RECORD OF PROCEEDINGS
MEETING OF THE LORDSTOWN VILLAGE BOARD OF PUBLIC AFFAIRS
1455 Salt Springs Road, Lordstown, Ohio
January 31, 2023
2:30 p.m. to 5:00 p.m.

IN ATTENDANCE: Mr. Christopher Peterson, President
Mr. Kevin Campbell, Vice-President
Mr. Michael Sullivan, Board Member
Mr. Darren Biggs, Supt. of Utilities
Ms. Cinthia Slusarczyk, Clerk
Mr. Christopher Kogelnik, Engineer

ALSO PRESENT: Mr. Bob McNutt, CT Consultants
Mr. Jay Shutt, CT Consultants
Mr. Robert Bond, Village Council
Mr. Howard Sheely, Village Council
Mr. Jamie Moseley, Village Council

RECORD OF PROCEEDINGS taken before me, DEBORAH LAVELLE, RPR, a court reporter and Notary Public within and for the State of Ohio on this 31st of January, 2023.

MR. PETERSON: Welcome to the meeting. Please stand for the Lord's player and the Pledge.

LORD'S PRAYER
PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL:

MR. PETERSON: Roll call.
MS. SLUSARCZYK: Chris Peterson.
MR. PETERSON: Here.
MS. SLUSARCZYK: Michael Sullivan.
MR. SULLIVAN: Here.
MS. SLUSARCZYK: Kevin Campbell.
(No response.)
MS. SLUSARCZYK: Darren Biggs.
MR. BIGGS: Here.
MS. SLUSARCZYK: Cinthia Slusarczyk, present. Chris Kogelnik.
MR. KOGELNIK: Present.
MR. SULLIVAN: I make a motion to excuse Kevin.
MR. PETERSON: I'll second that. All in favor?
(All respond aye.)
MR. PETERSON: All opposed?
(No response.)
MR. PETERSON: Motion passed.

CORRESPONDENCE:

MR. PETERSON: Correspondence.
MS. SLUSARCZYK: No.

PUBLIC COMMENTS:

MR. PETERSON: Public Comments. Does anybody have any? Okay.

NEW BUSINESS:

1. Water and Sanitary Sewer Rate Study Review

MR. PETERSON: New Business, Water and Sanitary Sewer Rate Study Review. And we'll just wait until Kevin gets on there if he's close.

MR. McNUTT: All right. Well, not a lot's changed on this. We were saying a little while ago that we did this rate study mostly in 2022. We updated a little bit, we went through lots of variables between our beginning TEC on our system or not, when are they coming in or not, what's going on with Lordstown Motors which is now Foxconn. So we've done lots of different iterations to try to get down to what do we really need to do, okay. We're at a point that, unlike many rate studies we do, you guys have a lot of variables. And that's a good thing, but it's also a challenging thing because it's really great if we just have lots and lots of history of expenses and we just project them forward and everything is basically status quo and going along. And that's the best of all the worlds. That's not where we are. I've done -- Chris is mentioning rate studies. I do the Ultium project construction, I handled that wholly, call it a program. I also did your master water plan for the Village. So you know, we've looked at a lot of different things, what we need as our Village water utility. We talked about things like service garages, we talked about the parallel 24-inch diameter water line that we need, we talked about lot of different stuff. So a lot of variables in this rate study. What I wanted to come down to, and Cindy and I talked yesterday, to start with just some general census stuff. And we've got a lot of stuff in here, we've recommended doing some pretty significant changes to how you bill, how often you bill, some of these types of things. But let's start at the core level for a second. I looked in our study and said how much are our expenses going up every year. If you look at 2021 versus '22 versus '23 -- how about I get it on the right tab, that might help. So just looking at expenses. The fund at the bottom here is your capital reserve fund. That really isn't your rate study fund, that's a special fund as Bill Blank likes to rotate money in and out to track big projects. That's not what we're looking at. We're looking at our normal operating budget up above. In 2022, you know, we had identified almost 1.7 percent expense more than 2021. Start on the expense side for a moment. 2023 that's going up almost 16 percent, and then 26 percent and 12 percent and 12 percent and 6 percent. That's just looking at the expenses, okay. A lot of stuff is involved with that. But if we do nothing more than look at this and say well, at a bare minimum if we keep our current rate structure, we keep everything the way it is right now, that at a bare minimum is how much we need to go up each year just to break even. Now there's a lot of variables here. One of the things I caution because of the variables that you guys have, we don't know the timing of how fast Ultium is really gonna ramp all the way up, we don't know a lot of the other issues. As I like to say, we just don't know what we don't know, right. So then I looked at, as we try to balance this, how do you best balance it. And so I just went up to the revenue side and I did the same thing. In '22 I projected 29 percent more revenue than '21. Well, there's a lot of stuff that was happening last year. And then 26 percent and 15. Well if you look at that 26 percent revenue versus 15 percent expense and you look at the 15 percent revenue change versus the 26, you see there's some flexibility in how we balance them. But the way we've -- if the -- our recommendation right now is -- this is what I would recommend to actually increase, at a bare minimum, our actual rates, keeping everything else the same. Just up every part of your rate structure, your minimum bills, your tiers, increase it by that same rate block; and that allows a couple things. First of all, it allows us to do all the things that we've got projected in here to do. It allows inflation -- well, our best guess with inflation, probably not what we're really seeing, okay -- but allows us to best guess on that, and it allows us to start increasing our carry-over balance. You can see up here we project a certain carry-over balance, you see them dropping, and you start seeing it start to build back up. Carry-over balance is very, very important for any utility fund. What that allows us to do is be prepared for emergencies. If our big 24-inch main out here breaks, do we have the money to fix it, do we have the money to pay somebody to fix it. That's what some of the carry-over is. There's no profit in the water and sewer utility, there's never a profit. It's just by having a carry-over we can make our time through upsets that might happen in our utility. What happens if we get so used to Ultium, they use a lot of water, we make a lot of money, and they just dry up and go away. Put it on a different sense, we think that won't happen. What if we have the G.M. plant in Lordstown and they use lot of water and they go away. That has happened. Carry-over balances help with that, and they help you do the improvements that you need to do. And they also -- in this case we have planned in theory, one of the last things I was told to do was add back in the utilities building that we need. If anybody's been over in Darren's office I shouldn't have to say any more than that. We don't like rain dripping on our computer lines. Kind of not good for SCADA. I know it's not in that room, it's in the other room. And that particular building has been something we've looked at, how long again, 12 years at least --

MR. KOGELNIK: Yeah.

MR. McNUTT: -- replacing the utility building. So it's been around a long time. I am not a politician, I can't speak to the political side of things. But some politicians say yes put it in, some say no take it out. I look at this from an utility management standpoint, we need the facilities to manage the utility we have. And part of that is having the right size of buildings with the ability and having we need to manage that utility. So the building is back in here. If that goes away, that's iteration number two. If we do any more, it raises at that point, I'm gonna say we need to start all over, not to throw this away, but we're gonna need to start all over and redefine our goals because so much has changed in the last two years we've been sitting on this. I say we collectively -- not we CT, we as a team -- we've been sitting on this since May of '21 really. I don't want to go through a lot of other stuff unless you guys had questions about any of -- this would probably be one of the biggest questions is, at a bare minimum, what do we need to do. I've got recommendations to change it to monthly billing. That takes effort that it's just gonna take time. There's other things, change is gonna take effort and time. I guess my take-home point is we need to do something and we need to do it a year-and-a-half ago. And then as we continue going through we can see where that puts us. Cindy, as she tracks that money, we'll see where we're at, we the utility, so that we know can we really afford that utilities building yet or is there something else, a main break or something that took this off the table for now. I could talk about this for a long time. I don't want to put anybody to sleep -- Chris, Bob -- without going into too much detail. Like for example, you might have heard me say that we've got a water line that goes to an assisted living center that is breaking on a monthly basis now, and we're building a new water line along Hallock Young Road, you got the building. I presume Cindy knows that when she gets this tool she knows how to use it, she knows how to put in there the line item and the capital -- the projected capital expense to understand how the highlighted in yellow expenses are gonna increase, correct? Chris -- and Cindy can correct me if I'm wrong -- we wish we could say yes. But Cindy has not been back in the spreadsheet probably for a while, correct?

MS. SLUSARCZYK: To say the least.

MR. McNUTT: So to answer the question is she can come up to speed whenever she is ready to do that, I will work with her to help coach her along.

MR. KOGELNIK: Okay.

MR. McNUTT: But just so everybody can see, I'll go through the tabs briefly down here so you guys know what we have. I always like to have a Notes tab. It's got all my scribble notes on there so you can kind of see my thought, what we're looking at, if we looked at actual cost for different things or whatever. We have a lot of notes. This is trying to make your rate study as transparent as we possibly can. Okay. Then I have Tab 3 which talks about your existing rates and the proposed rates. Basically what I had from before, just updated with no TEC, threw the building back in, a couple things. And this is with the different approach. This isn't what I talked about bare minimum percent increases, this is looking at what I recommended. Again, it might take you time to get to this part, but you gotta start. But that's what the rates are all about. And all of these different tabs are all tied, so if you start making changes in one tab you're gonna see them carry-over to the others.

MR. PETERSON: While you're on that, I have a question if you don't mind.

MR. McNUTT: Go ahead.

MR. PETERSON: So this is pretty much completely changing the rate structure that we have?

MR. McNUTT: I believe so.

MR. PETERSON: I know I sat down with Cindy and she was going over that with me. Can you explain the businesses and how that changes the rates.

MR. McNUTT: Now you're quizzing me on something I may not remember, I do so many of these. The main emphasis on businesses, your meter size should be how you base your minimum bill. Because if you have a 6-inch meter you have more capacity to draw on your system, your pipes, pumps, tanks all of that. So what we typically do is we base the minimum bill -- you can call it readiness-to-service charge -- on meter size, and we attempt to get as much of the fixed cost into that portion of the bill as you can. And I'll show you that here briefly because I believe I saw it over here, how I'm recommending you start changing some of the percentages, okay. Here's 60 percent of the debt in different years to 100 percent. And you can't read the rest of it just because it's hidden behind the next thing by 2024. If we started in '22, 60 percent, '23 was 80 percent, '24 would have been 100 percent. The reason for that is -- and this has happened to me in our clients who have a big utility, a big industry using lots and lots of water -- a lot of places try to have the smallest minimum bill they can up front and then put all the rest of the expenses in the demand or the consumption cost. The problem with that is when that industry goes out of business like Lordstown Motors went out of business -- and I say when because it happens more often than we like to admit, the business -- when all of that fixed expense of the debt is included in the variable cost of how much water you use, that guy goes away, you didn't lose a corresponding fixed percent of that cost. And so you end up getting hurt really bad with that because you still have to pay all those fixed expenses, but you're not selling enough water to do it. Therefore, the goal is to shove as much of your fixed expense into your minimum bills based on meter size so each of those entities pay their fair share of the fixed expenses that you have in your utility. Then all your variable cost you charge based on the variable of flow. Kind of makes sense. You use a thousand gallons, you pay for that. You have use a million gallons, you pay for that. So that's what I am projecting you move to, and that is a pretty significant change.

MR. PETERSON: Is that -- Cindy, how much would that take in changing how you're doing stuff?

MS. SLUSARCZYK: Right now, Chris, we have, like he said, a small -- it's a $3 a month minimum monthly bill.

MR. PETERSON: For everyone?

MS. SLUSARCZYK: If you're not using water. The businesses have a higher -- based on meter size.

MR. PETERSON: Meter size, okay.

MS. SLUSARCZYK: But it includes consumption. So if, for instance, Ultium exceeds their meter size minimum bill -- I don't know, maybe it's $300 or $400 right now -- they don't see that fixed fee, it's overrode by the consumption that they use.

MR. PETERSON: Okay.

MS. SLUSARCZYK: So they might pay the $3 a month fee that the residents pay, $10 for commercial and $15 for industrial, that is $15 that they'll have to pay whether they use water or not. He's trying to change that, the readiness-to-serve fee will increase that rate similar to what we're saying -- don't quote me on prices, but more like what we have. We say that a tenant's meter you're gonna have a minimum bill of this. But he's saying that's gonna be a fixed bill and change that, and then our minimum bill or our water bill, it will flip the way we do things.

MR. PETERSON: Okay.

MR. McNUTT: It will front-load your expenses so that you'll get a lot more money under the fixed portion of the bill to cover all your fixed costs versus the variables, the consumption costs.

MR. PETERSON: Okay. When I was going through the spreadsheets, to me -- and maybe I misread it -- almost looked like some of them might go down on the business side with what you were proposing. Am I correct in presuming that?

MR. McNUTT: It could. I don't refer off the top but we recommend using an AWWA meter size ratios for that. So if you have somebody -- and again, you have to forgive me, Chris, I don't recall -- but if you've got somebody paying fifteen times that but their meter ratio is ten, then that fee would go down. So we're trying to pair up to some standards that help justify what you're doing.

MR. PETERSON: Okay.

MR. McNUTT: Now since you're now -- and I haven't had a chance to indoctrinate you to all these rate studies. There's three things you have to do when you do a rate study. If somebody is gonna challenge you in court -- and knock on wood, I've only had one challenge in court and it got quickly thrown out -- you have to have reasonable rates. That means how are your rates in regard to whatever else is going on, that type of thing. Is your rates ten times as much as your neighbors. Somebody has to make the definition of reasonable. But if you can show like this, how you come up with it, the second part is defensible. You can defend your rates are what they are, but you have the actual data right here. So they have to be reasonable and they have to be defensible. The third part is the part that I see most communities not doing, and that is truly being equitable. That means the 10-inch meter pays for a 10-inch meter size, a resident pays for a resident meter size. That part I see a lot of communities, I'll say, playing games with it because, you know, they're gonna subsidize somebody's raise, well let's subsidize the resident's rates and make the big companies pay more of that. No, let's subsidize the big companies and make the residents pay. I've seen all of that. There are different philosophies with rate settings, and you can justify some of those subsidies depending on your situation. But being equitable is that third portion or that third leg of the stool that if you can show it's equitable, if you're charging people in relationship to their class and consumption type stuff, defensible, you've got it all written out, and reasonable, you know you're not 10 times your neighbor, in all likelihood it's gonna get thrown out of court if somebody ever takes it to court. Like I said I have had one taken to court, same type of structure, it never made it to a trial, the judge threw it out. Took a look at everything and it was done. So hopefully that always happens for me, but sooner or later I'm sure somebody is gonna --

MR. SULLIVAN: We'll be the first.

MR. McNUTT: Somebody has already been first. You don't want to be there. Your rate system is not that strange, it's not weird, it's not complicated as far as, you know, how it's set up. So it's pretty easy to defend what you have using the spreadsheet.

MR. BOND: Can I ask a question? In a court of public opinion, residents on that, I saw some publicity and heard talk the rates were supposed to go up by Meander for the water and the judges threw it out and they didn't go up. Is that covered in this or not?

MR. McNUTT: The rates that we saw in Niles, what Niles told us they were raising our rates are included in this.

MR. BOND: But then the judge said you can't raise your rates.

MR. McNUTT: No, no, make sure I get this right. The judge said Meander water can't raise rates. The judge never said Niles can't raise rates.

MS. SLUSARCZYK: We're having that discussion right now.

MR. BOND: I think there's probably gonna be some talk in the community about that.

MR. SULLIVAN: Well, and we're fully expecting a hike from Warren too.

MR. McNUTT: And if I got that, I think I got that too. Who sent that to me, I don't remember, Warren.

MR. KOGELNIK: I sent it to you, Bob.

MR. McNUTT: Did you send me Warren's?

MR. KOGELNIK: I sent you the news notice of Meander.

MR. McNUTT: That's in here, but not Warren's.

MR. KOGELNIK: The take-away is if there's a rate increase by the water purveyor --

MR. BOND: It's going to have to go up.

MR. KOGELNIK: Warren or Meander, it has to be adjusted accordingly in the tool, the spreadsheet. That's -- I mean, it doesn't matter how much or how often the rate increase happens.

MR. BOND: That would just be simply plugging it into the spreadsheet and it would calculate through?

MR. McNUTT: I'll show you something with that just so you know. We have Tab 1-B. This is all of Cindy's detailed line item budget, all sorts of stuff, okay. And I always do that tab because whoever the utility is, I want that tab to mirror what you're doing so that it makes sense, okay. And then, of course, we got lots and lots and lots of notes over here. Then what we do is I take 1-B and I crunch it down so -- I don't need to know what you pay your guys salary and health care and vision and dental and all that. So I crunch all those down to personnel, okay. So that Tab 1-A is intended to be a summary, you know. A Reader's Digest version, if you will, of all of the gory details that Cindy has to deal with every week. So if you change it and when Cindy goes to change stuff, Tab 1-B is gonna be a spot where -- let's see, 2023 budget. And I don't have that, I didn't update it in here. But if she wants to update that, that's the column she goes in and updates it. If the numbers of '22 change -- because we did it in '21 -- and it's significant, she can change that. So -- and as this goes further years out, you can add more columns in, copy formulas over, and you can just keep tracking that. And I have communities that have this from, I'm gonna say, 2003 through now and they do that, they keep updating it. Actually I shouldn't even say that. 1999 I did Hudson's rate study, and I just did it again this past year; and they had all the columns in from '99 to now. Talk about way too much detail. But I mean, it was good they have it, they've been tracking it, and it made doing their rate study very fun.

MS. SLUSARCZYK: It will also help in the way that Bill does our budget based on this is what we did last year and that's it. Well just in our tank maintenance alone, some years our tank maintenance may be $60,000 per year on each tank; and they want it painted and it's $200,000. His philosophy will not work for this. This will tell us each year where we need to be. We can see that red line coming into the picture well before once it's adopted and implemented.

MR. McNUTT: And for OM&R for tanks, we have some of that data in here. And we showed like here's your $65m000 for -- that's something else. I had in here the total from the tank, your -- no, the agreement with what's her name. Anyway, I had it in there and I showed where it changed and everything else. We track what it's supposed to be here by year. If you know that -- I'm trying to think of something -- your electricity charge is gonna go up. I had one entity that the next year they were already told by their electric utility they are going up like 16 percent like the next year. Well, we can put that in here and we can start planning and budgeting for that.

MS. SLUSARCZYK: Right.

MR. McNUTT: It's a lot easier to do that ahead of time and even start collecting a little bit of money ahead of time, and that's what that carry-over balance is there to help you with. We didn't get it in time. That still gives us that quarter to do those adjustments in our rates so we're not hurting long-term.

MS. SLUSARCZYK: That happened with our sanitary sewer pumps when they were electric, when they started up with the pump stations. We had no expense, and then we were given a sewer system and we got $1,000 a month for each pump station. And it's like we -- there's $4,000 a month that you got 50 Grand at the end of the year that you didn't have before. And that was just one piece of the puzzle for accepting the sanitary sewers.

MR. McNUTT: You were starting to ask a question.

MR. SULLIVAN: Yeah. Increased labor.

MS. SLUSARCZYK: That's factored.

MR. McNUTT: We factor that in here. In fact, we factored in adding a couple more positions in the way I recommended it. I mean, at some point if we're running our system with a 24-inch diameter line all the way over, we add a second, I've done a lot of factoring in down here, and O&M for different tanks, pumping stations, tried to add some stuff in there. Staffing, I think we went from three to six or maybe all the way up to 10 by the time you get out to 2027 or something like that. We looked at how to staff the overall utility the way it should be. Now I think we had to come back down on the staffing a lot, but we still have some additional positions in here. So we tried to look at all that. But yeah, that's just where you can play with a awful lot of scenarios. The rest of the tabs, just so you guys know again, 1-B is the detailed all the time. 1-A is to wrap it back down, get you the Reader's Digest version. Capital improvements plan is Tab 5. So this is where if you're looking at, you know, how many hydrants do you need to replace or valves, meter replacement program, okay, doing meters, rolling stock, your equipment, we try to have them in here. And if we need certain amounts from your Asset Management Plan, you can see them pre-loaded in here. And then we carried that over as expenses. Some of them are direct expenses, some might have to be a debt. If you're doing something very large capital-wise like you're not gonna build your facility with cash -- it would be great if we had more sitting around, but that's not gonna happen. But we tried to incorporate all of your capital improvement plans annually. As you review your Asset Management Plan, that may change. Darren would have to be reviewing this with his staff and making sure that the Asset Management Plan is updated every year. It may not change, it may be the same until we get caught up on some stuff. But that's what this is all about, so he has that and it does get carried into your rates. We don't want to forget about that stuff. Tab 6 existing water fees. This is where we just track what you guys are currently doing. And I do this for all the utilities. That way if you ask what do we charge right now, this one Excel file, rate book, has just about everything you could ever want in it, user profiles. If we go to that level, we try to understand what consumers use, how much water, what their meter size is and all that. Not everybody does that. We might call them different things, like I call them the meter profile, Jay calls them something different. But that's okay, it's all about how do you determine the ultimate -- or yeah, the most efficient way to charge your customers. And sometimes it's changing your rate structure. We don't do that a whole lot, but sometimes we need to make that recommendation. Sometimes just to schedule how much are you charging in different blocks, sometimes the wholesale rate structure changes. So that's what this user profile is for. Sometimes -- I mean, some of these other things -- maybe they are not -- consumption analysis is part of what I was doing for number two. Largest users, you might have to look at your largest users just to see how these rates might impact them. And I was looking at TEC. This was from really, really, really early on, some generic numbers we did. I said don't use that, this is probably three or four years ago. But I whipped that up for somebody just on the back of a napkin, and I didn't want to lose it, so I put it in here. Amortization schedule. If you want to look at a debt and you want to say okay -- and Cindy, you might find this tab really helpful -- we want to build that facility building. Let's call it $5 million capital right now. We don't know engineering, design, construction contingencies. It was $3.5 million a couple years ago, but inflation hit. Can we get 2 percent, Cindy, or what interest rate can we get?

MS. SLUSARCZYK: Not 2 percent.

MR. McNUTT: Can you get an E.P.A. loan for 4?

MS. SLUSARCZYK: Maybe.

MR. McNUTT: Now you can see what your annual payments are gonna be, and you can put that back into your rate structure. I was looking at OM&R costs, so that may be something that you guys want to look at. This is again not specific to the rate study but just trying to get a sense for what are our variable costs and how are we gonna get paid back. Sometimes I create other sheets like this just to look at that. So don't use this tab. See this (indicating), don't use this tab because this is back when TEC and other stuff was in there. It gives you a basis of looking at a lot of what-if scenarios and how do different things impact what we want to do. So that's the basic layout of how I do my spreadsheets. Jay may have a different layout. Each utility is gonna have a slightly different layout because you may have a hopeful different structure. Some of my utilities, they just charge the same rate to everybody like cost per thousand gallons and they don't have a minimum bill. So the first thing I recommend, get a minimum bill, readiness-to-serve charge. It protects them from the loss of a large user, and it spreads the fixed cost out. It's always a little different. If you see four of my rate studies, they are all slightly different because it depends on what you guys have. For you, my recommendation if you got the time, effort, manpower, everything, I recommend obviously going through and updating everything. But a bare minimum -- at a bare minimum you guys need, from a year ago, to start charging -- and I'm recommending these number percent increases up here -- you need to start collecting that money because you're falling backwards. I don't know what your carry-over balance coming into this year is because I sent this to Cindy. And do you have last year finalized out yet?

MS.SLUSARCZYK: Yes.

MR. McNUTT: Did you do that what, yesterday?

MS. SLUSARCZYK: No, we were doing employees yesterday. But no, the water carry-over balance was 1.4.

MR. McNUTT: Million. But I'm gonna say that's probably somehow influenced by how much money you've got sitting in the bank from Ultium right now.

MS. SLUSARCZYK: That is excluding Ultium's money.

MR. McNUTT: Well then, what did I screw up here?

MS. SLUSARCZYK: We did not anticipate any revenues from Lordstown Motors or Ultium in '21 or '22 in that rate study.

MR. McNUTT: So it's not as dire necessarily then as I'm predicting. And I had this discussion with another utility recently; and they are saying well, our carry-over balance is $400,000, not $100,000, we don't need to do a rate study. My answer is when you assume -- when you estimate these costs you're hoping that you are the high bidder so to speak, right. Because when the day is done, you don't really want to spend all that money. But when inflation hits and you have to pay higher prices for gas and oil and diesel and everything else -- a piece of ductile iron pipe, if you can get it right now, it's gonna cost you a lot more than it did two years ago. We hope we don't spend all of that money. So yes, we're conservative a little bit. But we try again, and our notes show how much percent we put into each of these categories. We showed that so we can have a good basis for that. Does that make sense? Clear as mud, right? Any other questions for me?

MR. SULLIVAN: Do you have a 2023?

MR. McNUTT: Budget or --

MR. SULLIVAN: No, what we should raise.

MR. McNUTT: When you look at the expenses here, 2023, I'm looking back to 2022. But that would have said 28 percent in 2022. We're past that. Sounds like we've got a little bit extra in the bank because of some other things. But it looks like our revenues need to go up 25 percent, our expenses are projected to go up 15 percent this year, 26 percent next. To try to be on the right side we're looking at 25 percent increase this year and 15 percent next. So get a little bit of money ahead of time and increase a little bit less next year type of thing. So that's what this is showing us.

MR. KOGELNIK: The other thing that, you know, it's good to hear what Cindy's carry-over calculated to be versus what we thought it might be. That was good to hear that. But the one thing that I'd encourage you to understand, the one tab that's got the capital improvements on it. You're planning to build a $2 million water line here along Hallock Young Road. If everything tracks correctly, you might get $500,000 in grant on that, but the rest is probably gonna have to come from a loan. You have to pay for a new water line going to the Antonine Sisters assisted living center, right? And you've got this massive water line, the second 24-inch, that you got to get in here yesterday. I don't care if you had $10 million of carry-over, you have to start looking at those projected improvements because they are imminent and they're gonna be in your spreadsheet starting this year most likely, some of them.

MS. SLUSARCZYK: That's correct. You can't -- unfortunately this is more solid than us saying $1.4 million because in that $1.4 million we know that Niles offered us a special rate and I'm gonna have to ante-up the difference. I haven't gotten that bill yet. So we have that factor out there. But then in this also, I -- without going into it and checking it out, did we factor that discount into that? Because if we did, that means it's 95 short.

MR. KOGELNIK: Right.

MS. SLUSARCZYK: That can make those figures even greater if they -- there's some things that have to be removed for a more solid answer to all of these figures. But comprehensively, I would trust that more than that $1.4 million -- because like Chris said, Lordstown Energy Center's bills are almost $500,000 a month. So it depends on how that's paid, when it's paid. Those things can skew that figure, every day of the month you'll have a different total.

MR. McNUTT: And I did include the discount from Niles in there, in here(indicating). So you're actually gonna have more expense in that because you're not using that water to that level to get you that discount.

MS. SLUSARCZYK: But the other thing in the future is, this study that you're looking at here is with no TEC. We'll have TEC one day, in two years, two-and-a-half years down the road if we're lucky, and we'll start realizing some revenue that -- I don't believe any of that's factored into here. But that's too far down the road, and truthfully, it's still not here. You can't bank on money you don't have.

MR. PETERSON: You can't factor that in until two or three years from now.

MR. McNUTT: And I did look at that in here, and Cindy and I talked in the last year; and I purposely took it out knowing where they were at the time. I don't believe they have approved shop drawings or drawings yet from the engineering it sounds like. There's so many things that have to happen. And once everything else is there, good luck getting the pipe. So I don't see them being online in time for this time period to really work out. The other thing, again, we have to do something. We can't wait for all these variables to settle out because they'll not -- they're not gonna settle out. We just have to do something. And I strongly recommend every two years at an absolute minimum that Cindy and her staff go in here and review this and just see where we're at. The Asset Management Plan law requires you to look at your water rates every three years, but I am recommending every two years because of the variables that are involved. If you start to see this balance building up, then maybe -- and everything else is properly accounted for, maybe you know what, we don't need to increase this 10 percent or 11 percent or 6 percent starting for next year.

MR. KOGELNIK: The other thing that I might recommend because of the variables is if you're gonna go in here, Cindy and Darren and the rest of the staff, it might be good for us to give you some consultation like at the end of the year as a summary just to see how it's tracking, just to make sure.

MR. McNUTT: And I am totally willing to do that. You guys, Cindy, you know that.

MR. KOGELNIK: It would be under another work authorization.

MR. McNUTT: That would be later. We're obviously always willing to do that.

MR. KOGELNIK: Based on the significance of the variables, if this were any other village or city that didn't have the amount of growth that Lordstown has it would be -- it probably wouldn't be a suggestion. But you should think about it at least, okay.

MS. SLUSARCZYK: That's what I said. When you look at this Asset Management Plan, every step of this varies. The employees vary.

I mean, we need more, we know we need more, we got some more. You can't set a baseline. We're not looking at a baseline. We're trying to establish that baseline and build and schedule for the future, but tomorrow what-ifs. Every time we turn around it's a what- if. Now what if LEC pulls out of the sewer system, you know, that's another --

MR. McNUTT: I was gonna say that's his problem, not mine.

MS. SLUSARCZYK: But it's constant with the scenarios. Every year truthfully whatever you implement, I think we're going to have to review it every year for the first three years just to make sure.

MR. PETERSON: Because so much stuff changes.

MS. SLUSARCZYK: Did that come to fruition.

MR. McNUTT: And I want to say that I've been preaching about this for you guys and request with you guys for the last three year. You are in an awesome position that every other water utility wants to be with you. You see this type of growth. This is very uncommon to go from 300,000 gallons of water you sell every day, and you add LEC and you're selling them up to 3.5, that's like ten times. We have another client getting ready to see $100,000 to $400,000 dollars a day. That doesn't include Foxconn or any other trickle-down growth that's going to happen once you get all these industries in doing what they are growing. Very envious. There's a reason the City of Warren wants to try to get every customer they can here, because everybody wants to sell more water. That's where it's at these days.

MR. SULLIVAN: You talked about that 24 that we have to have. What is Mahoning Valley saying about it?

MR. KOGELNIK: Listen, I don't -- that's an important thing to go over, but it's probably gonna take quite a bit of time here. Jay has to go through his sewer rate study. But I would be happy to discuss the Mahoning Valley MVSD situation with you. I want Bob Bond in the room with me when we go over that and Chris Peterson. You all should be aware of that. You need a plan going forward. That's all I'll say. Are there any more questions for Bob?

MR. McNUTT: I'll say one thing on that 24-inch line, and I've been saying this from the beginning. You're within heartbeat away from losing all your water into the system. In a master plan we called that out, we showed that, because it's a critical piece of infrastructure we need to serve all our customers. So from my perspective, I can only tell you it's way beyond due that we get it done. All this other stuff you, guys gotta get this done. Anything else for me?

MR. PETERSON: One question. From the first day we accept this, how long would it take to implement? And I assume this is a joint question between you and Cindy.

MS. SLUSARCZYK: No less than three months. The day you pass it, I can't -- those people are using water, so it's a minimum of three months out there and to actually do the work upstairs in the office.

MR. PETERSON: So, if we say four months to give you wiggle room, that puts us halfway through the year at this point.

MR. McNUTT: It really does. You're probably June 1.

MR. PETERSON: I want everybody to understand the work that you're gonna have to do to implement everything.

MS. SLUSARCZYK: And once we do the work -- there's three billing cycles. The two billing cycles that are in use are delayed for two more months. So --

MR. SULLIVAN: So then they wouldn't actually hit until August.

MS. SLUSARCZYK: It depends on the day. It's all in the worrying, it truthfully is.

MR. PETERSON: Kevin, did you have any questions.

MR. CAMPBELL: No, I don't. Everything tracks from what I recall. Bob did a great job as usual. I wasn't able to see it, but I can definitely envision it in my head.

MR. McNUTT: I'll close out my spreadsheet. Thank you guys.

MR. SULLIVAN: Thank you. Do we have a guesstimate of a figure, of a rate.

MS. SLUSARCZYK: If he's talking 25 percent --

MR. PETERSON: But the structure's changing so it's hard to --

MS. SLUSARCZYK: And Bob, correct me if I'm wrong, but your 25 percent, is that based on our current tier, the $5.75 with the account maintenance fee, not the readiness-to-serve fee?

MR. McNUTT: Just looking at your actual expenses and what would need to go up, that's where the 25 percent comes in. You need 25 percent more revenue. How you get that could be by just increasing 25 percent across the board every one of your fees, your minimum charge and your usage. Or if we implement the changes to the structure, you know, it won't be -- everybody won't see that exact same 25 percent because of the way the numbers -- some are going up, some are going down. So that's -- I try to make it simple, say you need 25 percent more money. How do you want to get there? Do you want to go the route of changing stuff? We can help you work through that. And it won't be the same step for everybody.

MR. PETERSON: Is there a chance you can get us that breakdown?

MR. McNUTT: It's in the spreadsheet you should already have. I sent it to Cindy. It's in there under the proposed rate structure. It's all in there.

MR. KOGELNIK: So did I hear this correctly, that Cindy has the spreadsheet right now?

MR. McNUTT: I sent this spreadsheet to Cindy without those percentages, I just added in that column. I sent it to her to try to look at ahead of time so we would be ready to talk through this today. So she should have that, yes.

MR. KOGELNIK: Okay.

MR. McNUTT: And you did find it, right Cindy?

MS. SLUSARCZYK: You sent it, remember, January 2. We were off that day. When I come back I had an overwhelming amount of e-mails.

MR. SULLIVAN: So is that what we would figure as a guesstimate, 25 percent?

MS. SLUSARCZYK: Mike, in all honesty that thing is prepared to dictate literally a price for you if everything is updated and put in there. I would want to update that to the best of our knowledge and get that percentage. And if that's 19.2, then I say to you go times 19.2. But things have to be reviewed, and it's -- it's like I said, we did that rate study in 2021. And I did touch upon it. The purpose of this was to say okay, if TEC comes to town what is that number. TEC comes to town and waved bye-bye and that, so we've got to revisit all those things, what portion of that --

MR. PETERSON: How long would it take to get that information in there.

MS. SLUSARCZYK: It depends on how many hours was dedicated just to that. I couldn't tell you without starting to do it. I mean, it would be a work in progress.

MR. PETERSON: Okay.

MS.SLUSARCZYK: I'm not as --

MR. PETERSON: I just know the longer we wait to do something, the more outdated it's gonna be.

MS. SLUSARCZYK: Agreed. That's what I said about postponing this meeting until March. We postponed this meeting for almost two years.

MR. SULLIVAN: We were gonna have it in the middle of December.

MS. SLUSARCZYK: So I think when Bob presented these we wanted to implement them by October of 2021 was the date that I asked for implementation. So I mean --

MR. PETERSON: So can you start working on it and just --

MS. SLUSARCZYK: Right now, no. I can honestly answer that no. We're cleaning up the fiscal year and I still have to have some things to the Auditor for Bill, and then I can build it into my schedule absolutely. But --

MR. KOGELNIK: Can I say something in regard to that subject? I mean Bob, correct me if I'm wrong, but from a simplicity standpoint -- I don't want to oversimplify what you said, but didn't you say one thing we could do or look at is to simply try and match the expense by upping all the categorical costs by like the percentage of the expenses that you had illustrated on the screen? One year was around 25 percent, another year was around twelve percent.

MR. McNUTT: Correct. If we're not changing the structure of our rates, if we keep everything the same and just up all of the categories of our bill by that 25 percent, it would generate 25 percent more revenue. That's what we're looking at, how much more revenue we need to generate to run our utility.

MR. KOGELNIK: But what I want to get at is that comment about just upping those categorical items by those percentages, is it correct in saying that it's a little bit more intricate than that.

MR. McNUTT: Our recommendation is a lot more intricate than that.

MR. KOGELNIK: Then we shouldn't just consider upping those?

MR. PETERSON: I know what you were thinking.

MR. KOGELNIK: I know that Mike is striving for a number, and I know that the Board collectively wants to adjust the rates. But there's homework to do.

MR. PETERSON: Correct.

MR. KOGELNIK: Okay. All right.

MR. SULLIVAN: Well, but in with that, knowing how slow things move, I was thinking maybe we could come out with a first rate increase like for the March billing.

MR. KOGELNIK: Maybe we should just give some sort of goal for the Board to try and strive for to have.

MR. PETERSON: Yeah, I just want to keep things moving.

MR. KOGELNIK: To have the first rate increases hit something like in May -- you know, May or June, so that you can have something to strive for. That way, you know, you know that people are gonna be dependent on you working for calculating whatever increases you need to come up with for the rates. So I would say the same thing about the sewer. Legislation, all of that. We're at the end of January. Does giving you five months give you enough time?

MS. SLUSARCZYK: Yeah, I would say so. But five months --

MR. PETERSON: It's not five months, it's two months technically.

MS. SLUSARCZYK: It's two months.

MR. KOGELNIK: Five months total.

MS. SLUSARCZYK: If you want to have this rate effective June 1, that takes three months off that calendar.

MR. KOGELNIK: Sure, I get that. So is June 1 doable?

MR. PETERSON: Doable for you. It's okay to say I don't know. I mean, honestly and truthfully, if you don't think that's enough time --

MS. SLUSARCZYK: I don't think it's enough time.

MR. PETERSON: July 1?

MS. SLUSARCZYK: Let's put it this way, I will work on it as if you want it ready for June 1. If it's ready, it's ready. If not, you'll be brought up-to-date.

MR. SULLIVAN: If we don't think it's gonna be ready until June 1, then we ought to go back and take a look at a first increase.

MS. SLUSARCZYK: I like your way of thinking, but that's exactly what we need to do is not poke at the potential total increase, you gotta take that total increase. Because next year if we have to do say 10 percent increase this year but next year says oh, we need 15 percent, then this year when that legislation hits your books it's gonna read effectively July 1 here's your rate, effective January 1 of next year here's your rate. Because I can promise you your phones are gonna be hot when this hits the press. So you have to do it all at once so they understand. This is growth, this is what's happening, this is what it's going to be and get it over with and accept it for what it is. But to do it and then six months later adjust it again, they'll say well, didn't you do it right the first time, you just raised the rates six months ago.

MR. PETERSON: That's what I was thinking.

MS. SLUSARCZYK: You have to go with that approach into all of this. Like Bob says, if you get into it and you go down the road and this person comes in, we got another project, they connected the water, we can always say stop, don't implement that rate increase. Your residents will be a lot happier than going back six months later and --

MR. McNUTT: I think it's important when you guys do a rate study like this, my recommendation to all my clients is you set your rates for the next five years.

MR. PETERSON: Having it set and it keeps going.

MR. McNUTT: It takes politics out of it. I give you guys a lot of credit for being in the hot seat. My dad did it as mayor for four years, but I'm just a straight-up numbers guy. You need what you need to run your utility right and run it well.

MR. SULLIVAN: So this is based on what we have to do. So if we got say Lordstown Motors or Foxconn, whatever you want to call them, if they became a big user similar to what G.M. was, then you got TEC, at that point would we see rates going down?

MR. McNUTT: You could. You very well could, if you start getting more revenue than you need to cover all of the expenses you have in here. Because things are starting to happen that you weren't planning on, yes. I have had one complaint I will say in 30-some years. I have had one client that I know of that decided to freeze their rate increase for a year. They might have done it for two years, I haven't heard that. But so yes, it can happen.

MR. PETERSON: So even if that legislation was in place over the next five years, three years from now if there's a major change we can go back and say we don't need that 20 percent increase, we need 8, correct?

MS. SLUSARCZYK: Yeah.

MR. McNUTT: Any time you dial it backwards, you're gonna be a hero. But I will tell you what I find a lot is when people don't do these rate increases and they have a 40, 50, 80 percent increase, you are no longer the hero.

MR. SULLIVAN: That's what I'm afraid of, that's where we're gonna end up.

MR. McNUTT: So you want to keep it consistent. You want to do it for five years at a time, you want to keep doing that and keep up with things. It's so much better than the alternatives. I know, because I've been in cases where I helped a community raise their rates 80 percent the first time. I had to tell Council do not tar and feather the messenger on the way out of town. That was not a pretty meeting. The mayor was proud that he had not raised rates for 18 years, and they were under a lot of findings and orders with E.P.A. and they were forced to. So I'd rather not be in that position.

MR. KOGELNIK: Okay. Can we move on to Jay with the sewer rate study?

MR. PETERSON: I'm good.

MR. SHUTT: All right. I'll try to be brief. Basically I followed pretty much the same process and procedures that Bob went through. You know, this is some of the tabs that are in the spreadsheet, the workbook, same model, same methodology. So I believe the sewer side is a lot simpler than what you're looking at on the water side. But you still have, you know, your TEC and your Ultium. And actually the first thing -- it's actually on the back end of your 8-1/2 -- or your 11 by 17's is -- the first thing we ran into is the Ultium billings were kind of -- you know, the meter was -- thought it was false and it was cubic feet, and Cindy had to sort all that out. And she -- and this back sheet here is what I understand to be the corrected Ultium revenues from April of '21 through November of this year, of last year now. It's the last page. I started on the back sheet instead of the front sheet because the front sheet is that snapshot. So, yeah. And in fact, you know, they were billing off a different meter and all kinds of things. So first goal is looking at the prior year, prior time, to make sure that we're matching the accounting of the utility and getting us Ultium, what it was supposed to be with the correct bills and all of that. Based on that, the next sheet forward was an effort to predict what Ultium's revenues are gonna be in the coming year as they ramp up because, you know, they're starting to ramp up. And so basically there was a meeting in which Ultium -- I think this is back in November, which Ultium said they expected the usage to be a certain amount when they're up to full production. So what I did for the purpose of this, I just assumed that's gonna ramp up kind of uniformly over the course of the coming year just as a starting point. And just like what Bob said, if it turns out to be different, at least we know with the documentation that's in the workbook what our assumptions were, and our estimates were and we can update it as we get real information. Right?

MS. SLUSARCZYK: Uh-huh, yep.

MR. SHUTT: But it was necessary -- also on this sheet you'll see towards the top the rate under expenses, Trumbull County billing rate $6.66, and revenue, Lordstown billing rate $7.26. So I've got in here -- again, same idea of what Bob -- so you know what the rates were, if they change, when they're gonna change, and how that factors forward. So just wanted you to understand what I have. And I think one of the things we want to talk about, I was gonna ask about when you were gonna have your full 2022 actual numbers. Sounds like you already have them.

MS. SLUSARCZYK: Yes.

MR. SHUTT: So the next step would probably be to update this with actual 2022. Because when I did this I had numbers through I think it was September, and so I had to prorate the rest of the year to get a 2022 estimate. But now we've got a 2022 actual so we can do that. And then as you keep going forward we have the expense sheet. And again, we have the actual expenses from 2017 through 2021, what my proration was of the '22, and then I figured out what the average was.

And then I said going forward what are we gonna project on; are we gonna project on '22 costs or the average. So something like labor where people are getting raises and so forth, we want to project over the most recent year because that's what you're working off of. Something like miscellaneous repair expenses, we typically do those more of an average because some years you have more and some you have less. So basically I'm telling you here the basis of the projection going forward. Also at the top of this sheet you'll see on the upper right side the Warren rates, $3.72. I'm showing that there was projected rate increases to $3.96 and $4.18 and $4.68. So I have those built into the forward-looking projections. Other than that, what I did is I just have used an across-the-board 3 percent inflation for all other items. Again, we can talk about whether certain things ought to be more or less. Like I'm doing four rate studies myself right now too, so Bob isn't the only one who does them. One of my clients, their chemical costs, their quote for this year 2023 was up 20 percent over last year. So obviously we don't want to project chemicals at 3 percent, general inflation rate, when -- or if, you know, the power companies got a rate increase or whatever, we can factor that in. But right now for first cut I've just used an across-the-board 3 percent, unless except for the water, your sewer treatment costs. And then Ultium, obviously that's ramping up, so that these numbers for Ultium are based on the projected treatment costs for Ultium's as they ramp up, the sheet that we looked at previously. So moving forward then we have the revenue sheet. Again the same thing, we look back to the last from '17 going forward, figured out where we were, and then it's set up in yellow. You see the line, it says prorated increase. Obviously right now I've got a zero in there because we haven't got to that point yet. Once we start talking about rate increases we can do that. And again, in the green at the top shows basically the markup that you're getting on Warren because, you know, they bill at one rate, you bill at another, so you're gaining basically 45 cents per thousand gallons. So that's factored in. And then just with Bob, same as what Bob had, we have what's called the snapshot page or the overview page where we, you know, don't show quite so many line items and we bring it forward. One of the things I wanted to point out on this, because on the sewer side you've got your general customers, you know, your normal customers, and then you've got Ultium which is huge and LEC which is huge. So I intentionally broke out your revenue line items to show revenue from general customers, Ultium and LEC, and then in your case the miscellaneous income. Those are different things like all the different fees you have or even tap charges. But you don't have hardly any of those. And then that meter pit was a unique thing, so I showed that as a separate line because it kind of skewed the numbers in that one year.

MS. SLUSARCZYK: Okay. Okay.

MR. SHUTT: Likewise, on the expense side I brought the wastewater treatment down and really highlighted it in green here because again, the treatment costs from your general customers versus your Ultium versus your LEC are such big numbers. And so on this sheet then you can really see the impact that Ultium or LEC have on your revenues and the impact of Ultium and LEC on your waste water treatment expense, which is the bulk of the impact of those two folks. And then the others are as shown. On capital improvements, we showed what you have spent. This is capital improvements that you've paid out-of-pocket, you know, through your operating funds. You know, $5,700 in 2017 and $38,000 in '21. Going forward I just used the average of that and with a -- I think a 3 percent inflation factor. There is not any big large capital improvement line items. As I understand it, your capital improvements are debt services paid from the -- not from this -

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MS. SLUSARCZYK: The general fund.

MR. SHUTT: It's paid from the general fund, not from this fund. And if that's true going forward, then there's no need for showing that going forward. If it's not true going forward, we would have to identify projected capital projects that were perhaps gonna be more than just miscellaneous projects or that you were gonna have to have debt service on or whatnot. But it sounds like -- and I know on the subject of capital improvement, I think Chris shared with me you've looked at potential sewer extensions to pick up customers here and there; but that's not factored in --

MS. SLUSARCZYK: That's correct.

MR. SHUTT: -- at this point. If you want them factored in, we can and we just add that capital improvement, and it rolls forward into this sheet.

MR. SULLIVAN: Don't we have one sub-station that needs redone?

MR. KOGELNIK: Yep.

MR. BIGGS: Yeah, it could need it. Yes. There's a lot of things on the capital improvement. I guess that was one of my questions, and while Bob is still here. When we're talking equipment and building and whatever else, would that be something that would be split into that?

MR. PETERSON: I would say so, yeah.

MR. KOGELNIK: Eventually you're gonna be adding to this list of capital improvements projects like the water line to the Antonine Sisters, you know, the water line along Hallock Young Road.

MR. BIGGS: But you're talking about the wastewater.

MS. SLUSARCZYK: There's no future projects projected in that right now.

MR. KOGELNIK: The service building.

MR. McNUTT: The service building would be split between both water and sewer. That's routinely done. Same way staff could be split. I haven't looked at any of Jay's stuff so --

MR. SHUTT: Right, this is like -- he's like two years past being done.

MS. SLUSARCZYK: He's just starting that.

MR. SHUTT: Actually this is where I was back in November and then, of course, that meeting got postponed in December. But yeah, so we haven't -- we need to talk about do we share -- should part of the cost of the building be borne by the sewer side, and we need to talk about do you have sewer capital projects that need to be funded from the sewer utility as opposed to from the general fund. And I did put in here this yellow line down here towards the bottom just as a placeholder, $50,000 a year capital improvement reserve fund just to introduce the idea of -- even if you don't have known capital projects, you know that you're going to so maybe it would be good to build up a little reserve. If nothing else, if you're going for grants or low interest loans that gives you your match money. You know if you're going for OPWC or something else you have a source of match money, money for those applications. So I wanted you to understand what I did in projecting Ultium. Obviously that's one as the year goes around we'll find out what it really turns out to be in terms of how fast they ramp up and so forth but --

MR. SULLIVAN: And we'll also find out where we're gonna be with LEC, whether they're going into Mud Creek or --

MR. SHUTT: Right. So there are some timing issues. Like on Ultium for 2022, based on the information I have it looks like the revenue side was gonna be $409,000 but the expense side was only gonna be $176,000. That could be a question of time of when you get billed versus not, I don't know. But again, if we look at the '22 actual, that will probably be sorted out. But that was a question I had. So -- and then we always talk about carry-over balances. Bob talked about carry-over balances earlier. And I got that on here towards the bottom in blue, and then I'm showing the bottom line is what percent of the operating and capital expense does the carry-over balance represent. So -- and generally we don't like to see that below fifty percent, especially if you have quarterly billings. Some communities like to have it at 100 percent. It's just a question of how much reserve do you want to have for dealing with emergencies or dealing with something happening and you can't get bills out for whatever reason. If you lose a quarter of revenue all of a sudden, you gotta have something to keep paying the bills, so. And again, this is where I'm at right now, you know. The structure's here, the tool is here, now we have to start looking at things that affect the future forecast. If we know chemicals -- you don't have a lot because you don't do treatment, you don't have as much of that as a lot of utilities have. And because your two big users, Ultium and LEC, are basically whatever it costs you in terms of treatment you're actually making money on because you have a markup on it. If one of those goes away, it doesn't have as big an impact on Lordstown as it would if you had your own treatment plant.

MR. KOGELNIK: I think that statement is very significant with what we're talking about. You and I had a couple phone calls about LEC and the possibility of what might happen financially if LEC should be allowed by Ohio E.P.A. to dump their wastewater in the creek. That's something that eventually I think we -- that the Board of Public Affairs needs understand what Jay is seeing on his spreadsheet after that, after he makes that a zero.

MR. SHUTT: And again, with these spreadsheets it's a simple matter, plug in zero and see what it says. That's why I broke your revenue out from the general customers Ultium and LEC, and your wastewater treatment likewise, because if your revenue from LEC goes to zero your waste water treatment from LEC also goes to zero, right?

MS. SLUSARCZYK: Uh-huh.

MR. SHUTT: So you won't be making that mark-up that you're making now. But on the other hand, if you have your own treatment plant, the variable costs in a treatment plant is about 15 percent. You know, your power and chemicals go down by the plant is there and all that, but you don't have that -- that's an advantage you have in dealing with these very large customers, you don't have as much fixed cost built in to serve them. And actually with these two in particular, where they are located, you don't have a lot of sewer invested in.

MR. KOGELNIK: That is a very significant statement.

MR. SHUTT: You're in a pretty good position. But I do think some things -- so we can certainly run that scenario easily enough. These are interactive spreadsheets, as Bob said. And secondly, what I heard here today when we were talking about additional staff, I think we need discussion about should the percentage of additional staff be allocated.

MS. SLUSARCZYK: All staffing is split. Twenty-five percent of all payroll in the Utility Department is assigned to the sanitary.

MR. SHUTT: I just need to know what the projection -- I can get that from Bob or you, the projected staff increase, because right now I don't have projected staff increases in here either. So we need to get that incorporated. So that's kind of where I'm at on this. And so what we need to talk about is what things do we know that are gonna impact projections, and we've talked about a couple of them. I will update it to the 2022 actuals since we got that information available. One of the things we typically look at is tap fees and miscellaneous fees. And the only thing I would say on that, first of all, from the numbers you have no significant revenue coming in from those sources; so any changes we make will make almost no changes in your outcome. But what I did notice in looking at the sewer rate schedule versus the water rate schedule, the tap fees and the amount of tap fees and other charges are significantly different. And a lot of times a lot of communities make those more parallel where if you know they're similar -- like if you're billing a tap charge on the water based on the meter size, you would also bill the tap on the sewer on meter size or equivalent residential unit if it's not metered and some of those other things. So as a clean-up, it might be worthwhile making the sewer fees parallel to water fees just so it's more consistent. But again, from a revenue it has almost no impact on you because you have so little of it. So the main issue for you guys is what's the impact of the big users. And if you're adding staff and if you've got capital stuff that needs to be paid out of the water funds, that's what we gotta identify and get put into the model at this point.

MR. KOGELNIK: So a couple things that -- just to touch on, not to dwell on figures. Obviously, the decision by Ohio E.P.A. for the Lordstown Energy Center project looms. We don't know what the answer was. Ohio E.P.A. was supposed to provide us an answer literally five or six months ago but has not. I suspect that they might, that LEC might be granted that decision. We can only speculate that. So that would mean that the revenue realized for sewer from LEC would have to come out and be supplanted with something that we've been talking about or a zero. I don't know what the answer is to that just yet. Another thing that has been talked about is some form of treatment by the Village for the Village in the Village. And that's much different than obviously sending all the wastewater to Warren. But it would come at a steep, steep cost. And it wouldn't be here tomorrow, it would have to -- you know, building your own treatment plant would take the better part of 10 years to become operable. The Village represents the most growth in our region, and time cannot wait for that growth to come in. I would encourage the Village to reach out to Warren since they're already undertaking their own plans for capital improvements at their treatment plant and start to find out what available capacity the City of Warren can make available within their existing footprint on their treatment plant site. Because even if the Village were to become lucky enough to have money rain from the sky and build your own treatment plant, I doubt that Ohio E.P.A. would allow another permitted discharge right next to Warren's discharge in the Mahoning. Something really strange would have to happen in order for Ohio E.P.A. to approve that. So treatment costs from the City of Warren will become a factor, probably with regard to your sewer rate study. And I suspect it's only gonna go up. But we don't know how much until you start talking with the City of Warren about increasing capacity at the plant.

MR. BOND: Is there any feasibility to taking some to Mineral Ridge, the plant over there at Meander.

MR. KOGELNIK: There is, and Mahoning County's Engineer was waiting on the Village to provide data to Mahoning County to fit into their -- they're doing a stress test analysis of their treatment plant. So they were wanting to entertain that decision, but you guys have to tell them what you want to do, what you will commit to do and when you will do it so they can factor that into their overall analysis.

MR. BOND: I know originally we were going on there and it got switched to Warren on the 208 plant or something they called it.

MR. KOGELNIK: That was when you first undertook your east side sewer system. That was back in 2005.

MR. BOND: Or '08.

MR. KOGELNIK: Something like that. So right now Warren is your mapped 201 facility. But those are those two costs, LEC and the treatment cost for Warren, I suspect are our two biggest variables with regard to that plant. Now Jay mentioned the capital improvement. I think it's smart to put in there $50,000 as a projection just for right now. You really haven't had many --

MS. SLUSARCZYK: It's gonna happen because the booster pump station that we have or the grinder pump stations that we have that are the responsibility of the Village for all the residential homes -- there's 44 -- are 15 years old, at least 15 years old.

MR. KOGELNIK: Does the Village have to purchase and pay for those once those come under replacement? Oh my gosh, I can tell you right now --

MR. BIGGS: I can tell you.

MR. KOGELNIK: -- you're talking $15,000 to install one.

MS. SLUSARCZYK: The price -- Darren just bought two at the time. And it took Darren just to buy four -- did you get four?

MR. BIGGS: Six, I believe.

MR. KOGELNIK: Wait a second. I mean the pumps and the wet well. If you're just replacing the pump it's a lesser cost. But I'm just saying that's an unusual arrangement in itself.

MR. McNUTT: I had to replace mine at my farm, 4,500 bucks for the pump and the float. And I did the work myself. I got lucky.

MR. KOGELNIK: So $6,000 when it's all said and done for a pump and floats and an electrician.

MS. SLUSARCZYK: Times 40. Like I said, we don't know how they are going to -- if they're all gonna start failing at once. I mean, they've worked on them relentlessly with floats and mechanical or electrical issues.

MR. KOGELNIK: But the homeowner pays for the electrical, right?

MR. BOND: Not for the installation of it.

MR. KOGELNIK: The power costs.

MR. BOND: It comes right through my meter.

MR. McNUTT: At the house.

MR. KOGELNIK: The homeowner pays for that.

MR. McNUTT: But I don't pay for the electrical hook-up.

MR. KOGELNIK: It's still unusual to have the municipality pay.

MR. McNUTT: I was told five to ten years. If you get more than ten years, you're lucky. Now maybe because I did not buy as good of one as you guys bought, okay, that could be very true. And I hope that's true. But my guy told me I got so lucky to get 12 years out of mine. I disagreed, but I still had to pay for it.

MR. SHUTT: So right now you got 40 of those at $6,000 apiece, that's a quarter of a million dollars.

MR. KOGELNIK: I'm glad we're talking.

MR. SHUTT: That's why we have meetings.

MR. KOGELNIK: Now Lift Station No. 4 is kind of a weak link in the chain with respect to all the pump stations on the east side system. And I would suspect that over time we're gonna at least replace the pumps in it, the controls, the generator.

MS. SLUSARCZYK: Well Chris, on that note, if LEC is permitted to dump into Mud Creek, all of our pumps are oversized for that purpose. So we have an issue there, or then we're gonna go back to the treatment -- the system for the hydrogen sulfide issue and chemicals that is not part of this.

MR. KOGELNIK: Well, I'm assuming that when LEC announces they're gonna pull out that we'll put together a plan that says LEC, okay, because you're pulling out here's the impacts to our system that you're gonna have to pay for.

MS. SLUSARCZYK: We presented that. But I mean, we're relying on the E.P.A. to provide a backbone to that and --

MR. KOGELNIK: Well that's, I guess, secondary to what we're talking about here. But I didn't know if -- I guess my question was, are we going to look at paying for, you know, a reduced size pump out of the rate study, the rate change, or are we gonna ask for LEC to pay for, you know, those changes to the reduced size pumps and that sort of thing?

MS. SLUSARCZYK: And that's why we want to make sure that Council -- Council sets the sanitary sewer rates.

MR. KOGELNIK: Well then, Council says --

MS. SLUSARCZYK: That's why you needed to be a part of this meeting and understand the impacts.

MR. SULLIVAN: Didn't Dutton have conversation --

MR. KOGELNIK: With what, with who?

MR. SULLIVAN: LEC about -- I thought he made a proposal, they would put so much in to keep the system --

MR. BOND: Flushed.

MR. KOGELNIK: You had provided that had memo about that. But it really comes down to the Village telling LEC okay, you're pulling out of our system, here's what it's going to cost us in the end because we're gonna have to put smaller size pumps in the wet wells and we're gonna have to mitigate all the H2S, here's what it's gonna cost, you pay here.

MR. McNUTT: But can you force them, number one? And number two, because I don't think you can force them they will have to agree to it or there will be a lawsuit. The better plan is to assume that the sewer rate study is gonna have to pay for it, so include it in there for now. And then if you can get that worked out, then you can reduce the sewer rate.

MR. KOGELNIK: That sounds logical.

MS. SLUSARCZYK: But the only problem I have with that, all that burden on residential because it does not affect LEC's rate.

MR. SHUTT: Because that's contracts, right?

MS. SLUSARCZYK: That's what these one-offs do to us.

MR. KOGELNIK: To Bob's point, Council definitely can understand what impact it's gonna have financially to the residents that they represent.

MS. SLUSARCZYK: Yeah.

MR. McNUTT: And that goes back to the whole idea of billing people the fixed cost per their meter size. You kind of set it up that those entities, when they go away like what what's we've been talking about here, you're not negatively impacting residents. This is a special agreement, and it sounds like you're most likely gonna impact the residents just because of the way that was set up. I've said this before in a meeting and I'll say it again; my own opinion is I would not have any special agreements with any water or sewer customers, they need to join your utility as part of your utility and leave out the fact that they're part of your utility and not have those special unique one-off agreements that at the end of the day can hurt you.

MR. BOND: They haunt you.

MR. McNUTT: And it's -- I'm -- it sounds like it's gonna hurt you here. And any time you do that, you're just creating more issues for yourself. Again, that's not a political statement, that's a fiduciary -- how to manage your system the best.

MR. BOND: Let me ask a question about these residential grinder pumps. Who's covering the bill on the one that was added to that Tod-Tait sewer? Was that included in that?

MS. SLUSARCZYK: That's courtesy of your fund, not the water and sewer fund. But there's only four.

MR. BOND: Four or five. It's not very many, I know. I know one of them gave a lot of trouble and they had vacuum trucks in there.

MS. SLUSARCZYK: It repeatedly gives us -- every year, year-and-a-half you're doing major service to that grinder pump.

MR. KOGELNIK: All right. So we definitely have more data to populate in the spreadsheet for sewer. But we have -- I think we covered some of the meaningful items in there.

MR. SHUTT: And just as a quick and dirty if you want to know what if LEC pulled out tomorrow. If you take the LEC line item of revenue of $547,000 and the wastewater treatment related to LEC at $431,000, basically you would lose $547,000 in revenue and cut your expenses by $431,000, so like $116,000 negative to you. But again --

MR. PETERSON: Not including what it would do to the system and everything.

MR. SHUTT: Yeah, that's just.

MS. SLUSARCZYK: Swapping bills.

MR. SHUTT: That's just like at revenue versus you, but it doesn't say anything about any capital improvements you have. So if we have an estimate of improvements it would take to deal with TEC --

MR. KOGELNIK: LEC.

MR. SHUTT: Excuse me, LEC leaving --

MR. SULLIVAN: We all do it.

MR. SHUTT: It's too close -- then we should factor that in. And like Bob says, if it doesn't happen we can back it out. The other thing I guess as we're talking about this, I'm wondering if in terms of the difference, the mark-up on what you get in revenue from LEC and Ultium versus your -- because water treatment plant expense, whether some of that ought to be held as a reserve, you know, a special reserve fund or whatever, that gives you more cushion if they would pull out. Or if that makes you think your carry-over balance ought to be not 50 percent but more like 100 percent of your expenses so that that high variable thing, if it happens, you got more cushion to deal with it. Just a thought.

MR. KOGELNIK: Jay, when you say that though, like Bob said, defensible, equitable and reasonable, right. So if they were to dial in that line item that you just mentioned, is that something that can be defended.

MR. McNUTT: I can defend it both ways. I can defend it's a great idea -- and I've been on both sides for fun for different clients. The client decided yeah, I can defend having -- moving some of that into special funds for special purposes, and I can make the case against it. That's the beauty of doing rate studies and looking at how to do them, all philosophies.

MS. SLUSARCZYK: When you say fund, do you mean an account within the sanitary sewer fund or a special fund?

MR. SHUTT: I meant within.

MR. McNUTT: Yeah. You give it a separate name, put the money in, but it's still part of the sanitary sewer funds.

MS. SLUSARCZYK: If you make it a separate fund, you don't move it for anything but an expense.

MR. SHUTT: And that capital improvement reserve fund, again I'm not creating a whole new fund, just an account. And this is part of learning how people talk because some people call these funds, and it sounds like you would rather call it an account so that it fits with how you generally think and talk about things.

MR. SULLIVAN: So would we be shooting for the same timeline?

MR. KOGELNIK: To raise the rates for sewer, Mike.

MR. PETERSON: I don't think you're there yet, are you? I think you still have some more work to do.

MS. SLUSARCZYK: Mike, the Board doesn't raise the rate for -- I think the Board makes a recommendation.

MR. PETERSON: We give a recommendation to Council.

MR. BOND: What about the I&I issue? Has anything ever been done on that?

MR. KOGELNIK: Well, that affects --

MR. BOND: The east side sewer.

MR. KOGELNIK: Hold on a second. That affects the rate from Warren. And right now we know that Warren has told Lordstown last year that they want Lordstown to exercise a four-to-one reduction. I presume that also is directed at the County because the County has more sewer customers in Lordstown than the east side system.

MR. SULLIVAN: Well, the County come out to the newspaper and said we don't want to fix I&I, we're making money on it.

MR. KOGELNIK: I'm just telling you, you and the County need to align yourselves because you're gonna come into a problem where the County's aged infrastructure --

MR. PETERSON: It's gonna affect us.

MR. KOGELNIK: -- is gonna detrimentally affect your growth. You don't want the I&I worries to stop growth in Lordstown. You don't.

MR. BOND: Why not?

MR. KOGELNIK: What's that? Why not?

MR. BOND: Explain that.

MR. KOGELNIK: Maybe I'm speaking from the wrong pew.

MR. BOND: What I mean by that is, Chris, the County has taken one attitude, and it may often be contradictory to Lordstown's best interest. So there's gonna be a reason we explain to them why.

MR. KOGELNIK: Because their rates are gonna go up.

MS. SLUSARCZYK: But they just pass it on, they don't care.

MR. BOND: Right. This is what we've run into.

MR. KOGELNIK: No, I'm saying that the Village's the user rates are gonna go up in --

MS. SLUSARCZYK: They are. Warren already gave us that notice. We know those rates are right there, those aren't speculated increases. Warren said here's your rates for the next 10 years.

MR. KOGELNIK: So when I called Trumbull County's Engineer and asked him about what Warren had told the Village last year, they had not even heard about it yet. That's a problem unto itself.

MR. PETERSON: Really.

MS. SLUSARCZYK: It is.

MR. KOGELNIK: So what I'm saying is the County and the Village should be aligned and tied at the hip with respect to the goals for I&I control going into the City of Warren's waste water treatment plant.

MS. SLUSARCZYK: The City of Warren wastewater treatment facility or their chief engineer tried to align with Trumbull County and said here, here, and here is known I&I, fix it. There wasn't no --

MR. KOGELNIK: Well then, I can't -- I'm not sure we can help you.

MS. SLUSARCZYK: We can't force them to play with us.

MR. KOGELNIK: All we can do is give you a -- you know, what Jay has calculated here as a tool and you're gonna have to make those adjustments. I'm telling you right now though to consider a $75 million waste water treatment plant, which is what Tom Voldrich and I had estimated back in 2018, positioned in your northeast corner is -- I think if you had to go through that route it would be a -- it would be a huge game changer for our region in a negative way for a long time.

MR. McNUTT: I don't even know that E.P.A. would allow that under the 208 plan or 207 plan or whatever.

MR. KOGELNIK: Yeah. Based on my experience with Ohio E.P.A. and Department of Environmental Protection, that would be an exercise in futility.

MS. SLUSARCZYK: We've already had -- when I was told last year the four-to-one ratio that -- what Warren shared with me is that's what they told Trumbull County to do and the customer would ultimately connect to the City of Warren via Trumbull County, they were projected to land on that side of town. So Warren basically said fix it or we're not taking anybody. So when I said well what about our project on the east side sewer system, and they go when you get one call me.

MR. KOGELNIK: Just a reminder, when you get any kind of new development that comes in, let's just say that, you know, you get a new developer like that Project Green that Regional Chamber was yapping about, there's a PTI process, permit to install, through Ohio E.P.A. that says that you have to, you know, prove that the entity that's gonna treat the waste water effluent has the capacity to do that. Warren is not gonna sign a PTI document until you can exercise the four-to-one reduction, simple as that.

MS. SLUSARCZYK: If LEC pull's something out we can --

MR. KOGELNIK: That's what we've been talking about, what are the pros and cons. LEC, we're not gonna debate them here. But in conjunction with what Jay said about that $100,000 delta between revenue and expense related to LEC, as you stated I can make a case where LEC's pull-out could possibly be an advantage.

MS. SLUSARCZYK: You're putting him on a retainer, right?

MR. KOGELNIK: No, I'm just telling you. You have to look at things in a very comprehensive manner, and it gets way beyond what we're talking about with this rate study. I think what Jay and what Bob have done with regard to these rate studies is given you these studies in a manner that you can use them. If there's nothing else that comes from this meeting, I hope that you understand you're gonna be getting two tools in your toolbox that you didn't have. Jay's has got a little bit more time to develop here, but it's pretty much what Bob has done. And you have some huge variables that you have to plug into them, granted. We're here to help. I will tell you that I think your first few iterations are gonna require our help.

MS. SLUSARCZYK: Agreed.

MR. KOGELNIK: And we're here for that help. But it would have to be under a new work authorization. So these are significant.

MR. SULLIVAN: But Bob, just to your question about the I&I and the Village, Darren is so over- booked that he wasn't able to do it.

MR. BOND: I know that. I know the County has balked at taking care of theirs.

MR. SULLIVAN: Well, and the Board out-sourced it to CT, who has been a little busy with Ultium and Foxconn.

MR. PETERSON: Yeah. But you guys put meters in.

MR. KOGELNIK: We do all the data. In fact, on my ride here Mark Delisio was asking if he can show me some of the data they've come up with. So, but that's just a pilot study for tributary area Pump Station No. 2. The expectation is to utilize that as a study on 1, 3 and 4.

MR. SULLIVAN: Yeah. Understand, if we're having a problem with one we're having a problem. And then it could go into the smoke testing and all that stuff if say number 3, which is more houses, and we find there's a lot of I&I there.

MR. KOGELNIK: So we're pretty much done with the water rate study.

MR. McNUTT: We've been done with it.

MR. KOGELNIK: And the sewer rate study, we probably have maybe 30 or 40 percent more of the project to go.

MR. SHUTT: Well, basically the things we talk about today that we need to look at going forward, what I've written down is gonna update it with 2022 actuals, I need information on staff increases so that I can factor in 25 percent of that going to the sewer. The service building project, utility building that you're taking about, if part of that needs to be covered by the sewer I need to know what the --

MR. SULLIVAN: What percentage.

MR. SHUTT: What percent and time. And we talked about grinder pump replacements, sounds like we need to factor in $250,000 probably every so many years too for that. We talked about if there are other capital improvement plans, I need to know what they are. I mean, I know Chris had looked at possible extensions. But as far as I know, I haven't got anything that says that we're really planning to do any of that so --

MS. SLUSARCZYK: The last project that they had, and it was actually stopped because of the General Motors -- correct me if I'm wrong -- the Village did have it ready to let the contract out if I'm correct. But that was to be funded -- that was going to be funded by --

MR. BOND: The County was funding that. But that was first when we were also able to secure a grant to help with. But due to the fact of our finances went like that when G.M. shut down it was stopped, that's true.

MR. SHUTT: Again, if it's gonna be paid from income taxes then it's not factored in here.

MS. SLUSARCZYK: Right.

MR. SHUTT: If it's paid from sewer revenues, then I have to, you know --

MR. BOND: The Village had always provided utilities without any frontage assessments or anything of that nature. And I personally feel that the people that haven't got them yet deserve them under the same type of system. I mean, it wouldn't be right to go after --

MR. SHUTT: Again, I'm like Bob. Politically I don't care whether it's paid for from the general fund or from the utility fund. But from --

MS. SLUSARCZYK: If it's coming out of this fund --

MR. SHUTT: For the rate study I just need to know which way it's gonna go. And likewise when he talked about an I&I reduction program. If you want to factor in so much a year towards efforts to reduce infiltration inflow, again I need to say yes, we're gonna do that and plug a budget number in for that. And so those are the things I think we need to do. It's -- I think in a lot of ways I think that there's not quite as many because in the area on the sewer side, as there were on the water side. So it's not going to -- hopefully it shouldn't take -- if we can get answers to those six, eight questions I can this week crank it out and be at the point where we can run scenarios for you. And typically what I do pre-Covid is we get all this stuff and then I come up here with a spreadsheet and put it up on the big screen, and you say well what about if Ultium doesn't happen or LEC leaves. I just kind of do a little work session to say so the people get a feel for the impacts and we make a decision. But so that's kind of where we're at. I need -- those are the like six or eight things that I think we need to do at this point, that next step, and we'll be in shape to see whether or not we think you need an increase or you don't.

MR. KOGELNIK: Okay. Any questions Lordstown officials?

MR. SULLIVAN: So then the sewer, rather than not come to us, would go right to utilities?

MR. BOND: I don't know what's gonna be Council's pleasure as a whole and the BPA's pleasure.

MR. SULLIVAN: Well, in the past.

MR. BOND: In the past it's been done that way, I agree.

MR. SULLIVAN: We would make a recommendation. If you want it to go right to the Utility Committee that's okay with us, you know. Whichever.

MR. PETERSON: Yeah, it's up to wherever you guys want it to go.

MR. McNUTT: And again, that's a large financial commitment.

MR. SULLIVAN: We're gonna be working off the same thing, the spreadsheet that he brings back. We probably ought to just have a joint meeting and take a look at what he brings back and make a decision from there.

MR. BOND: That's possible.

MR. KOGELNIK: And we might have more data at that time based on the variables.

MR. SULLIVAN: Yeah.

MR. McNUTT: If I can say one thing about utility rates in general. Again, as Jay mentioned, not political. Utility rates are enterprise funds, which means they are really designed to be self-supporting. So if a community wants to pay for projects out of the general fund or whatever, that's fine. But I have seen a lot of communities go away from that because the general funds get in trouble. So you guys need to really think through is the project already under the general fund, are they gonna stay there, are new projects gonna go under there. Or the reality that I've seen a lot of places, they take them out of the general fund and they put them back on the utility. And so you guys may end up having to raise rates that pay for future projects.

MS. SLUSARCZYK: The only problem with that scenario, Bob, is only one-third of the Village was ours. Two-thirds was given to Trumbull County. I don't think it's realistic that you can extend sewer lines and just put on a fraction of the customers. If you had all the customer base I could see that, yeah. You're breaking it up a lot more. But right now that would be --

MR. SULLIVAN: That -- yeah, a third of the Village.

MR. McNUTT: That's a special situation you have that most of the utilities don't.

MS. SLUSARCZYK: I'm saying it out loud so you can think about it, there's another one-off for us is the split customer base.

MR. McNUTT: Very good.

MR. PETERSON: Anybody else have any other questions? Are you good, Mike?

MR. SULLIVAN: Do you want a motion to adjourn?

MR. PETERSON: I'm sorry, Kevin. What was that?

MR. CAMPBELL: I just wanted to say I was good and I appreciate his time presenting. To me this was a little refresher. I understood the concepts of what he's presenting, so I wanted to voice my appreciation for that and we'll see where it goes.

MR. SULLIVAN: What else do we have?

2. A Resolution amending and restating Resolution No. 2022-10 of the Board of Public Affairs establishing the hourly wages, and other terms of remuneration for the employees with the Board of Public Affairs pursuant to Ohio Revised Code Section 731.13 to be effective

retroactively to January 1, 2023.

MR. PETERSON: We have a resolution. Item 2, the Resolution amending and restating resolution 2022-10 of the Board of Public Affairs establishing the hourly wages and other terms of remuneration for the employees with the Board of Public affairs pursuant to Ohio Revised Coe 731.13 to be effective retroactively to December 31. Cindy, that was just to adjust based on what Council's doing with summer help and adjust the part-time?

MS. SLUSARCZYK: No. This is the regular hourly employees. Specifically, it affected Darren, the salary. Previously in 2021 they gave a raise in October through December 31. And then in that language it spelled out an hourly rate and said that rate would extend through December 31; and then they continued it, that same language, on '22 and '23 and every year thereafter. So, the problem is that they're salary, so if you tell them $10,000 you should be paying them $10,000. But they have they had an hourly rate factor in there that said literally you'll pay them that hourly rate until December 31. You couldn't make the two scenarios work. So, the language was just cleaned up for '23, '24, the remainder of the thing. It removed the hourly rate and the language that says and extending through December 31. So, the salary -- the figures did not change. There was a removal of the hourly rate and the language to extend to December 31.

MR. PETERSON: Okay. And I guess the other question is whatever Council does with the summer help and the permanent part-time, has that all been figured out?

MS. SLUSARCZYK: The only -- that's another topic. But the summer help with the Village is going to be paid at $13 as it was last year so there is no change.

MR. PETERSON: No change, okay.

MR. SULLIVAN: That doesn't have anything to do with this.

MS. SLUSARCZYK: Not with this particular -- but that will be on our next agenda. The only other question I have to ask the Board is Council revised the hours from 28 hours to 30 hours. Our language -- or our resolution says 28 hours, the summer help would work 28 hours per week. If you want to change that as she's drafting it, I can have her make that change. If not, it reads 28 hours.

MR. PETERSON: Darren, what are your thoughts?

MR. BIGGS: You could put them at 50, Chris, and I would still be busy.

MR. PETERSON: You only have a certain amount of money, and once you run out of money you gotta get rid of them anyway.

MR. BIGGS: That's the way we do it now, correct.

MR. PETERSON: I'm fine with --

MR. SULLIVAN: I'll make a motion.

MR. PETERSON: -- adjusting that to 30. Do you need to do a resolution for our next meeting?

MS. SLUSARCZYK: The resolution -- I'll make the adjustment so you'll have a clean copy so you just pass it. What you have before you now is the resolution to fix the salary language.

MR. SULLIVAN: You know, while we're talking about this, two meetings ago I had made a request that -- I don't know if it was Kevin or whatever -- to go to Council on Darren's behalf. How much have you lost on vacation, how many hours?

MS. SLUSARCZYK: That took care of itself. He was out.

MR. BIGGS: Yeah. I've lost every year. But the problem I was having this year, Mike, and I appreciate you bringing that up, I wasn't gonna be able to get through my vacation, nowhere near it. But I actually ended up getting sick where I couldn't come in at all. So my whole vacation was spent sick on the couch all through the holidays. Thank you for bringing it up, but it kind of worked itself out. I mean, for everybody but me I guess, or maybe it did. But thank you, I appreciate that. But I got sick so it didn't become an issue.

MR. PETERSON: Okay. So I'll make a motion we approve this resolution.

MR. SULLIVAN: I second.

MR. PETERSON: Any more discussion? All those in favor?

(All respond aye.)

MR. PETERSON: All opposed?

(No response.)

MR. PETERSON: Motion passed.

PUBLIC COMMENTS:

MR. PETERSON: Any other Public Comments?

MEMBER COMMENTS:

MR. PETERSON: Seeing none, Member Comments.

MR. CAMPBELL: I have none.

MR. PETERSON: Do you have anything, Kevin?

MR. CAMPBELL: No, I'm good. Thanks guys.

MR. PETERSON: All right. Seeing none -- do you have any member comments, Mike?

MR. SULLIVAN: No.

ADJOURNMENT:

MR. PETERSON: Motion to adjourn.

MR. SULLIVAN: So moved.

MR. PETERSON: Second. All those in favor?

(All respond aye.)

MR. PETERSON: Opposed?

(No response.)

MR. PETERSON: All right.

(Meeting ends at 4:49 p.m.)

C E R T I F I C A T E

STATE OF OHIO)
TRUMBULL COUNTY) SS.

I, Deborah I. Lavelle, a Notary Public in and for the State of Ohio, duly commissioned and qualified, do hereby certify that the foregoing meeting before the Board of Public Affairs was written by me in the presence of the Members and transcribed by me using computer-aided transcription according to the stenotype notes taken at the time the said meeting took place.

I do further certify that I am not a relative, counsel or attorney of any Member, or otherwise interested in the event of this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Niles, Ohio on this 9th day of March, 2023.

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DEBORAH I. LAVELLE, Notary Public
My Commission expires 4/15/2027

Submitted: Approved By:

Cinthia Slusarczyk, Clerk Christopher Peterson, President