

**FINANCE COMMITTEE &
ALL OF COUNCIL
March 9, 2026**

Chairperson Carter called the meeting to order at 5:30pm

Present – Carter*, Springowski*, Bearer*, Fallis*(arrived at 5:33pm), Gonzalez*, Drwal, Kempton, Torres, Arroyo, Arredondo.

Absent- Dimacchia, Thornsberry.

*Denotes committee member

a) Discussion/review of the 2026 permanent budget ordinance.

b) Supplemental Information

- **1- 2026 Estimated Unencumbered Fund Balances**
- **2- 2026 Permanent Budget Certificate Worksheet**
- **3- 2026 Revenue Budget Detail**
- **4- 2026 Temporary to Permanent Budget Adjustment for Council**
- **5- 2026 Budget – Employee Count**
- **6- Public Properties Request**

CHAIRPERSON CARTER: The plan for the budget meeting and stated there would be a removal of two items that had been requested 3.9 morning by Councilman Fallis (packets 6 and 7) and recapped the end of 2025 and statements made by previous Auditor Joe Koziura in the Chronicle newspaper.

AUDITOR HARPER: Estimated free and unencumbered fund balances and explained the process within the Auditor’s Office with encumbered and unencumbered balances. The fund balance reserve for 2026 is \$2,088,633, it is set at 5% of the previous year’s revenues. In the General Fund, we ended up with \$3,053,210 available to appropriate for 2026. \$46,313,663 is the amount that was certified to the County. Some of the grant funds have negative cash balances, 99% of the grants we receive, we pay up front and are reimbursed, those are accounted for. In document 2, Certificate Worksheet, we submit this form to the County for the budget, it begins with unencumbered, estimated revenue for current year, those are the total estimated resources; estimated resources for 2026, \$45.8M. Permanent Budget appropriations column is currently the Temporary Budget, plus/minus any adjustments to equal the Permanent Budget, ending the year in the General Fund with \$1.9M. All funds are within balance except for Water Pollution Control (WPCF), currently \$2.7M over appropriated, she recommended increasing revenues, decrease expenses, or a combination to balance the fund.

COUNCILMEMBER SPRINGOWSKI: Excess of resources over appropriations, the \$1,942,132, does that include the reserve funds?

AUDITOR HARPER: No, that is set aside and not available for appropriation.

PRESIDENT ARREDONDO: There is a deficit in the WPCF, no General Fund dollars can be transferred to cover the deficit? Regarding the administration from years 2000-2007, the state said that with the deficit from the Water Department, that the General Fund dollars could not be used for that.

AUDITOR HARPER: The General Fund can legally transfer money to any fund within the city. All other funds, except the General Fund, are restricted from transferring money out. That is what President Arredondo is referring to. Clarified there is not enough money in the General Fund to cover the deficit in the Water Pollution Control Fund.

CHAIRPERSON CARTER: That is ORC 5705.39, if passes as is, we will be cited. I suggest that Mr. Thornsberry calls a Streets and Utilities meeting to further discuss.

COUNCILMEMBER FALLIS: General Fund as it stands, expenses: \$43.9M, revenue: \$42.8M. Why is there a \$2.6M deficit in WPCF and what is the plan for it?

MAYOR BRADLEY: There is a fixed rate on the WPCF since 2020 of \$9/month. It may be necessary to raise it \$2-3 per month. The previous plan in 2017 would have had rate payers paying \$20 per month, and \$30 now if that would have stayed in effect. Due to Council changing it to \$9 in 2020, there has not been an increase, but I suggest a small increase.

COUNCILMEMBER FALLIS: Can council can get an answer from the Utilities Dept. of how that deficit occurred?

COUNCILMEMBER ARROYO: In 2016-2017 when the rates had to be raised, there was a plan for them to be raised and then come back down, what is the plan now?

MAYOR BRADLEY: The plan in 2017 was to raise the rates, but not to lower the rates. The plan would have been to raise the rates, as of today, to be \$32-33 a month. In 2019 residents were very upset and couldn't afford the rates.

COUNCILMEMBER ARROYO: It will be a problem either way, whether the rates are raised \$2 or \$20. I'd like a game plan figured out to determine where we are going.

MAYOR BRADLEY: It is councils' responsibility to figure it out. In 2016 the plan was to raise the rates to \$32-33 a month, which would have been unsustainable. Also, council voted to increase the rates to \$20 at that time, which lead to a lawsuit.

COUNCILMEMBER ARROYO: I was for it at the time, and South Lorain received \$8M in water line replacement.

MAYOR BRADLEY: Instead of charging \$20, we would charge \$11-12.

COUNCILMEMBER ARROYO: Is that going to get us out of the deficit, also, how long will that last?

MAYOR BRADLEY: The Utilities Director will have to be asked that.

CHAIRPERSON CARTER: Further conversation will be held in a Streets and Utilities Committee meeting.

COUNCILMEMBER TORRES: How many years will it take to pull the city out of the deficit with a \$3 increase?

MAYOR BRADLEY: The Utilities Director will have to answer, but that there may be a need for a \$0.50 increase per year after. The fixed rate for sewer is Council's responsibility and the fixed rate for water is the administrations. Council altered the previous plan from 2016 in 2020 to a lower rate of \$9 per month, it has lasted 5 years, but we need additional now.

COUNCILMEMBER SPRINGOWSKI: Read off statistics regarding the income level and housing stats in the City of Lorain, suggested obtaining more customers through economic development.

COUNCILMEMBER FALLIS: Requested a 10-year forecast from the Utilities Director when a committee meeting is held.

AUDITOR HARPER: Hit the high points; 65% of the General Fund revenue comes from income taxes. From 2021-2025 income tax increased 23%, in 2026, the estimated revenue increased by 1.8%. We did take into account the possible 160+ layoffs through the schools. Real estate and public utilities are the 2nd largest revenue. With the loss in the homestead rollback, that was calculated in as well. Compensated absences reserve funds were transferred to cover estimated retirement payouts in 2026. State income tax, local government funds, is set by the county, the amount is certified, along with a small amount from the state, that is all included in the revenue estimates. Previous Auditor Koziura had previously determined revenues, she stated 90% of it was still accurate and not many changes were made. She mentioned the county will not be certifying revenue received from real estate taxes until January, she did match up those fund amounts. Comparative data was included to compare over a few years.

CHAIRPERSON CARTER: Auditor Harper, you met with Treasurer Soto regarding revenues and you are in agreement?

AUDITOR HARPER: Yes.

COUNCILMEMBER FALLIS: Cannabis Distribution, 4100.1070, how was that estimate determined?

AUDITOR HARPER: That is what has been collected, to date. The funds had been allocated but not distributed, but were finally caught up through December. The amount is what has been received, we did not include any potential future funds.

COUNCILMEMBER FALLIS: What is the nature of the reimbursements on the revenue side?

AUDITOR HARPER: Those are usually one offs. (Gave examples of a few situations where that happened.)

COUNCILMEMBER FALLIS: The fund balance with \$352,014 a few line items below the previous mentioned topic, where did that money come from?

AUDITOR HARPER: With the original unencumbered fund balance, the money was deposited into a different fund and should have been reported with the General Fund, it was just a transfer of funds from one account to the correct one.

COUNCILMEMBER FALLIS: The Compensated Absences Reserve, is there a cash balance for that fund, and is that is funded appropriately?

AUDITOR HARPER: It is fund 2800 and it will end the year with \$467,000.

COUNCILMEMBER FALLIS: What about the Payroll Reserve account?

AUDITOR HARPER: That is account 2810.

COUNCILMEMBER FALLIS: What about account 2900?

AUDITOR HARPER: That is the dredge facility. Previous Auditor Koziura had estimated year end balances around \$3M, and that was indeed where we ended. On the Permanent Budget, the expenditures, the Fire Department is now at full staff, the temporary budget reflected their department short 2 employees.

MAYOR BRADLEY: I respect the Auditor's Office and their process, and over the years, the revenue tends to increase compared to what is budgeted, and they are being conservative with their estimates. Ending the year with \$2M isn't great, but also, there is \$2M in the rainy-day fund and I applaud the decision to put 5% into the rainy day fund each year. We have a need to bring in revenue and different sources to accomplish that. The PQM plant, we are capable to process more at that plant, and we have had conversations with the

City of Vermilion about their concerns of needing wastewater services. The rates, servicing cities like Sheffield Lake will increase from 105%, 5% each year, to 125% after 5 years. I feel as though Lorain is lucky, cities like Elyria have expenses of \$50M and revenue of \$38M.

CHAIRPERSON CARTER: The only department to provide a letter regarding their needs was Public Properties. Does anyone from the administration know Safety/Service Director Carrion's thoughts regarding it as Mr. Carrion is on vacation?

MAYOR BRADLEY: Mr. Carrion does have knowledge of that, and I believe Mr. Carrion was leaving it up to the Auditor's Office to determine if it could be included.

AUDITOR HARPER: We were informed that the Public Properties Department's seasonal employees were left out of the budget, the ordinance would need amended by Council to add that back in, if you choose to; \$60,000 for Parks and Rec and \$40,000 for the Street Department. There was an additional request to add \$100,000 in legal fees for the Safety/Service Department and we were told today, the County Health Expense withheld from settlement distribution from the county is going up, an additional \$36,812 in that budget (\$150,000 in 2025, to \$191,812 in 2026).

CHAIRPERSON CARTER: What page are these items on?

AUDITOR HARPER: These are not included, but additional items will need revised to be added to the Permanent Budget Ordinance if Council chooses.

CHAIRPERSON CARTER: I would like to hear from Directors that are present.

MINDY STOYKA, PARKS SUPERINTENDENT: If the additional funding for the Parks and Rec Department is not approved, we would have to end the league play at 17 ball fields, operating front door and concession stand at the pool, be unable to keep up with mowing and summer camp would not be able to happen.

CHAIRPERSON CARTER: How many employees and what are the start and end dates, as well as how many hours would that be? What is the pay rate?

MINDY STOYKA: 18 employees and dates are beginning of June until mid-August, and I am unsure of how many hours; the max they can work is 560 hours. Not all seasonal employees will work that though, camp counselors, for example, will only work 5 weeks, and 6 hours each day. The payrate would be \$12 an hour.

CHAIRPERSON CARTER: There was an ask for a raise, who is that for?

MINDY STOYKA: Myself. The reason behind the raise was that I have been doing the role of rec coordinator and parks superintendent and am being paid less than the previous parks superintendent.

CHAIRPERSON CARTER: Is there higher position pay?

MINDY STOYKA: There is not.

COUNCILMEMBER ARROYO: Regarding Homewood Park and the grass cutting, the residents would like to see more grass cut at that park. Also, what about the light at Oakwood, I haven't received an answer to that yet.

MIKE DARMOS: The traffic signal tech, city electrician, is obtaining prices quotes for that.

MINDY STOYKA: We will trim back the wildlife area at Homewood.

CHAIRPERSON CARTER: What would the new hire be for?

MINDY STOYKA: That would be for a laborer position.

COUNCILMEMBER SPRINGOWSKI: It is a no-brainer, if the parks are bringing in \$80,000, we are still “to the good” \$20,000. With the regular complaints about high grass, I do not feel this request is unreasonable.

MINDY STOYKA: \$80,000 is just for the ball fields; the park rentals, pool and concession brought in \$114,012 in 2025.

COUNCILMEMBER FALLIS: The budget shows \$30,000 less in compensation than a year prior. I feel as though it is a benefit to have the parks taken care of, I would be for adding these funds into the budget.

PRESIDENT ARREDONDO: How long have you been in charge of the parks?

MINDY STOYKA: 1 year.

PRESIDENT ARREDONDO: There have been many improvements the parks the last few years. Regarding the letter and the comment about generating more than \$80,000 this year, what was generated last year?

MINDY STOYKA: \$114,012 was last year’s total.

PRESIDENT ARREDONDO: \$80,000 is below that number, but is subject to change. Are the extra funds are being used to offset the expenses?

MINDY STOYKA: The \$40,000 is for the new laborer position, and for my raise.

PRESIDENT ARREDONDO: If you do not get this funding, you won’t be able to provide services. Revenue exceeds the expenses, figures do not lie.

MINDY STOYKA: It would be a total of \$60,000 that we would need.

MIKE DARMOS, Streets Superintendent: Streets Department is requesting \$40,000 in seasonal workers. They help with the painting of the roads, crack/seal crew to maintain the roads, and mowing the city-owned lots.

CHAIRPERSON CARTER: What is the new hire position for?

MIKE DARMOS: An employee started in December, that employee was not included on the previous budget document.

AUDITOR HARPER: Would Council like to add these amounts to the budget?

COUNCILMEMBER SPRINGOWSKI: I would be for adding those amounts into the budget ordinance and appropriations.

COUNCILMEMBER GONZALEZ: If we do add in the additional funds, where would the money come from?

AUDITOR HARPER: On document 2, the program budget worksheet, the last column, it would be taken off the bottom line on that sheet.

COUNCILMEMBER FALLIS: Do we need to take a motion to add it in?

Moved by Mrs. Springowski, supported by Mr. Fallis, to add in the amounts. The motion carried unanimously to add those requests back in.

AUDITOR HARPER: They originally had requested to add in an additional position to the Auditor's Office, but I elected to remove it from the budget for now. Also, with being elected Auditor, I went from an hourly position to a salary position, therefore there was an hourly payout. The \$25,000 in the Safety/Service budget was to buy paper in bulk and as departments needed it, they would contribute from their budgets to cover the \$25,000; the \$500 line item is the Auditor's contribution.

CHAIRPERSON CARTER: An FYI, the Auditor's Office was behind on payroll after pushing out increases to employees and only one person managing the city payroll at one time, the ask of adding an employee to the Auditor's Office has been put off for a long time.

AUDITOR HARPER: That information is correct, we have been wanting an additional employee for around 15 years. In the future, I will meet with council and explain why we need the additional person and what their role will be.

COUNCILMEMBER BEARER: Where are the PERS, hospitalization, etc. on the budget? How many staff members does the Auditor's Office have?

AUDITOR HARPER: It is just regular hours, not additional benefits. There are 7 total staff in the Auditor's Office (and explained everyone's roles).

COUNCILMEMBER SPRINGOWSKI: We need to support the Auditor's Office.

AUDITOR HARPER: We have been short staffed since previous Auditor Mantini eliminated one job. We will discuss it at a future meeting.

DAVE COMER, IT Director: There are no additions/changes to my permanent budget from my temporary budget.

CHAIRPERSON CARTER: The Treasurers Office will be skipped as there are no changes or additions.

MATT KUSZNIR, BHP Director: We had asked for an additional approximately \$184,000 to fund two additional housing inspectors, that amount is salary plus benefits, the additional staff would help with code violations, etc.

CHAIRPERSON CARTER: What about housing court and the revenue that is bringing in?

DIRECTOR KUSZNIR: That is controlled by the Clerk of Courts Office, we have helped increase that budget line item by hundreds of thousands of dollars over the last few years. With additional capacity, we will be able to increase that number even more; I will find out those numbers.

COUNCILMEMBER FALLIS: How many housing inspectors does BHP currently have on staff? Is there is a time of year when BHP inspectors are back logged? Is there is any data to support the need for more?

DIRECTOR KUSZNIR: 2 housing inspectors, 1 housing inspector supervisor, 1 plumbing inspector, 1 electrical inspector, 1 building inspector; the additional inspectors would be helpful. The evidence to support the need is anecdotal but we will be switching to a new software program that will provide those metrics. The high grass calls will begin soon and it is all hands-on deck during that season, last year there were around 1000 inspections and citations, in addition to all other code violations.

COUNCILMEMBER FALLIS: As of today, what is the backlog? And without the data, how can you justify additional inspectors?

DIRECTOR KUSZNIR: I do not have that information. The current inspectors cannot keep up with all of the complaints that they have. We know the workload, we know the community, we know the citations we will get soon, but we are unable to provide exact statistics at this time.

COUNCILMEMBER SPRINGOWSKI: Could the information be obtained?

DIRECTOR KUSZNIR: We will do our best.

PRESIDENT ARREDONDO: What about the apps to report and track any violations noticed?

DIRECTOR KUSZNIR: There is the Lorain Listens app (explained how the reporting is done and notification happens within the BHP Department).

CHAIRPERSON CARTER: No action will happen tonight with BHP pending additional information needing gathered.

AUDITOR HARPER: In 2021 the Building Department collected \$1,057,000 and in 2025 they collected \$1.7M.

CHAIRPERSON CARTER: What about the Council budget?

DEPUTY CLERK PARTIN: Council's budget was increased a bit due to 5 new incoming Council members.

AUDITOR HARPER: Regarding the Police and Fire, I reduced the pension expense due to both funds being overfunded. There was a balance at the end of the year in Police pension of \$817,000 and only a little over \$200,000 was needed in January (the account was overfunded); Fire pension was roughly the same, \$710,000 at the end of the year and only needed \$170,000. Police was reduced by \$640,000 and Fire reduced by \$529,000, both in the General Fund. Increases shown between temporary and permanent budgets were due to no retirements or overtime listed in temporary budget, nor comp time buyback. The pension amounts were reduced in the fire and police levy budgets with the overfunding.

COUNCILMEMBER FALLIS: Would the reductions for police and fire be similar on a go forward basis?

AUDITOR HARPER: The accumulation took place over a few years, the bond was just paid off in 2025. For 2026, going forward, there will be an additional \$400,000 in each fund to reduce the expenditures in the General Fund and levies.

COUNCILMEMBER FALLIS: The funds will be available in 2027, but will be gone by 2028?

AUDITOR HARPER: The reduction will not be as big as it was in 2026, but there will be something.

PRESIDENT ARREDONDO: The fire levy, it is just a renewal, but Chief Radman, is the Fire Department fully staffed, and will there be any retirements in 2026?

CHIEF RADMAN: There will be 3-4 retirements, and we are looking to hire 2 firefighters to replace the two retirements we already had.

PRESIDENT ARREDONDO: Captain Morris can you explain, for the Police Department, where staffing levels are?

CAPTAIN JAKE MORRIS: We are planning for two retirements, the number of officers we would like to have is 105 total, which would be full staff.

CHAIRPERSON CARTER: What will happen if the fire levy does not pass?

CHIEF RADMAN: We will try again in November.

COUNCILMEMBER ARROYO: If the levy does not pass now, we will retry in the fall, but will that affect the staffing level this year?

CHIEF RADMAN: It would not.

CHIEF OF STAFF SOTO: There is no one signed up for RIO currently. Contractual services; the videos the city provides for the benefit of the residents, recorded by staff members. In the office supplies, the bulk purchase of the paper is present, each department was asked to submit a dollar amount for paper.

CHAIRPERSON CARTER: Regarding the fire levy, it was said they would try again if it doesn't pass, but in the event it doesn't pass, who pays the salaries for the firefighters?

MAYOR BRADLEY: If the levy doesn't pass, we will lose firefighters, roughly 4-6 are paid out of the levy. At full staff we have 72 firefighters, if we lose 4-6 there will be a shortage. It is important to pass the fire levy.

AUDITOR HARPER: Since the levy was instituted, 2 new fire stations have been built, they purchased a new ladder truck (\$1.4M), a new pumper truck, and paying for the additional firefighters. The passing of the levy is important.

COUNCILMEMBER FALLIS: What is the cost of a pumper truck?

AUDITOR HARPER: Approximately \$650,000.

COUNCILMEMBER SPRINGOWSKI: If the levy were to fail, the General Fund would have to absorb the cost of the firefighters to maintain staffing levels?

MAYOR BRADLEY: That is correct.

CHAIRPERSON CARTER: Are there any questions regarding the Safety Director's budget?

AUDITOR HARPER: There will be the need for an additional \$100,000 in legal fees in the Safety/Service Dept. budget, and an additional \$36,812 for the County Health Expense. Can Council let me know if they would like those added to the budget?

COUNCILMEMBER SPRINGOWSKI: The County Health Expense, we have to pay our share, but what about the \$100,000 in legal fees?

MAYOR BRADLEY: There are multiple cases, multiple people within the city being sued and sometimes there is a conflict of interest, or potential conflict, and in those cases our Law Department cannot represent each/every person. The City Law Director has been able to negotiate a lower fee from outside counsel, \$250 per hour, in lieu of the \$400-500 per hour standard. There have been a lot of lawsuits recently and possibly the courts will award reimbursements for attorney fees if found that the lawsuits are frivolous or unwarranted. It is best to have the funding available if legal counsel is needed for any members of council, or other employees of the city.

AUDITOR HARPER: Can council to let me know if the legal fees and county health are being added to the budget?

Moved by Mrs. Springowski, supported by Mrs. Carter, to add the legal fees and County Health expenses to the budget. Motion carried unanimously.

ALEX BERKI, Superintendent Black River WWTP: I do not know the whole budget, I am helping while Director Carbonaro is out. WPC Fund deficit has been close to \$2M since 2020, they have tried to offset it, but it has remained. Information I received from Director Carbonaro, services, equipment, materials, personnel (internal & external) costs have all increased. Expenditures have been lowered over the last few years, but the costs have remained high.

COUNCILMEMBER SPRINGOWSKI: Can we have a list of all of the projects that have been paid for out of WPC from 2020 to date?

PRESIDENT ARREDONDO: How long have you worked for the city, Mr. Berki?

ALEX BERKI: 29 years.

PRESIDENT ARREDONDO: Regarding the mayor's comment about Vermilion, is our plant is capable of handling that additional service and what improvements would we need to do it?

ALEX BERKI: It is running at about 1/3 of its capacity. We may need to upgrade a pump station and replace a pipe.

COUNCILMEMBER FALLIS: What would the cost be to the City of Vermilion to reverse the flow and have it go to the PQM plant?

ALEX BERKI: Director Carbonaro would know that information.

COUNCILMEMBER FALLIS: What would the City of Lorain's cost would be if Vermilion decided to switch to us, along with what would we need to do to our infrastructure to handle the flow?

ALEX BERKI: I am unable to answer, but do not believe it would be substantial.

CHAIRPERSON CARTER: We will hold the rest of the Utilities comments until the Utilities meeting.

JOSEPH VAUGHN, 3302 Amherst Ave.: The Water Dept had a large amount of money and the city borrowed it, and stated they never put it back. Departments want additional hires, raises, etc., 60-70% of residents are on fixed incomes, I am against raising rates, residents can't afford it.

CHAIRPERSON CARTER: Mayor Bradley, are we are in negotiations and who are we negotiating with? Also, who is a part of the team that negotiates?

MAYOR BRADLEY: We are in negotiations with 6621, LPD, LFD and dispatchers. They explained to the unions the financial situation the city is in. I am unable to get into details about negotiations because they are private, but we did tell the groups that council has been very supportive since 2020. Our team consists of myself, Rey Carrion, Tim Williams and Rick Soto, there is no outside counsel.

CHAIRPERSON CARTER: What about COLMAG and non-bargaining?

MAYOR BRADLEY: We only negotiate with the unions. COLMAG & non-bargaining get what union 6621 get.

CHAIRPERSON CARTER: Once the contracts are completed, will there be retro payment?

MAYOR BRADLEY: We have not gotten to that point, but if a raise is given, that is normally what happens.

COUNCILMEMBER SPRINGOWSKI: It is helpful if union heads attend meetings. I suggest the development of an economic development team.

Chairperson Carter adjourned the meeting at 7:31pm.