

MINUTES
COMMITTEE OF THE WHOLE – FINANCE MEETING
OF WADSWORTH CITY COUNCIL
January 6, 2026 6:00 P.M.

The regular meeting of Wadsworth City Council, Tuesday, January 6, 2026, at 6:00 p.m., was held in-person at City Council Chambers.

PRESIDING: Dan Rospert, *President of Council*

MEMBERS PRESENT: Mike Reese, Jon Yurchiak, Jeanne Hines, Angela May, Chris Maxwell, Zach Berger, Tom Stugmyer

OFFICIALS PRESENT: Mayor Robin Laubaugh, Service Dir. Matt Hiscock, Safety Dir. Dan Chafin, Law Dir. Bradley Proudfoot, Asst. Public Service Dir. Mike Testa, Asst. Public Service Dir Jon Bellack, Clerk of Council Julie Darlington

PRESS REPRESENTATIVES: Patrick Rhonemus, *Medina Gazette*

- I. **CALL TO ORDER:** President Rospert called the **January 6, 2026** Committee of The Whole – Finance meeting to order at approximately 6:00 p.m.
- II. **ROLL CALL:** The Clerk called the roll.
- III. **APPROVAL OF MINUTES:** President Rospert noted the Committee had had the opportunity to review the minutes of the Committee of the Whole meeting from December 16, 2025 and asked for a motion to approve.

Council Member Stugmyer made a motion, which was seconded by Council Member Hines, to approve the **Committee of the Whole - Finance** minutes of **December 16, 2025**. An all in favor motion was taken and all councilmembers present voted in favor of the motion. **MOTION APPROVED.**

IV. ITEMS FOR THE NEW TERM, 2026-2027

President Rospert stated at the beginning of the new term they had some housekeeping to do. They needed to have an election of the Clerk of Council and Deputy Clerk of Council. The discussion will take place now and the election would be held during the council meeting.

-Election of Clerk of Council & Deputy Clerk of Council

President Rospert said Julie Darlington had been serving them as Clerk of Council for the last few years and had done a tremendous job. He asked the Council for any discussion. There was none. He said their Deputy Clerk had been Rachel Wallace and he thought they would be served well with Rachel and asked for any discussion. There was none.

-Committee and Commission Assignments

President Rospert stated that the Commission and Committee Assignments were sent to them and asked if there was any discussion. He said he could read those off to the Council if they would like.

He said the Public Ways Committee would be chaired by Council Member Maxwell with Council Member Berger and Yurchiak. Economic Development and Planning, Council Member Hines chairing with Councilmember May and Reese. Public Service, Councilmember Stugmyer chairing with Councilmember Maxwell and Berger. Public Safety chaired by Councilmember Yurchiak and supported by Councilmember May and Hines. He asked if there was any discussion on those committee assignments. There was none.

President Rospert moved on to the Commissions and Boards assignment. He assigned Council Member Reese to the Airport Commission, Council Member Maxwell to the Cemetery Board, Council Member Berger to TV Commission, Council Member Stugmyer to Senior Citizens, Shade Tree Commission Council Member Hines who had served the past four years. Stormwater Commission, Council Member May. The Audit Committee would be himself, Council Member Stugmyer and May. The Electric and Power was per the Service Department or the Service Committee and Planning Commission was per Economic Development and Planning. He asked if there was any discussion on those items. There was none.

-Election of President Pro-Tem and Vice President Pro-Tem

President Rospert said they will need to had election of a Council President Pro Tem and election of a Vice President Pro Tem and he opened for nominations at that time and then they will do the voting he believed during the Council meeting and then asked if they rather hold the nominations for later.

Law Director Proudfoot said the nominations should be done at the actual Council meeting.

-The Rules of Council 2026-2027

President Rospert said they had also had the opportunity to review the Rules of Council for 26-27. The only change that he suggested from the last few years had been to remove that if a Councilmember does not spend the night in the City Limits that they need to notify the Clerk of Council. He found that to be an old rule since now they had cell phones and emails. He always did report but he always got questioned why he was reporting this, he said because it was one of the rules. He does not know that it was necessary.

He did not know how they felt about it. If it were an extended period of time, he would ask that they let them know but if it was just one night, he did not know if it was necessary. He opened it up with any administration's concerns if there was any.

Council Member Reese agreed it was a good idea.

President Rospert thought they all communicated well with electronics today and he thought it was just an old rule that was just kind of in there and was not always being adhered to.

DRAFT LEGISLATION

1. **ORDINANCE NO. 26-001** AN ORDINANCE AUTHORIZING THE DIRECTOR OF PUBLIC SERVICE TO ENTER INTO A CONTRACT WITH NATIONAL CABLE TELEVISION COOPERATIVE, INC. (NCTC) FOR VIDEO SERVICES REQUIRED TO SUPPORT CITYLINK OPERATIONS AND DECLARING AN EMERGENCY

Assistant Service Director Testa thanked the President and said that item was actually to pay the December bill for their programming and content costs. They were hoping they would get the bill after our second meeting of the month but they did get it and it was due by the 15th and they were subject to a 1.5% late fee in the programming costs for the month, which would be \$128,000. They brought that to Council that evening to avoid a potential \$2,000 late fee.

President Rospert asked for any discussion.

Council Member Stugmyer confirmed that that was one of the contracts that eventually, once everything was switched over to fiber that this would be going away, correct.

Assistant Service Director Testa said that the content cost was actually made up of streaming and cable costs, so as they move forward, the proportion of streaming costs would continue to increase until eventually it was entirely streaming costs.

Council Member Stugmyer clarified that the cable costs would come out of it. Assistant Service Director Testa said that was correct. **Council Member May** asked if that was a regular monthly bill or was it yearly, quarterly. Assistant Service Director Testa said it was a monthly bill.

President Rospert stated the way he saw it in the ordinance, it referred to \$2.675 million, and that was a big concern for him. The content in Section 1 of that ordinance states that the figure was not to exceed \$2.675 million.

Assistant Service Director Testa apologized and thought he had confused himself. He said the reason they were bringing that legislation now was because they pay the December bill with 2026 money, so that was normal. Typically, during the calendar year, the previous month of December through November and then next December comes in the following year. He apologized again and thought he made it more confusing than it needed to be. Last year's contract was estimated at 2.8 million. That was an increase to a total of \$2.675 million, but they needed to have approval to be able to pay the bill that they were going to get, a gap that would be due on January 15th of this year for December of 2025.

President Rospert asked if they were looking at 2.675 million.

Assistant Service Director Testa replied that was correct. That would be the amount for the entire year. He was thinking in his mind the \$128,000.00 for December, but the 2.675 was the estimated content cost for the combination of cable programming and streaming program for a 12-month period.

President Rospert asked where those funds came from. Assistant Service Director Testa said the funds came from CityLink revenues. President Rospert asked Council Member Stugmyer what he would like to do. Council Member Stugmyer said they would suspend and call that evening. The clerk assigned the Ordinance No. 26-001.

V. CITY COUNCIL AGNEDA REVIEW

RESOLUTION NO. 25-20 (2nd RDG) A RESOLUTION REQUESTING ADVANCE PAYMENTS OF MONEY THAT MAY BE IN THE MEDINA COUNTY TREASURY TO THE ACCOUNT OF THE CITY OF WADSWORTH AS PROVIDED FOR IN SECTION 321.34 OF THE OHIO REVISED CODE AND DECLARING AN EMERGENCY

President Rospert stated previous Council Member Parish had sponsored it.

Service Director Hiscock said he could speak to that in lieu of Auditor Fix not being in attendance that evening. It was an annual item that they did. Essentially, the County Auditor's Office receives monies that were due and payable to the City, but they were the receipt agency of those dollars. They just make the request so that they can capture those payments and those monies as soon as possible. He thought at the time of introducing the resolution, Auditor Fix said it would be okay to go to three readings if they chose.

President Rospert asked Council Member Berger to sponsor it and move it to third reading. Council Member Berger said he would.

ORDINANCE NO. 25-218 (2nd RDG) AN ORDINANCE TO AMEND SECTION 52.01 OF THE CODIFIED ORDINANCES OF THE CITY OF WADSWORTH WITH REGARD TO ELECTRIC SERVICE RATES AND TO DECLERE AN EMERGENCY

ORDINANCE NO. 25-219 (2nd RDG) AN ORDINANCE TO AMEND SECTION 54.23 OF THE CODIFIED ORDINANCES OF THE CITY OF WADSWORTH WITH REGARD TO WATER SERVICE RATES AND DECLARING AN EMERGENCY

ORDINANCE NO. 25-220 (2nd RDG) AN ORDINANCE TO AMEND SECTIONS 53.35, 53.37 AND 53.38 OF THE CODIFIED ORDINANCES OF THE CITY OF WADSWORTH TO INCREASE SEWER RATES AND DECLARE AN EMERGENCY

Assistant Service Director Testa said items 25-218, 219, and 220 were similar in that they were requests to increase utility rates. This one in particular was for the electric rate increase. He wanted to provide a basic overview because he knew a couple of them probably had questions.

He said periodically, typically every three to five years, the City hires a specialized accounting firm to do what's known as a cost of service study, often just described as a rate study. What they were doing was looking at all of their costs, debt structure, pricing and basically going through and coming up with new rates that they should be charging based on their analysis to meet a few different parameters.

He said one item was they cannot and do not want to increase rates to the point that they were building unnecessary reserves or reserves more than what they need because they could be subject to price gouging concerns and would be overcharging their residents and customers. They were looking to make sure that they were not proposing rates that were higher than they needed to be.

The second piece of that, the other side of the coin, was that they were charging rates that were sufficient to be able to cover the costs of operations as well as capital replacement costs in the system. There was a lot that goes into that when looking at long-term capital projections estimates on inflation, changes in the cost of chemicals, building materials, those types of things.

The third piece of that was making sure that the rates generate revenue sufficient to generate an operating surplus that allows us to meet all of our debt covenants. So typically, many utility projects were financed with debt.

Assistant Service Director Testa said along with that, there were usually a number of financial ratios that needed to be met, including an operating surplus that was generated annually. The rate studies that led to those three pieces of legislation had actually been conducted over the last couple of years. The electric rate study was new in that that study and was completed that year, and the recommendation was for a 5% increase. He said that did not mean every line item in that budget was going to go up, or every revenue item goes up by 5%. What it really meant was that the rates designed to generate an additional 5% of revenue. In that particular case, it was roughly 5% would equate to about \$1,625,000 of additional revenue.

He said more detail takes that and breaks it down through all of our different customer and rate classes, and there were multiple rate classes associated with electric. They had rates for inside and outside the City for different customers, different size customers. Then within each of those, there was typically a tier of rates that abide based on usage. Typically, a fixed component was a capacity charge. They had known for about a year, and they discussed with the Public Service Committee nearly a year ago, that the expectation would be somewhere in the neighborhood of 3% to 5%. The accounting firm actually gave them two potential rate tracks. The one that they selected was a 5% increase first year, 5% increase for the second year, and then a 3% increase the third year, 3% increase for the fourth year. The alternative track was 3.5% increases for each of four years.

The reason the legislation relates to the first track that he mentioned was because that was what was built into the budget that was approved in December for 2026. In other words, the 2026 budget assumed that they would generate approximately another \$1.6 million in revenue off a 5% rate increase. He can tell them that with the electric rate increase on a typical bill, a typical

bill was what he was estimating to be about 875 kilowatts of usage, and that would be for a residential customer, the increase would equate to approximately \$5.53 per month more than what they were paying now for electric service.

Council Member Berger asked Assistant Service Director Testa if the City knew what they were going to do with that extra revenue and did they have plans for it yet.

Assistant Service Director Testa said the revenue was really used for a couple of things. It was used to pay for some of it, just their ongoing expenses. Some of it was also to build enough of a cash reserve. In colloquial terms, they kind of thought of it as a rainy day fund, but it was more specific than that. It was really a target number that was designed to make sure that with the ebbs and flows of operations, were maintaining debt covenants, and that they have got sufficient funds on hand to cover their near-term costs and anything that unexpected might happen. He could tell them that, broadly speaking, the cash reserve for the electric department would be somewhere in the neighborhood of about \$9 million, so that would be what the ending fund balance target would be at the end of each of their operating years, at least for the next few years.

Council Member Stugmyer thought most of the council knew that all of their utilities were enterprise funds, and basically, all the different utilities were businesses unto themselves, the electric department, and the water department. He said all of the funding and everything that continues to run those departments comes from user fees, nothing from tax dollars or anything else in the budget. That was why the rates were looked at by an outside source so that they can keep a good track on what that was going to look like over a four- or five-year period as far as equipment and everything else. They do not depend on anything but the fees that they were talking about raising here.

Council Member Reese asked when the last time that the rates were increased.

Assistant Service Director Testa said it had been a while since the electric rate was increased. He thought it had been at least 2022, and then other utility rates had been a little awhile. He thought they could have completed rate studies more frequently and then adopted those on a regular basis. Their plan was to do a new rate study every three years with the idea that typically they got a three-year rate design. He could tell them that from doing research on competitor rates, other cities and government-owned unit rates, that it was fairly common for a City Council or the legislative body to adopt the entire rate study design. That meant in one fell swoop they say, okay, 5% this year, then 5% next year, 3%, and that would be spelled out in the ordinance so they knew what their rates were going to look like for the next four years. He mentioned, really the first year of any rate increase that would be requested for the electric department, but the process was similar for water and sewer in that we were actually in the second year of each of those rate increases, but they only adopted the first year last year.

The rate increase for water and sewer was not a surprise. It was something they had known about. It was presented to the Council a year and a half ago. It was just that at that time they just adopted one year at a time with the understanding that they would take another look at it at the beginning of the next year.

President Rospert thanked Assistant Service Director Testa and asked for any further discussion.

Council Member May asked with those rate increases, were they taking into consideration the fact that they were going to need another line into the City at some point.

Assistant Service Director Testa thought what they were talking about was a second delivery point, and he would say that those costs had very little impact on this study for a couple of reasons. One, in the cost structure that they put together for this rate increase, at the time they were estimating it, they thought that maybe cost \$10 million, 10 years down the road. Since that time, when the study had been completed, they had the outage.

They had talked more about a second delivery point, and the more they learn about that, the more they appreciated that it was probably going to cost a lot more than that, and it was probably going to take several years to build that up. The impact there would be that, yes, that was kind of in there at a generic placeholder of \$10 million down the road, but the rate studies were really designed to have the greatest impact as what the expectation was on costs over the horizon, either three to four to five years, whatever the rate study is. For example, the next time they would do a rate study, the second delivery point would have a more significant impact because they probably had firmer costs and a better understanding of when those costs would be spent over the years, and that would need to be incorporated into that rate study more than it was in this one.

Service Director Hiscock added it was an important caveat, and without going too far down into the weeds, they had to remember that the power industry was a very complex and heavily regulated federal industry. All of the price tag for a second delivery point would not fall upon the City of Wadsworth. In fact, they did not have the ability to do that, and that was a reason why for the longest time it had not been done.

That was a transmission asset, and they were a distribution entity. They were not in the business of transmission assets, and so they would need to partner with a transmission entity in order for that to happen. That partnership would probably allocate costs for that delivery point to a certain degree. Our costs probably would be in that substation, which was really just a different part of the same delivery point, but not involved in the transmission generation and those types of things. It was a very complicated project and it would take several years to do that. They were multiple rate studies away from incorporating all of those costs and really knowing the true costs of that project.

President Rospert asked Council Member Stugmyer to move it to third reading.

Council Member Stugmyer said he would move all three to third reading.

President Rospert asked if they could back up to Resolution 25-20. He apologized and said he did get an e-mail from Auditor Fix that day that asked that they suspend and call that so she can

get that paid. He asked Council Member Berger to suspend that. Council Member Berger said he would.

President Rospert asked if there was any other business for the Committee of the Whole Finance.

Council Member Yurchiak had one question for Service Director Hiscock, how were these rate studies figured into their budget for that year. Moving those out another two weeks was it affecting anything that they need to do within the City budget-wise.

Service Director Hiscock thanked them for that question. He said essentially, depending upon when and if council passes these particular rate-related resolutions, it determines when they become effective for us. He did not want to speak for Assistant Service Director Testa, but realistically... Assistant Service Director Testa stated \$290,000 per month between items three and nine. Service Director Hiscock said that was what they were talking about, capturing revenues in a period of time. From their standpoint, and being a customer service-oriented entity, they would not invoke mid-month rate change. They would probably wait until the beginning of a month to do that. In reality, if they take another two weeks to consider what to do on those matters, while they might be out January's revenue numbers, if they institute it on February 1st, that's probably what they would do if they pass them tonight.

Council Member Hines asked what percentage were they both water and sewer going up.

Assistant Service Director Testa said the water rate increase would be 28%. Sewer would be 8.5% and then electric, 5%.

Council Member Stugmyer said that was that year and asked what next year would be.

Assistant Service Director Testa said the first year, the water increased by 38%. That year, it would be 28% and then the third year, it would be 32%. Sewer, overall, would be 8.5% for each of three years. He would also just hope to provide some context there that in the average utility bill for water, sewer, and electric would increase by about \$17 a month. From a little bit of a broader context, those three utility rates put together. The City of Wadsworth rate for those was approximately 20% below what other cities were charging, the average rate of other communities. Even after these increases, if they were to go forward, they would still be, for those three utilities, about 12% less than the average rate in their area. He said no one liked to hear that they had low utility rates in a sense that most people were only familiar with the rates that they had there. However, based on the rate studies, based on some other analyses that had been done, He would say utility rates in Wadsworth were typically a fair amount less than what our neighboring communities and other rates in northeast Ohio were for those same utilities.

Council Member Reese said the rates for three different utilities were going up and asked why they would want to raise them all at once. Maybe they can explain that to them instead of maybe raising one one year. He received a lot of calls that day about that because it was all over social media. He asked what the purpose was of raising all three at once rather than staggering them.

Assistant Service Director Testa said the water and sewer rate that was just the second year increase of rate studies that were completed back in 2024. The electric rate study really was completed roughly in the middle of that year. It was identifying additional revenues that were needed. He said that electric rate study had been completed back in 2024. They would probably be looking at the second year's increase. The reality of it is they had not raised rates very often or very much and especially since COVID the cost of many of the things that they rely on, not just materials, but chemicals, equipment, all of those things had gone up a pretty fair cliff.

They have tried to keep rates steady and low for as long as they could as a courtesy and take care of their customers. However, eventually that catches up and they realized they had to pay off some of those costs and position themselves as additional costs increase they were expected in terms of what they spend their money on.

They need to have revenue to support those. The actual water and sewer costs actually went into effect December 1, 2024. He purposely chose to delay those until January 1 so they would all be together. Typically, it was typical for a community to raise its rates and had them go into effect at the first of the year, because people just tend to think in terms of a 12-month calendar.

Council Member Maxwell said he knew they had a lot of infrastructure upgrades and repairs that they had slated in the coming years. He asked would any of those funds be appropriated towards that or was that strictly just for their cash reserves.

Assistant Service Director Testa said again, the rates were designed to cover some of our operating expenses. Also to cover some of their capital expenses, meaning operating capital expenses that they would likely actually spend cash out over the next three or four years. They had a longer term, 15-year capital budget. The further out they go, the less precise the estimates were. He would say those long-term projects, that money really would not be positioned for that. It would be positioned to pay for expenses as they go and to make sure that they keep enough cash in the bank to meet debt requirements. He said to cover a rainy day so to speak.

Service Director Hiscock said Mr. Testa provided the percentages for water and sewer, but asked if he could please provide for Council and the audience, the actual dollar amounts and average dollar amount increases for those.

Assistant Service Director Testa stated that the average residential customer used about four thousand gallons of water a month. Their sewer rates were tied to water use, so water is still about four thousand gallons a month. The customer used about 875 kilowatt hours per month, and of course, that varied a little bit in the summer when it was hot when it was cold, but an average is about 875 kilowatt hours. He said for a typical residential customer, a 28% increase in water rates would increase the average water bill by \$9.12 per month.

The 8.5% increase for sewer would equate to about a \$2.62 increase in the average sewer bill and the typical electric bill would be expected to increase by \$5.15. That was a total of about \$17.27 per month, or roughly about \$207 per year.

President Rospert thanked Assistant Service Director Testa.

V. OTHER:

None

VI. ADJOURNMENT: Council Member Stugmyer made a motion to adjourn, which was seconded by Council Member Yurchiak. **MEETING ADJOURNED at approximately 6:30 P.M.**

Chairperson

Date Approved