

The UTILITIES, SAFETY & ENVIRONMENT COMMITTEE
and FINANCE COMMITTEE held a
JOINT MEETING on Monday, December 9th, 2024 beginning at 6:55 P.M.

Committee Members Present:

Finance: Chair Tollett, Schneider, Cerra, Siwierka, Davis
Utilities: Chair Mitchell, Davis, Oswald, Armstrong, Stewart
CD: Chair Mitchell, Schneider, Oswald, Lipian
Excused Absence: Callahan

Administration and Department Heads Present:

Mayor Brubaker, Law Dir Deery, Safety Service Dir Pyanowski, Finance Dir Pileski, Asst Finance Dir Farrell, Public Works Supervisor Conner, Engineer McKillips, WWPC Supt Stewart, Water Team Leader Jacob

1. The matter of approval of the Utility Meeting Minutes from November 20th, 2024 as circulated.

Motion made by Mrs. Davis and seconded by Mr. Oswald to approve.

MOTION CARRIES

2. The matter of Utility Rates for the calendar year 2025.

Referred By: Engineer Schneider

Chair Tollett said they need to talk about the timeframe and if they're going to enact any changes to the rates, what is the time frame; two years, five years?

We need to discuss the rates and whether we should charge credit card fees.

We also need to address the Homestead exemption and a possible policy.

And we also need to discuss the possibility of charging a late fee.

Engineer McKillips began by thanking Dir Conner who has been working with her on getting answers to questions that were received from council members.

They gathered information specific to various cities in comparisons with Elyria.

Team Leader Jacob provided info on increases at the water pumping plant; electric bills, chemical costs and payroll.

Also requested was a comparison between 2024 and 2025 based on various consumptions.

Black & Veatch provided rates for a five-year period, but that's up to council.

Chair Tollett said there have been some creative ideas that have come from the administration.

Mayor Brubaker said several council members brought the humanity part of the rate increase and the hardship on seniors.

His recommendation is that a two- or three-year increase is considered leaving the water rate as proposed and reducing the sewer rate from 4.75 down to 3.75 and leaving the Homestead program as well. And to leave the Sanitation rate at \$5.00 over the next three years. These rates can be looked at by the administration over this time and after the three years there will be a better idea of how the rates are working. He thinks its important that the residents understand that there has been some compromise and there's thought on this. He understands and he hopes the resident understand that there is a great need in out utilities to do work in our water system, transmission lines, sewer lines that are not going away anytime soon. The other thing is we have to address how we collect fees and what fees are collected and who's on what program.

Chair Tollett said he spoke to Muni Court and they farm out their credit card program. If someone makes a credit card payment, they are charged 5% and it's an outside firm that does that. Three and a half percent is the actual card fee to Mastercard or Visa and one and a half percent goes to the transmission/holding company that makes the deposit. Another credit card fee is assessed to someone who calls in to make a partial payment or a monthly payment, that fee is seven percent. No one in the office is taking that call, it's an outside live service that handles that labor. Once we get to that point to charge these fees we will need to consult with out IT Dept. who will work with the outside source we hire. The contractor that Muni Court uses provides all the equipment at no cost.

Dir Pyanowski said they looked into credit card fee and we have paid \$275,000 per year in those fees which includes Parks & Rec and Building Depts. We looked at the current contract with our service provider and we have the ability to shift those fees and make some adjustments.

Mrs. Mitchell asked what the Muni Court outside service charges?

Chair Tollett said it's 5% for in-house credit card transactions, it's collected from the user. It's broken down by deposit. Debit cards are at a different rate, but still run thru Visa or Mastercard.

Mr. Schneider suggested we also do some kind of late fee on those properties that only get charged sewer because we're having more and more of those customers.

Dir Deery said that would be an ordinance of a late fee under the umbrella of utilities, in general.

Mrs. Siwierka asked for an overview of billings they have every month and the process they would have to go thru for late fees.

Dir Conner said there are 9 zones and 9 billing cycles. And the late fees could be calculated thru the New World program.

Dir Deery asked IT Dir Rothgery if this is something that New World does?

Dir Rothgery said that he did not see that as an obstacle.

Mrs. Siwierka is all for passing fees along to the customers. We have to take that hard line regarding late fees. We have a consistent delinquency and we need to look at that.

Mr. Lipian credits The Mayor to reduce the years and the sewer rate. He has difficult with the rates. When he first moved to Elyria one of the things that he noticed was the low water bill and that encouraged him to move here with his family. That didn't last and they have been raised since. He has a resident who has a hard time paying their water bill due to having to pay for insulin. If we continue to raise fee and to continue to ask for more and more money there's a time when the amount of money we bring in could decrease.

Mr. Tollett said our residents love that the City picks up everything that residents leave on their curb lawn; leaves, trash, Christmas trees, tree branches from storms, etc. and are we going to be able to continue to do that. We need to talk about recycling, how can we do that more efficiently and continue to provide it. Now that we've made a commitment to build a new CMG complex to house those sanitation trucks, can we continue to provide that service and if so we need to protect that. We are the water host for the community which is outstanding and we need to continue to do that in a positive way.

Mr. Oswald asked if we actually start collecting those fees of \$275,000 annually, maybe we wouldn't have to increase our rates.

Chair Tollett said that's why we're looking at a shorter term, after those 3 years, we might be able to say, let's hold the rates and not increase after that. The credit card fees and the late fees may have made up for that.

Mrs. Siwierka said we need to do a short term. She would like the committee to vote separately on water, sewer and sanitation. We need to move those service fees over and if we're committed. Chemical increases alone are significant as well as the electricity at both plants.

Mr. Armstrong said he is struggling with the 15%. There are a lot of struggling families in Elyria. Maybe we should look at 10%.

Chair Tollett suggested we do the 15% and stop it at 2 years. Maybe at the end of 2 years we may be able to cut it back.

Mayor Brubaker said the comments are adequate and make sense and he has no problem with the 2-year time frame.

Mr. Oswald asked Supt Stewart how the plant is doing with cleaning the water with the bulbs so they don't have to retreat the water and if we're saving money that way?

Supt Stewart said that is a lot of what they've been doing over the past 8 or 9 months. Their two largest expenses are chemicals and electricity. They did install the UV five years ago and it was shown to reduce compared to chlorine and sulfur dioxide mixers, it was about 15% more efficient. The plant is currently doing an energy master plan study. They've upgraded 75% of the building with LED lights. They're now looking at proximity sensors to reduce energy when the sensors indicate the need to reduce. And they will be doing a study on the solar and see where that goes.

Dir Pyanowski said Supt Stewart has been doing these and he has met regularly to go over these findings for long term savings.

If we shorten the duration of the increase of fees, that does impact their ability to plan some large projects. The most significant is the main water line coming in from Lorain. We are conducting a study of our main line and we probably need to do some repairs. We are also always looking for grants and other sources for funding for everything. As everyone contemplates late fees, are we looking at a percentage or a flat rate? Residential and commercial? There will have to be more discussion on how the late fee will be placed on bills.

Mr. Stewart said we have had great discussions on this topic. It's a huge decision which is impacted by the consent degree that we had with the EPA. Residents are struggling, but he's a firm believer in the three-year rate. The two-year won't enable us to gather the data to generate those numbers. He does agree with the 3.75 sewer increase and to continue the homestead.

Mayor Brubaker's proposal was 15.25% for three years as documented, on the water rates, sewer rate increase would be 3.75% and sanitation fee would be a flat fee of \$5.00 per month. And Homestead discount would continue to be included.

Mr. Schneider asked if we can term them for Homestead, like for 24 or 36 months and then they would have to reapply?

Dir Deery said there could be a number of ways it could be set up. She would suggest that it could basically be renewed on a regular basis.

Mr. Oswald said we're losing about 20% of our water from Lorain by the time it comes to Elyria and we know the lines are in bad shape. He asked Dir Jacob if they know how bad those lines are?

Mr. Jacob said they're in the process of finalizing a transmission line study from the water plant to Rt 254 and we should know how bad the big main is, the 48" main. His experience is telling him they are losing a million to a million and a half gallons each day on the three transmission lines. They take what they pump from the plant at the meter and compare it to what is billed by the Utilities Dept., they know how much is billed and how much is pumped and the difference is a percent loss. We know what is metered and so we know what the city buildings are using, they know what waste water uses. The difference is unaccounted for. The one transmission line is 120 years old.

Mr. Cerra asked if the million gallons Mr. Jacob was referring about is treated water? Mr. Jacob said anything that leaves the service through those three lines is drinkable water. Have chemicals and all the sludge taken out is drinkable water.

Mrs. Siwierka asked if we will need additional personal to do these changes to the billing? Sanitation charging \$5.00 per month is an 18% increase. She won't vote for it. We need to look at the whole sanitation system. The water and sewer changes for three years, per the Mayor's suggestion would raise a bill about \$6.00 per month for someone using 3 cubic feet. We should all understand that.

Mr. Oswald said that we have the expense of treating the water and losing some, as soon as we can save that water, we'll be in a better position. He asked Mr. Jacob how long will that take?

Mr. Jacob said once they get the study back they will look at it and discuss it and come up with a plan based on what we think we can afford.

Engineer McKillips said they do have some work included on the transmission mains included in years two and three in the proposed rate increase. The bulk of the work would take place in years four and five. They won't know the bulk of the work until they get the results of the plan, the drone runs. They do know there is work to be done on the two smaller mains. They do have funds covered in the model to cover that work and they won't be able to start the work until 2026.

Dir Pyanowski said he doesn't see a need for additional staffing due to the credit card fee but if they have to track late fees they could see a potential for that.

Dir Pileski said the last time sanitation rates were increased was January 1, 2020, so we're coming up on 5 years. Over we've had wages increased by 15%, gasoline and dumping fees have gone way up if we would've done 3% every year for the last 5 years, we would be getting to where we're trying to get at now. It seems like a high percent but sanitation is in trouble.

Mrs. Siwierka said in the study that we are using as a guide stone for this also had multiple suggestions for reducing our costs which we have not done. Since Jan. 1, 2020 what have we done in terms of reconfiguring refuse and recycle routes, reducing brush and bulk pick-up.

Chair Tollett said he would ask for a vote on water and sewer for three years at the rates that were discussed. And we'll take a separate vote on sanitation. If we go three years and not five years, we can revisit this.

Dir Pyanowski said the suggestions of the report from 2019 have not been instituted. They are willing to look at those things as options. He has a meeting with the consultant about updating the report to use current information. Our current operations are very much appreciated by the community. There are pros and cons.

We have to make decisions on what we should offer to our residents.

Mrs. Mitchell said she is okay with taking this for a vote tonight. She said our sanitation workers are very appreciated by the residents. We provide our residents with a lot of services that other cities don't offer.

Chair Tollett suggested the committee vote first on the water portion and the sewer portion and then onto the sanitation portion.

Mrs. Davis asked if they were going to continue discussions with the consultants on the sanitation part of the increase?

Dir Pyanowski said they are looking at the same entity that did the consultation report in 2019. That report was very comprehensive and issues reviewed at that time are still current issues. He will request an updated report to reflect the numbers of today. That report will help them decide and make plans for the future.

Mrs. Davis said she didn't think we need to rush into talking about sanitation and take the time to review the old report and the new one once it's completed.

Dir Deery said she would like to hear from Dir Pileski about in the event that any adjustments to the sanitation rates come later rather than sooner, what that will mean as far as the account continuing to run in the red as far as any potential audit.

Dir Pileski said the biggest thing is that the union is in the process of negotiating the contract and all of the employees at sanitation are in the union. There will be increased costs with that and expenditures are already exceeding revenues and we're not accumulating cash to buy trucks. The last 5 or 6 trucks have been purchased with governmental fund money. We have two trucks on order which will be paid with ARPA money. The condition will get worse because wages will go up which rises pension costs and healthcare costs are going up, it will get worse.

Mrs. Mitchell said that if we're already in the red, we can't wait for the report to come out in June, we have to do something now.

Chair Tollett read the committee reports.

WATER RATES:

FINANCE COMMITTEE:

Motion made by Mr. Cerra and second by Mr. Schneider authorizing an ordinance for water rate adjustments of 15.25% each year; 2025, 2026 and 2027, effective the first full billing cycle or each calendar year, emergency clause requested.

5 AYES

MOTION CARRIES

COMMITTEE REPORT WRITTEN

UTILITIES COMMITTEE:

Motion made by Mrs. Davis and second by Mr. Stewart authorizing an ordinance for water rate adjustments of 15.25% each year; 2025, 2026 and 2027, effective the first full billing cycle or each calendar year, emergency clause requested.

4 AYES, 1 NAY

MOTION CARRIES COMMITTEE REPORT WRITTEN

SEWER RATES:

FINANCE COMMITTEE:

Motion made by Mr. Schneider and second by Mr. Cerra authorizing an ordinance for sewer rate adjustments of 3.75% each year; 2025, 2026 and 2027, effective the first full billing cycle or each calendar year, emergency clause requested.

5 AYES

MOTION CARRIES COMMITTEE REPORT WRITTEN

UTILITIES COMMITTEE:

Motion made by Mr. Oswald and second by Mr. Stewart authorizing an ordinance for water rate adjustments of 3.75% each year; 2025, 2026 and 2027, effective the first full billing cycle or each calendar year, emergency clause requested.

5 AYES

MOTION CARRIES COMMITTEE REPORT WRITTEN

SANITATION RATES:

FINANCE COMMITTEE:

Motion made by Mr. Cerra and second by Mr. Schneider authorizing an ordinance for sanitation rate adjustments of \$5.00 a month increase for the year 2025, emergency clause requested.

3 AYES, 2 NAYS

MOTION CARRIES COMMITTEE REPORT WRITTEN

UTILITIES COMMITTEE:

Motion made by Mr. Stewart and second by Mr. Oswald authorizing an ordinance for sanitation rate adjustments of \$5.00 a month increase for the year 2025, emergency clause requested.

3 AYES, 2 NAYS

MOTION CARRIES COMMITTEE REPORT WRITTEN

Mrs. Siwierka said if we implement recommendations from the consultant and we see savings then we could take a look at those.

Question was called and the motion carries.

Chair Tollett said the Law Director will be coming to the committee with legislation regarding late fees and how they want to implement the credit card program after the first of the year.

Chair Tollett asked for a motion to adjourn.

FINANCE

Motion made by Mr. Schneider and second by Mr. Cerra to adjourn this joint meeting at 8:08 P.M.

MOTION CARRIES

UTILITIES

Motion made by Mr. Stewart and second by Mr. Oswald to adjourn this joint meeting at 8:08 P.M.

MOTION CARRIES

Respectfully Submitted by,
Colleen Rosado, Clerk Secretary/Administrative Assistant