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www.lakewoodoh.gov

Lakewood City Council

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Noticed 04/30/25

PUBLIC NOTICE – FINANCE COMMITTEE

Finance Committee will meet Monday May 5, 2025 at 6:00 p.m. in the Auditorium of Lakewood City Hall at 12650 Detroit Avenue. The meeting is open to the public.

The meeting will be livestreamed on the City's website at the following link:

www.lakewoodoh.gov/councilvideos

PUBLIC COMMENT PROTOCOL (Updated 4/2025)

The public is invited to comment on agenda items by submitting a written comment in advance of the meeting using the eComment platform available [HERE](#). New users must create an eComment account. Committee Chairs may also accommodate in person public comment.

The agenda is as follows:

Approval of the minutes of the March 31, 2025 Finance Committee.

Communication from Mayor George, President Kepple and Vice President Baker regarding Homestead Exemption Adjustments for Water/Sewer Rates. (*referred to Finance 4/7/25*)

ORDINANCE 15-2025 - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least two thirds of the members of Council, or otherwise to take effect and be in force at the earliest period allowed by law, amending sections 902.12 Homestead Exemption (sewer) and 915.03 Homestead Exemption (water) to increase the income threshold to adjusted gross income of \$40,000 annually. (*1st read and referred to Finance 4/7/25*)

Tom Bullock, Chair

Kyle Baker, Cindy Strebis; Members

FINANCE COMMITTEE

Individuals with disabilities who require accommodations for participation in meetings must request accommodations at least 3 business days ahead of the scheduled meeting. Contact Michelle Nohta at (216) 529-5906 michelle.nochta@lakewoodoh.net.



City of Lakewood
Office of the Mayor

Meghan F. George, Mayor

(216) 529-6600
mayor@lakewoodoh.gov

April 7, 2025

City Council
City of Lakewood
12650 Detroit Avenue
Lakewood, Ohio 44107

RE: Homestead Exemption Adjustments for Water/Sewer Rates

Dear Members of City Council,

We are writing to bring forward a proposal for your consideration regarding updates to the Homestead Exemption program for water and sewer rates. The Homestead Exemption, established in 2013, currently allows residents who are at least 65 years of age or disabled, own and reside in their home, and have a total household income not exceeding \$35,000 annually to qualify for reduced water and sewer rates. Eligible participants currently pay 75% of the standard water/sewer rate, providing an average annual savings of approximately \$480 per household. Currently, about 325 households participate, costing the city approximately \$155,000 per year.

Two key questions have arisen regarding potential updates to this program: (1) whether to increase the income limit to \$40,000 and (2) whether to use Adjusted Gross Income (AGI) rather than total income in determining eligibility.

Increase Limit to \$40,000

Both Cuyahoga County and Cleveland Water have set higher income thresholds for their Homestead Exemption programs—\$40,000 and \$42,000, respectively. A rough estimate based on income tax receipt data suggests that increasing the threshold from \$35,000 to \$40,000 would allow approximately 100 additional households to qualify, this would be an additional revenue loss to the city of \$50,000.

Use of Adjusted Gross Income vs. Total Income

Currently, our city calculates eligibility using total household income, which includes all pension and Social Security benefits. However, both Cuyahoga County and Cleveland Water determine eligibility based on AGI, as reported on federal tax form 1040, line 11. If an applicant does not file a tax return, statements such as Social Security award letters are used as proof of income. The primary difference in these methods is that AGI excludes the non-taxable portion of Social Security benefits and certain deductions, which could result in more residents qualifying for the exemption.

Adopting AGI as our standard would align our process with other programs in the region and may provide a fairer assessment of financial need.

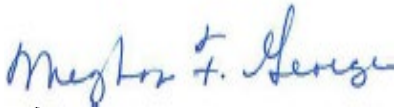
Recommendation

We recommend that we move forward with both proposed changes: increasing the income threshold to \$40,000 and transitioning to AGI for income determination. To implement this change, we would require all applicants to submit a copy of their Federal Tax Return (1040 or 1040-SR) or, for non-filers, official income statements. This documentation would be required for both initial applications and renewals, ensuring consistent and transparent eligibility verification.

These adjustments would modernize our Homestead Exemption policy, making it more equitable and consistent with other regional programs while providing much-needed financial relief to qualifying residents.

Thank you for your time and consideration.

Sincerely,



Meghan George
Mayor



Sarah Kepple
President of Council



Kyle Baker
Vice President of Council

1st read & referred
to Finance 4/7/25;
2nd reading 4/21/25

ORDINANCE NO. 15-2025

BY:

AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least two thirds of the members of Council, or otherwise to take effect and be in force at the earliest period allowed by law, amending sections 902.12 Homestead Exemption (sewer) and 915.03 Homestead Exemption (water) to increase the income threshold to adjusted gross income of \$40,000 annually.

WHEREAS, a homestead exemption was established in 2013 which permits the discounting of water and sewer rates for residents who have total income of less than \$35,000; and

WHEREAS, other communities have higher income levels to allow more households to participate and apply the measure of adjusted gross income as the threshold instead of total income; and

WHEREAS, the income limits in Lakewood's Homestead Exemptions have not been updated in nearly 12 years; and

WHEREAS, as set forth in Section 2.12 of the Third Amended Charter of the City of Lakewood, this Council by a vote of at least two thirds of its members determines that this ordinance is an emergency measure and that it shall take effect immediately, and that it is necessary for the immediate preservation of the public property, health, and safety and to provide for the usual daily operation of municipal departments in that the City Homestead Exemptions should be made available promptly to all qualifying residents. Now therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO

Section 1. That Section 902.12 Homestead Exemption (sewer) of the Lakewood Codified Ordinances, currently reading as follows:

902.12 HOMESTEAD EXEMPTION.

There is hereby established a special homestead exemption whereby sewer rates charged to a dwelling unit owned and occupied by a person 65 years of age or older or owned and occupied by a permanently or totally disabled person, provided that the sum of all income of all adults occupying the dwelling unit falls below \$35,000 per annum, shall be 75% of the sewer rate established pursuant to this chapter. For the purposes of this section, "income" shall have the same meaning as in Section 128.03101.

is hereby repealed.

Section 2. That new Section 902.12 Homestead Exemption (sewer) of the Lakewood Codified Ordinances is hereby enacted to read as follows:

902.12 HOMESTEAD EXEMPTION.

There is hereby established a special homestead exemption whereby sewer rates charged to a dwelling unit owned and occupied by a person 65 years of age or older or owned and occupied by a permanently or totally disabled person, provided that the sum of all adjusted gross income, as defined by the Internal Revenue Service, of all adults occupying the dwelling unit falls below \$35,000~~40,000~~ per annum, shall be 75% of the sewer rate established pursuant to this chapter. ~~For the purposes of this section, "income" shall have the same meaning as in Section 128.03101.~~

Section 3. That Section 915.03 Homestead Exemption (water) of the Lakewood Codified Ordinances, currently reading as follows:

915.03 HOMESTEAD EXEMPTION.

There is hereby established a special homestead exemption whereby water rates charged to a dwelling unit owned and occupied by a person 65 years of age or older or owned and occupied by a permanently or totally disabled person, provided that the sum of all income of all adults occupying the dwelling unit falls below \$35,000 per annum. Pursuant to this exemption, persons eligible shall be charged 55% of the water rate established pursuant to this chapter. For the purposes of this section, "income" shall have the same meaning as in Section 128.03101.

is hereby repealed.

Section 4. That new Section 915.03 Homestead Exemption (water) of the Lakewood Codified Ordinances is hereby enacted to read as follows:

915.03 HOMESTEAD EXEMPTION.

There is hereby established a special homestead exemption whereby water rates charged to a dwelling unit owned and occupied by a person 65 years of age or older or owned and occupied by a permanently or totally disabled person, provided that the sum of all adjusted gross income, as defined by the Internal Revenue Service, of all adults occupying the dwelling unit falls below \$35,000/40,000 per annum. ~~Pursuant to this exemption, persons eligible shall be charged 55% of the water rate established pursuant to this chapter. For the purposes of this section, "income" shall have the same meaning as in Section 128.03101.~~

Section 5. It is found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council, and that all such deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 6. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare in the City and for the usual daily operation of the City for the reasons set forth and defined in the preamble to this ordinance, and provided it receives the affirmative vote of at least two thirds of the members of Council, this ordinance shall take effect and be in force immediately upon its adoption by the Council and approval by the Mayor, or otherwise it shall take effect and be in force after the earliest period allowed by law.

Adopted: _____

Sarah Kepple, President of Council

Maureen M. Bach, Clerk of Council

Approved: _____

Meghan F. George, Mayor