**Eastlake City Council  
Finance Committee Meeting  
June 25, 2024  
6:30 p.m.**

**MEETING CALLED TO ORDER  
ROLL CALL**Mr. Kasunick, Finance Committee Chair, opened up the meeting at 6:30 p.m. He mentioned that the topic of discussion was the Fire Levy Renewal and then turned the meeting over to the Finance Director Ms. Schindel.

Mr. Kasunick, Mr. Semick, Ms. Schmidt, Ms. Kostelnik, and Mr. Overstreet, and Mr. Meyers were present from Council. Mayor Spotton, Finance Director Schindel, and City Engineer Meluch were present from the Administration.

Council was given information prior to the meeting regarding the sewer rates. A guest from CT comes to address Council.

Jay Shutt from CT Consultants comes to speak to Council. He understands that Carol Ann provided Council with a series of handouts and spreadsheets. He was asked to work with her to analyze the status of the sewer fund. The first page is projections without a rate increase. A lot of the driving force on the impact of the sewer fund falls on projects that are US and Ohio EPA requirements. The initial sheet towards the bottom shows end of year balance in 2025. The numbers go negative. That means if there is no rate increase, you will run out of money in the sewer fund which is not allowed. It is necessary to make a change to prevent that from happening. The second page captures the same information but now in picture form. Typically, we like to see a carryover balance of at least 50% of your revenues. Things can happen. The analysis is that based on current situation with no changes in rates, you will go negative in 2025. There is another sheet that looks similar to the first one, but it has starting in 2025 with the recommended rate increases. 95% in 2025 and 4% increases thereafter to keep up with inflation. Again, there are reasons that the balance needs to be built up. If you look on the sheet, there are other anticipated future projects. If Willoughby has not updated those estimates recently, they may be under. The fourth sheet you have is a graphic presentation of the carry over balances. Lakeline and Timberlake are also involved in this. What he looked at is what revenues those surcharge systems and agreements are generating versus going to a more simplified system. At the bottom there, the existing system raises about $154,000 and a simple one raises about $155,000. This current one requires a lot more effort on the Finance Department and also is very complicated. Finally, there is another sheet that shows what the rates would be in terms of cubic feet. It also shows what the surcharge rates would be for Lakeline and Timberlake. To compare to other utilities, he has also attached another graph so Eastlake can see how they compare to other Northeast Ohio communities. Just last week, Willoughby hired CT to have them look at their rates also for the same issues.

He asks Council if there are questions.

Mayor Spotton adds that the numbers for Willowick now are $9.84/100 cubic feet. Wickliffe $5.34 and will be increasing. Willoughby Hills $10.29.

Mr. Meyers asks Mayor Spotton what the administration fee is for those cities?

Mr. Kasunick asks if there are other questions. None. He thanks Mr. Shutt for his work and the handouts.

Carol Ann thanks him for coming all the way here to make his presentation.

Mr. Meyers says reading through the initial legislation there is no end date. He would like to suggest an end date and have Council review it again in say, maybe 5 years?

Mr. Kasunick says that has already been proposed to the Law Director and will be making that addition.

Mr. Semick says we should have it not listed as under emergency so it will go three full readings.

No additional questions.

He advises the public to keep this portion to the sewer rates as there will be another portion later.

Heather Freeman comes to address Council. It was stated there was no end date in the 4% increase. So the copy of the proposed ordinance has it listed as a 95% increase and 4% for every year with no end? What will you be voting on potentially in the Regular Council Meeting?

Mr. Kasunick says that this matter will not be on the agenda for this evening. We will not be putting it up for a vote tonight, we will strike it from the agenda.

Ms. Freeman says how often do you review these increases? 95% is going to be a lot for some people. In Willowick a lot of people are already complaining about their rate increases. She will ask Ms. Schindel for some additional documentation for this. Has this been discussed in any of the Finance Committee Meetings? She is surprised there are not more questions from Council for the gentleman from CT.

Mr. Kasunick says this matter will be held in Committee tonight.

**ADJOURNMENT**This meeting was adjourned at 6:45 p.m.

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JIM OVERSTREET, COUNCIL PRESIDENT   
APPROVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ATTEST: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ALYSSA MORAN, CLERK OF COUNCIL