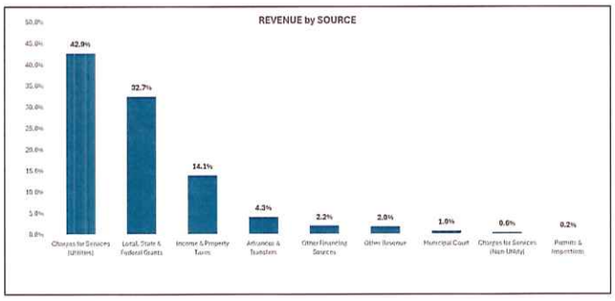
Revenue by Category

Financial Analysis, pg 10



Revenue by Category

Financial Analysis, pg 12



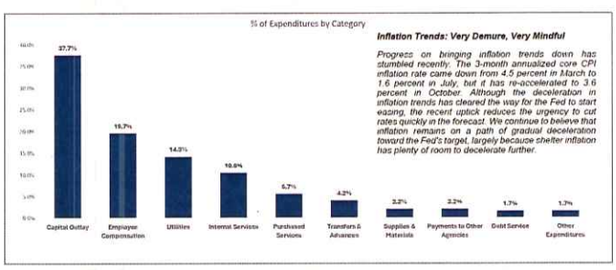
Revenue by Fund Type

Financial Analysis, pg 12

FUND TYPE	2026 BUDGET	% of TOTAL	2025 BUDGET	% of TOTAL
General Fund	20,204,081	12.9%	17,576,300	19.1%
Special Revenue	58,149,338	37.2%	13,857,665	15.0%
Debt Service	184,690	0.1%	165,930	0.2%
Capital Projects	1,830,500	1.2%	450,500	0.5%
Expendable Trust	295,550	0.2%	240,590	0.3%
Enterprise Funds	55,547,710	35.6%	51,757,570	56.1%
Internal Service	18,189,090	11.6%	6,748,130	7.3%
Non-Expendable Trust	20,800	0.0%	25,000	0.0%
Agency Funds	1,771,240	1.2%	1,427,000	1.5%
Total All Fund Type	**$ 156,192,999**	**100.0%**	**$ 92,248,685**	**100.0%**

Expenditure by Category

Financial Analysis, pg 13



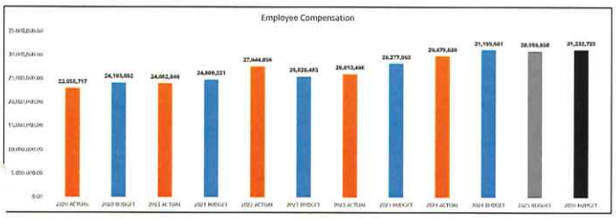
Expenditures by Fund Type

Financial Analysis, pg 14

FUND TYPE	2026 BUDGET	% of TOTAL	2025 BUDGET	% of TOTAL
General Fund	20,124,448	12.9%	19,004,229	17.5%
Special Revenue Funds	58,610,478	36.9%	16,380,547	15.1%
Debt Service Funds	58,125	0.0%	66,160	0.1%
Capital Project Funds	2,236,930	1.4%	3,786,441	3.5%
Expendable Trust Funds	225,750	0.1%	195,178	0.2%
Enterprise Funds	57,373,035	36.1%	59,966,622	55.2%
Internal Service Funds	18,321,690	11.5%	7,735,595	7.1%
Non-Expendable Trust Funds	0	0.0%	0	0.0%
Agency Funds	1,792,480	1.1%	1,408,376	1.3%
Total All Fund Types	**158,742,936**	**100.0%**	**108,543,148**	**100.0%**

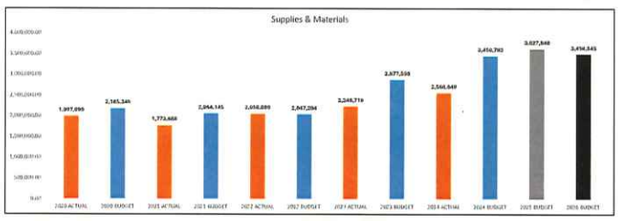
Expenditure by Category

Financial Analysis, pg 14



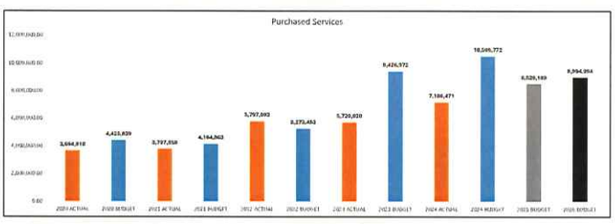
Expenditure by Category

Financial Analysis, pg 15



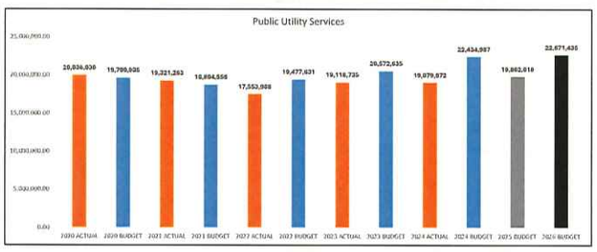
Expenditure by Category

Financial Analysis, pg 15



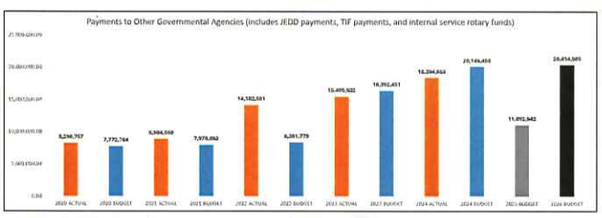
Expenditure by Category

Financial Analysis, pg 16



Expenditure by Category

Financial Analysis, pg 16



Expenditure by Category

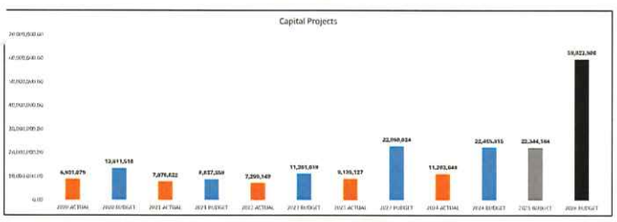
Financial Analysis, pg 17

- Most capital projects have very limited dedicated funding sources. Consequently, the majority of projects are funded through, transfers, cash reserves, grant awards, state loans and/or debt issuances.

	2026 CAPITAL PROJECTS	% of TOTAL
SOLAR FIELD	43,210,000.00	72.2%
INFRASTRUCTURE IMPROVEMENTS	9,188,400.00	15.4%
BUILDING IMPROVEMENTS	1,775,000.00	3.0%
LAND ACQUISITION	1,685,000.00	2.8%
MACHINERY & EQUIPMENT	1,519,000.00	2.5%
ARCHITECTURAL/ENGINEERING	1,450,000.00	2.4%
MOTOR VEHICLES	995,500.00	1.7%
TOTAL	$ 59,822,900.00	100.0%

Expenditure by Category

Financial Analysis, pg 17



Expenditure by Category

Financial Analysis, pg 17

- For 2026, 50% of the debt payments are related to bonds and notes, 48% are related to state loans, and the remaining 2% are related to lease payments.
- 5% of the City's total debt will be paid off.
- Between 2026 and 2035, 8 debt issuances will mature and be fully paid off.

Expenditure by Category

Debt Service Detail

Financial Analysis, pg 17

MOODY'S
RATINGS

Rating Action: Moody's Ratings upgrades Painesville, OH's income tax bonds to Aa3

30 Sep 2024

New York, September 30, 2024 -- Moody's Ratings (Moody's) has upgraded the City of Painesville, OH's special obligation income tax bonds to Aa3 from A1. We maintain the city's Aa3 issuer rating and Aa3 rating on outstanding general obligation limited tax (GOLT) debt. The city has about $3.2 million in income tax bonds outstanding.

The upgrade to Aa3 concludes a review for possible upgrade initiated on July 24, 2024, in conjunction with an update to the US Cities and Counties Methodology.

RATINGS RATIONALE

The Aa3 rating on the city's income tax bonds is the same level as the issuer rating because the pledged revenue benefits from a broad base that provides ample coverage of over 26x. The city's income tax trend exhibits limited volatility and has a five-year average growth rate of about 8%. Year-to-date results for fiscal 2024 (Dec. 31 year-end) are performing better than budget, which included an increase in sales tax revenue of about 7%.

RATING OUTLOOK

We do not assign outlooks to local government issuers with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Upgrade of the city's issuer rating

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

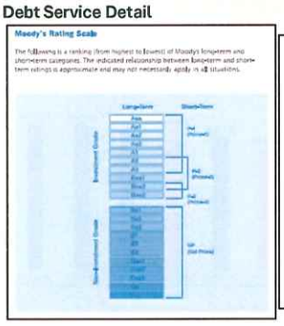
- Downgrade of the city's issuer rating

LEGAL SECURITY

Expenditure by Category

Financial Analysis, pg 17

Debt Service Detail



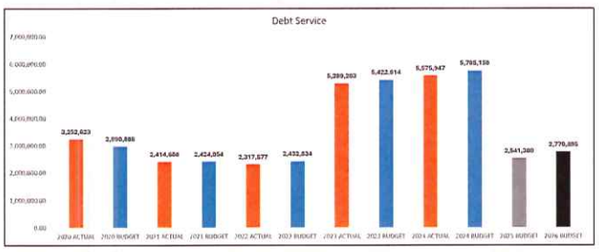
Moody's Long-Term Rating Definitions

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Aaa	Obligations rated Aaa are judged to be of the highest quality, with minimal risk.
Aa	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
A	Obligations rated A are considered upper-medium-grade and are subject to low credit risk.
Baa	Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.
Ba	Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.
B	Obligations rated B are considered speculative and are subject to high credit risk.
Caa	Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.
Ca	Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery in principal and interest.
C	Obligations rated C are the lowest-rated class of bonds and are typically in default, with little prospect for recovery of principal and interest.

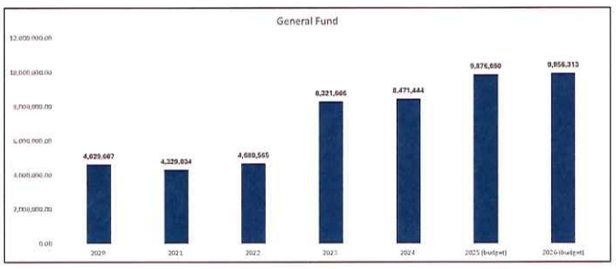
Expenditure by Category

Financial Analysis, pg 17



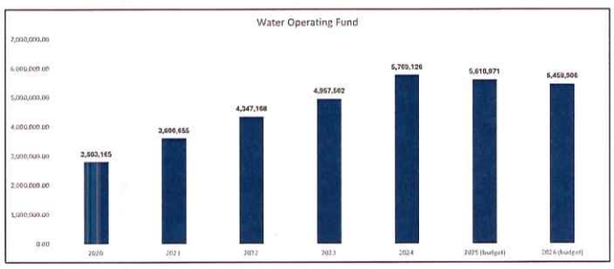
Cash Balances

Financial Analysis, pg 19



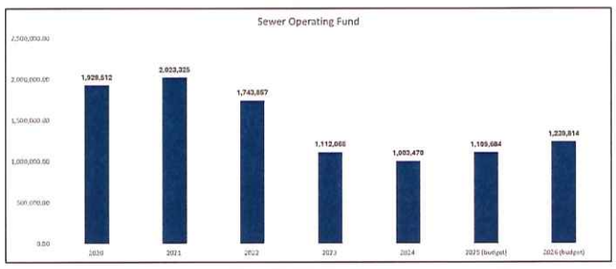
Cash Balances

Financial Analysis, pg 21



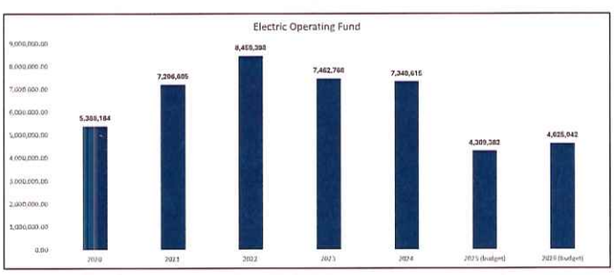
Cash Balances

Financial Analysis, pg 22



Cash Balances

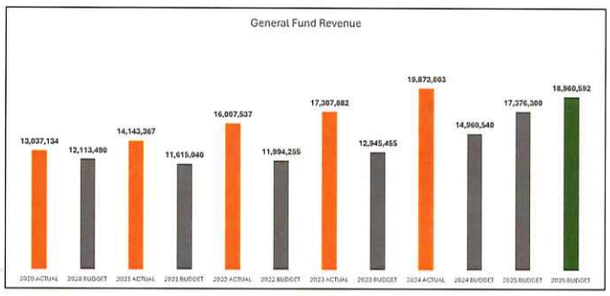
Financial Analysis, pg 22



OVERVIEW OF MAJOR FUNDS

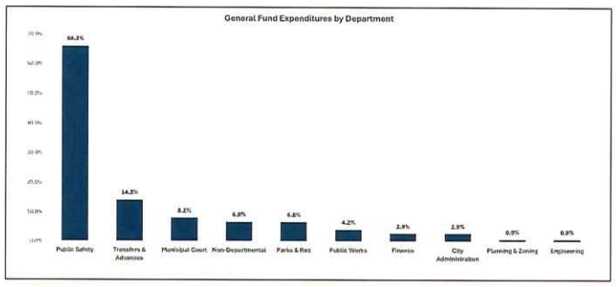
General Fund Revenue

Overview of Major Funds, pg 33



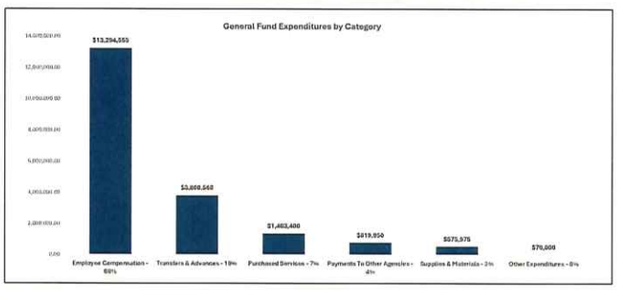
General Fund Expenditures

Overview of Major Funds, pg 35



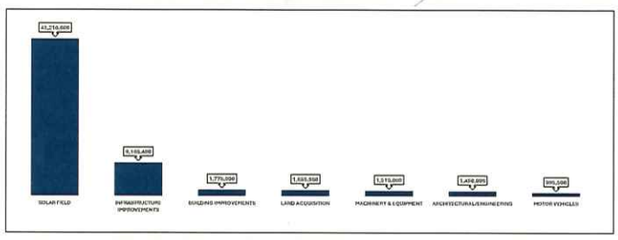
General Fund Expenditures

Overview of Major Funds, pg 36



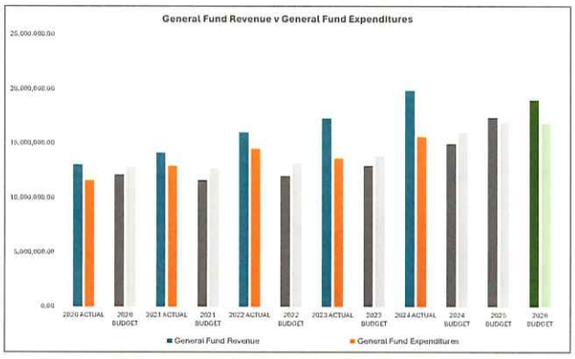
Capital Projects

Overview of Major Funds, pg 36



Revenue v Expenditures

Overview of Major Funds, pg 37



DEPARTMENTAL BUDGETS

Legislative Operating Budget at 100%



Total number of employees: 8

Legislative



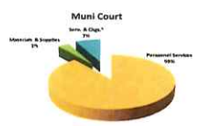
* Services and Charges include: Code Service, Legal Advertising, Dues and Subscriptions

Municipal Court Operating Budget at 100%



Total number of employees: 25

Muni Court



Services and Charges include: Postage, counseling services, technical support, monitoring device service, insurance, and telephones.

- Promoted and organized various celebrations around the community's 225th anniversary in 2025 including logo design with signage in town, a tree planting in Painesville Square, coordinating with the schools on a mural designed by students and a 225 Birthday Bash in September. a.
- Coordinated the purchase and installation of the Joe Heda Memorial Clock

City Manager's Office Operating Budget at 100%



Total number of employees: 3

City Manager's Office



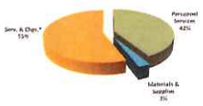
*Services and Charges include: IT Services, PAETEC, Nu-Vision Technology, etc. (i.e., the City's network, phone and security system).

Communications Operating Budget at 100%



Total number of employees: 1

Communications



Council Goal 4 – Improve the Quality of Life and Growth of our Community:

- Broaden Wellness program to address physical, mental and emotional well-being of employees through year-round challenges, education or wellness events (e.x., financial literacy, nutrition, mindfulness).
- Continue to explore additional outlets to attract a more diverse pool of applicants for open positions by collaborating with employees and outside agencies.
- Continue participation on the HCLA Workforce Committee.

Accomplishments - 2025

- Established an Employee Engagement Committee.
- Regularly attended and participated in the Heda Workforce Advisory Committee.
- Finalized transition of payroll to the Finance Department creating a clear separation of duties between the Human Resources and Payroll functions.
- Provided Harassment Training to Department Division Heads and Senior Supervisors.
- Began Lean Six Sigman Training for Department Division Heads and Senior Supervisors. This is the first time such training has been offered.
- Provided "Reasonable Suspicion" Training to Department Division Heads, Senior Supervisors and Union Stewards.
- Grew the Wellness "Champs" program, an employee committee promoting and supporting wellness initiatives and assisting with the annual health fair.
- Assisted with entrance and promotional exams for the Police & Fire Departments and lateral transfer opportunities for the Police Department.
- Organized the annual employee health fair with assistance from the Champs committee, including vendors from City offered benefit programs and area vendors that support overall wellness.
- Participated on the HCLA Workforce Committee.
- Assisted with planning the 1st Annual Leadership Retreat and participated by moderating discussion on employee morale and culture.
- Initiated participation in a professional development coaching program to advance leadership and strategic HR management capabilities and promote personal growth.
- Processed paperwork and background checks for 46 new hires (as well as on boarding) and 25 resignations, retirements and terminations.

Human Resources Operating Budget at 100%



Total number of employees: 3

Human Resources



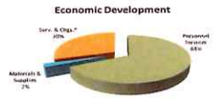
*Services and Charges include: Workers' Comp., Software/Hardware support, and H.R. consultant.

Economic Development Operating Budget at 100%



Total number of employees: 2

Economic Development



*Services and Charges include: Advertising, telephones, printing and binding, and postage.

Finance Operating Budget at 100%

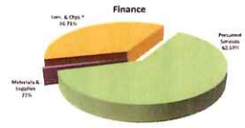


Utilities Office Operating Budget at 100%



Total number of employees: Finance 8
Utilities 13

Finance



*Services and Charges include: Auditing services, tax collection services, CMI program services, and investment services.

Utilities Office



*Services and charges include: Postage, CMI program services, telephone, and printing services.

- 2026 Budgetet Capital (Capital at 100%)

1)	Land Acquisition*	$685,000
2)	New Financial/UB Software Package	$450,000
3)	Purchase New Vehicle for Utilities Office	$31,000
Total Finance 2026 Capital		$1,166,000

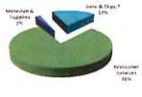
*Split between Avery TIF Fund and Land Acquisition Fund

Engineering Operating Budget at 100%



Total number of employees: 6

Engineering



*Services and Charges and Operating Charges include: Lake County Soil and Water payment, inspections services, and telephones.

2026 Budgetet Capital (Capital at 100%)

1)	Hayes Street Paving	$85,000
2)	Richmond Street Paving	$110,000
3)	Mill and Latimore Street Resurfacing*	$1,457,000
4)	Tiber Drive Paving	$190,000
5)	Eastwood/Westwood/Homewood Paving	$300,000
6)	West Eagle Street Paving OPWC Grant	$655,000
7)	Sidewalk Improvement in City	$50,000
8)	Colonial Bridge Repairs	$350,000
9)	E. St. Clair St. from Washington to Walnut	$760,000
10)	Elm Street Sidewalks Grant Phase II	$310,000
11)	Rt. 44 Interchange Design & Engineering	$1,000,000
12)	Amphitheater ODNR LWCF Grant	$91,400
13)	Railroad Grade Crossing Relocation	$300,000
14)	Televising Camera Software Update	$12,000
15)	New Pick-up Truck	$56,000
16)	Various Sanitary Sewer Improvements	$500,000
Total Engineering 2026 Capital		$6,126,400

*Mill and Latimore Street Resurfacing split with OPWC Grant/Loan and Local Share Grant

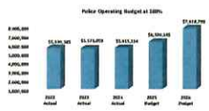
- We continue to see the positive impact of exposing younger (3yr and up) officers to rotations in the Detective Bureau.
  - Assists in the development of excellent, well-rounded supervisory candidates.
- We have begun spreading administrative duties to supervisors to help develop their understanding of administrative needs.

Brought top-level training to Painesville:

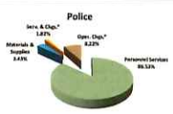
- We have continued to attract high-level technical, investigative, administrative, and leadership training to Lake Erie College, allowing us to develop our people affordably and at a level we were not able to achieve.

Continue Supervisor-Admin, Supervisor-Officer, and Admin-Officer communication:

- Communication has been a significant improvement this year; officers continue to contribute to our advancements and are regularly able to discuss items they have, which are often acted upon.
- The urgency to promptly address matters has improved, and we must maintain this measure.
- Chief and Lt. Burgett need to continue to work with patrol to ensure morale remains high and that there is always a feeling that communication is possible and open.



Total number of employees: 49



*Services and Charges and Operating Charges include: Education and training, telephone, insurance, vehicle maintenance, leads and dispatch services.

- 2026 Budgeted Capital (Capital at 100%)

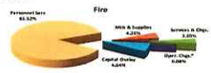
1)	New Intersection Cameras throughout City	$210,000
2)	Replace Patrol Car #739*	$85,500
3)	Installation of Vinyl Plank Flooring	$35,000
4)	Purchase New Evidence Server	$30,000
5)	Drones for Police	$35,000
6)	Replace Patrol Cars #734, 737 and 738	$167,000
Total Police 2026 Capital		$560,500

*Police Levy Money

- **Implementation of Improved Training for all Department Personnel**
  In 2025 we continued to achieve the ambitious goals we set for training our Officers and Firefighters. We have also developed some new training opportunities. We were able to continue a series of leadership trainings for our promotion-eligible and senior firefighters, and support training for new Officers. We continue to support our personnel in the Hazardous Materials Team, which helps our department manage hazardous materials emergencies, especially through involvement with the Lake County Hazard Intervention Team. Additionally, the acquisition of Lake Health by University Hospitals has created a great new set of EMS continuing education opportunities. Specifically, in 2022 we added Pediatric Advanced Life Support to our Paramedic continuing education curriculum. In 2025, our paramedics completed their Advanced Cardiac Life Support (ACLS) training, which is required for Paramedics operating under UH medical control. Our Paramedics (all but 1 person on the department are Paramedic certified) continue to have some type of advanced cardiac re-certification training every year. In 2025, we have completed 2,285 man-hours of training (Y-T-D as of 9/30/2025).



Total number of employees: 28



*Services and Charges and Operating Charges include: EMS billing fees, insurance, telephone and vehicle maintenance.

- 2026 Budgeted Capital (Capital at 100%)

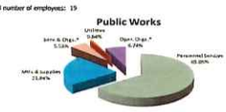
1)	Improvements to Fire Station*	$8,000
2)	Replace Command Truck	$78,000
3)	Re-chassis Ambulance	$250,000
Total Fire Department 2026 Capital		$336,000

*Split between Fund 220 and 236

- Patched roadways at City parks and cemeteries.
- Repaired Electric, Water Pollution, Water Distribution, Water Treatment, Utilities, Police, and Fire vehicles as needed.
- Worked with Engineering Department to provide surveys of necessary storm and sanitary sewers as well as crossovers on Lincoln, Harmon, Walnut, and State Street for upcoming road improvement projects.



Total number of employees: 19



*Services and Charges and Operating Charges include: Vehicle maintenance, insurance, telephone, traffic control services, SR 2 maintenance services, and sewer repair services.

Goal #2: Hoping to obtain funding to install new pavilion in Kiwanis Recreation Park. Continuing to maintain and care for City Hall Complex facilities.

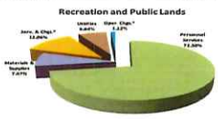
Goal #3 Continuing to strive to build on events by adding new ideas to keep events fresh and fun.

2025 Accomplishments

- Installed new Boiler System in City Hall
- Installed new vinyl flooring in lower level of 66 Mentor Avenue to replace old tile flooring.
- Installation of new flooring on landing in City Hall.
- Painted lower walls on landing level in City Hall.
- Installed new landscaping by Municipal Court Building/Entrance.
- Installed new building signs at 66 Mentor Avenue and 28 Mentor Avenue. New directional signs for Police and Fire.
- Remodeled Police Briefing Room – new flooring, new work station counter, new conference table, new cabinets and sink in kitchenette area, new lighting, paint.
- Remodeled Police Women's Locker Room – new flooring, new shower with glass door, new vanity, sink and mirror, new lighting in shower/toilet area, paint.
- Remodeled Men's Restroom Area in their Locker Room – enlarged and installed new shower, new toilet, new urinal, new vanity, sink and mirror, new flooring, paint.
- Installed decorative fencing around Splash Pad at Kiwanis Recreation Park. Installed cantilever canopies for shade and new tables and benches.
- Installed new walkway into 54 Mentor Avenue.
- Installed new security door in Utility Department.
- Installed walkways in Evergreen Cemetery connecting columbarium's to flagpole walkways.
- Installation of swing set and climbing wall at Huntington Park.
- Cleaned up undeveloped areas in Riverside Cemetery making the area more aesthetically pleasing for visitors at the cemetery.
- Installed water bottle filling stations – one (1) at Veteran's Park and three (3) more at Kiwanis Recreation Park.



Total number of employees: 19

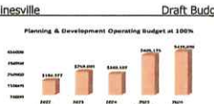


*Services and Charges and Operating Charges include: Insurance, janitorial, mowing, Senior Citizens contribution, Downtown Painesville Organization, and summer camp.

- 2026 Budgeted Capital (Capital at 100%)

1)	Replace HVAC in Hum Ct/Schedulers Area	$13,000
2)	Install Carpet Tiles in Mailroom, Utilities, Finance	$15,000
3)	Waterproof Foundation at 54 Mentor Avenue	$15,000
4)	Replace HVAC at Morse Avenue Community Ctr.	$16,000
5)	Purchase two Columbariums	$100,000
6)	Replace 72" Mower	$24,000
7)	Four Entry Doors to Restroom at Recreation Park	$14,000
8)	Snow Pusher Machine	$20,000
9)	New 4 x 4 Pick Up Truck	$60,000
10)	New Sidewalk Plow	$40,000
11)	Skate Park Improvements*	$625,000
Total Recreation & Public Lands 2026 Capital		$962,000

*Lake County ARPA Grant and ODNR Grant



Total number of employees: 3



*Services and Charges and Operating Charges include: postage, telephone, and real estate taxes.

e) Continue to work with Electric Division on the planning of long-term storage/filing of roll plans and movement from one facility to another.

f) Reviewed and issued permits for the demolition of nine (9) primary and accessory structures at 791 Oak Street (garage), 512 Liberty Street (old service station building), 941 Owego Street (garage), 205 Mentor Avenue (multi-unit house), 945 N. St. Clair Street (garage), 545 N. St. Clair Street (garage), 361 Harlan (house), 266 S. St. Clair Street (garage), 210 Morse Avenue (garage), 467 W. Jackson Street (house).

g) Issued 1,821 notices for violations, conducted 1,896 rechecks on violations, responded to 287 complaints, picked up 329 signs, registered 10 vacant properties, registered 32 rental properties, issued 1,674 grass violations, had 13 court cases, and posted 287, 24-hour notices for trash violations.



Total number of employees: 4



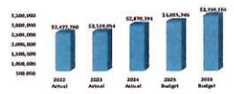
*Services and Charges and Operating Charges include: Mowing services, and postage.

The Water Plant has been able to provide quality drinking water and operate effectively while on a reduced staff. The water plant currently has 5 operator/maintenance positions. Four of the operators work 9-hour shifts, 24 hours/day. The Operator on day shift assists the Plant mechanic with maintenance projects and covers vacations to minimize overtime.

CHEMICALS
The raw water quality has substantially improved dramatically with the new intake. Chemical usage has continued to reduce with little to no use of caustic soda this past year. No microcystin presence this summer so far. We applied PAC in our raw water using our new carbon feed facility to reduce organics. This improves overall water quality by removing taste and odor compounds and helps maintain higher system chlorines in the warmer months.

SLUDGE
Sludge production and removal has remained constant during this past year. Removal of built up basin residuals within the treatment process will continue.

Water Plant/Distribution Operating Budget at 100%

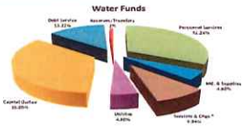


Total number of employees: 23*

Water Construction Budget at 100%



Water Funds



*Services and Charges include: Water's distributed portion for General Fund services, chemicals, telephone, insurance, sludge disposal, operating license fee, machinery maintenance and building rental.

- 2026 Budgeted Capital (Capital at 100%)

1)	Garage Repairs at Plant	$50,000
2)	Chlorine Room – Phase II*	$934,000
3)	Water Plant Repair Design	$150,000
4)	Raw Water Pump Rebuild	$100,000
5)	Hanavalt Hoist Improvements	$30,000
6)	Filter Media Replacement & Repairs 1-5	$275,000
7)	Bunkers for Holding Equipment	$75,000
8)	Citywide Waterline Replacement Design	$250,000
9)	Chestnut Water Tower Door Replacement	$20,000
10)	Citywide Water Valve Replacements	$60,000
11)	Paint Auburn Water Storage Tower	$750,000
12)	Citywide Waterline Replacements	$1,250,000
13)	New Truck for Distribution	$95,000
	Total Water Department 2026 Capital	$4,039,000

*Includes OPWC Grant and Loan

- **Belt Filter Press Piping** – Install new piping from the intermediate screw well to the belt filter press pumps to allow gravity feed of water plant sludge.
- **Building Brick Repairs** – Repair failing brickwork at the Administration and Tertiary Buildings.
- **Aeration Basin #4 Diffusers** – Replace aging diffusers in Aeration Basin #4.
- **Pump Stations** – Continue inspection and pump repairs to reduce the risk of unexpected failures.
- **Capacity Study** – Conduct a plant and system capacity study.
- **Tertiary Washwater Tank** – Clean the tertiary washwater holding tank.
- **RAS Pump** – Rebuild Return Activated Sludge (RAS) Pump #3.
- **Industrial User Permits** – Issue updated permits to industrial users.

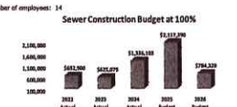
The WPCP will continue to serve Painesville and surrounding community as by providing reliable treatment within available capacity. Our focus is on cost- and energy-efficient operations while meeting the needs of our citizens. Staff remain committed to researching and implementing new treatment processes and equipment that enhance efficiency and system performance.

Sewer Operating Budget at 100%



Total number of employees: 14

Sewer Construction Budget at 100%



Sewer Funds



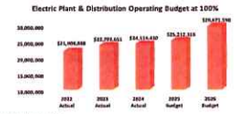
*Services and Charges include: Sewer's distributed portion for General Fund's services, SCADA system, sludge disposal, laboratory services, telephone, and machinery maintenance.

- 2026 Budgeted Capital (Capital at 100%)

1)	Replace 2009 International Dump Truck	$175,000
2)	Replace 10 Year Old Mower	$23,000
3)	Aeration Diffusers	$75,000
	Total WPCP 2026 Capital	$273,000

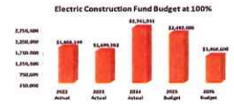
- Continue the installation and expansion of the Electric Department AMI program.
- Maintained an aggressive tree removal and trimming to avoid power poweriins storm damage.
- Uploaded data for GIS mapping onto laptop for all poles on Distribution System.
- Both completed and ongoing equipment updates for multiple businesses (Avery Dennison, Willowbend Nurseries, Marriott Hotel, Sheetz, Riverside High schools, Lake Co. Landfill)

Electric Plant & Distribution Operating Budget at 100%

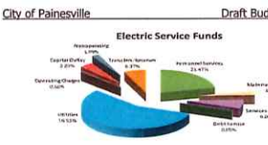


Total number of employees: 43

Electric Construction Fund Budget at 100%



Electric Service Funds

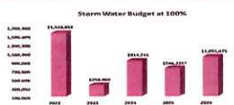


*Services and Charges, and Reimbursements include: Electric's distributed portion of General Fund services, fleash removal, telephone, machinery and vehicle maintenance, insurance, building rental, and 450H tax payment.

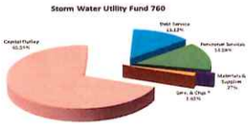
- 2026 Budgeted Capital (Capital at 100%)

1)	Solar Field Land Acquisition	$1,000,000
2)	Solar Panels	$32,210,000
3)	Solar Batteries	$11,000,000
4)	Richmond St. Circuit Breaker Replacement	$200,000
5)	Reinsertions for Electric Dist. Bldg.	$500,000
6)	Hi Circuit Design/Diagnosis for Downtown	$50,000
7)	Davey Resource Consulting Pole Inspections	$250,000
8)	Transformer Replacement throughout City	$300,000
9)	Various Distribution Equipment	$150,000
	Total Electric Service Funds 2026 Capital	$45,660,000

Storm Water Budget at 100%



Storm Water Utility Fund 760



*Services and Charges and Operating Charges include: storm water utility fees, equipment maintenance and landfill disposal services.

- 2026 Budgeted Capital (Capital at 100%)

1)	Level II County Stormwater Projects*	$500,000
2)	Various Storm Water Improvements throughout City	$200,000
	Total Storm Water 2026 Capital	$700,000

*100% Level II Storm Water Funds

Non-Departmental

Definition of the Section

This section details the budgets within the City of Painesville that are not part of a particular department. Included in this section are several schedules of expenditures that affect budgets across several different funds:

- Schedule of Health Insurance Actual and Budgeted
- Schedule of Worker's Compensation Actual and Budgeted
- Schedule of Debt Service by Fund

HEALTH INSURANCE COSTS ACTUAL and BUDGETED

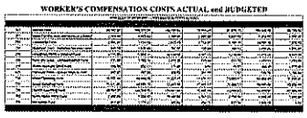


A few highlights about the City's Health Insurance:

- The City participates in the Lake County Regionalization program as a self-funded entity; this means the City pays their own claims but receives a lower administrative fee from their claim administrator through the County's purchasing power.
- Medical and drug costs year over year are trending downward, which are due to prior year large claimant activity that was mostly offset by stop loss reimbursements. However, in the current year, there is less large claimant activity but more overall claim volume.
- Medical utilization spiked in 2022 due to both an overall high volume of claims, higher than average large claimant activity, and the UH/Lake Health merger. In 2023, there was a return to lower claim levels, which is carrying through 2025 and is expected to continue in 2026.
- In 2024, the City changed to a new prescription drug contract. This negotiated contract significantly improved discounts on prescription drugs, dropping the per-script average 25% from 2023 to 2024.
- Even though the plan is trending in a better direction, costs are still projected to rise; an increase to the overall healthcare budget is recommended at +8%.

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WORKER'S COMPENSATION COSTS ACTUAL and BUDGETED



- The City qualified for re-enrollment in the Ohio Municipal League Rotex Group, which is projected to save the City approximately $142,000, which will be realized over three fiscal years 2026, 2027 & 2028.

SCHEDULE OF DEBT SERVICE by FUND





- For 2026, 48.7% of the debt payments are related to bonds and notes, 51.8% are related to state loans, and the remaining 2.5% are related to lease payments.
- 8.7% of the City's total debt will be paid off in 2026.
- Between 2035 and 2057, 6 debt issuances will mature and be fully paid off.

