



A Message from our Village President,
Harold J. Mire, Jr.

FINANCIAL STATE OF THE VILLAGE

Dear Resident(s):

I hope this letter finds all of you and your families doing well. As we approach the Memorial Holiday weekend, please drive carefully and remember to keep those and the families of those who have served and paid the ultimate sacrifice in your thoughts.

Well, we made it through our previous fiscal year in sound financial shape but in order to maintain our fiscal stability for the upcoming years, we will unfortunately have to make some financial adjustments to the services we provide due to the continual increase in the costs of goods that we utilize. I know I don't have to tell you that because you see the increases in your everyday purchases of groceries, etc.

First let's discuss Water Rates. As you know we completed the Water Loop project at a cost in excess of \$500k. We also just had a water tower inspection and we are confident, that at a minimum, we will have to sandblast and paint the water tower. We anticipate the cost be in the hundreds of thousands. Likewise, the Brain of the water system has outlived its useful life and we are currently seeking quotes, but believe the price of a new brain will be no less than \$50k. Finally, the annual lease, in the amount of \$16k, received from Sprint for use of our water Tower has been cancelled effective September 2023 due to their acquisition by T-Mobile. All of this combined, along with the cost of goods and in order to sustain the current water system, leaves us no choice but to increase the water rates. **This will be the first increase in water rates since 2017, some 6 years ago.**

The methodology we utilized to arrive at a fair rate involved the items we discussed, what was needed for long term stability of the system and what nearby Villages were charging for their water service.

Our new rate effective July 1, 2023 increases from \$28.00 for the first 2,000 gallons to \$30.00. This rate is slightly higher than that of Port Byron which charges \$26.00 for the first 2,500 gallons and Hampton, which gets their water from East Moline, charges \$19.64 for their first 2,000 gallons. **However, after the initial base rate usage is exceeded, our rate will be \$3.00 per 1,000 gallons,** compared to Port Byron's rate of \$4.00 per 1,000 gallons and Hampton's rate of \$5.75 per 1,000 gallons. The ordinance, as passed, allows for a 2% annual increase which can be waived in any year.

Secondly let's discuss Sewer Rates. Both Hampton and Rapids City utilize East Moline for sewer treatment. Therefore, that's the two that I will use for comparison purposes. One should keep in mind that when you compare the two of us, Rapids City has a longer run to the East Moline Treatment plant and therefore more footage to cover in terms of repair. You should also know that East Moline alone decides the rate they charge the Village and the Village has no input into that decision making. **This will be the first increase in the sewer rate since 2014, some 9 years ago.**

Our Rapids City Residential base rate of \$35.00 and our Non-Residential users monthly minimum fee of \$44.25, which includes the first 2,000 gallons, will remain the same, NO INCREASE. Flat Rate Residential Sewer Users will increase from \$64.80 per month to \$77.25 per month. The Hampton base rate will increase to \$22.21, again they have a shorter run to maintain. **Effective July 1, 2023 our additional usage rate per 1,000 gallons will increase to \$6.85** and Hampton's will increase to \$6.75. East Moline has advised us that they expect to increase their cost to the Village by 5.5% annually through 2027. Hopefully they will modify their position on this annual increase. Again, we have no input into what is charged to the Village.

Thirdly, let's discuss waste (garbage) collection rates. For over 10 years the Board has utilized excess funds to subsidize the waste collection rates residents and businesses pay. We have even given a month's free collection as a way to give back in certain years. Beginning July 1, 2023, the Village will no longer have the luxury of subsidizing any monthly waste collection bills. We have two vendors bidding for the waste collection business currently and the Board will make a selection at the June meeting and the rate will be effective August 1, 2023.

Finally, let's discuss property taxes. For the last eight years, upon my recommendation and the Board's approval, we initially lowered the Village Property Tax Rate and maintained that rate, NO INCREASE. This year due to the huge equalization factor applied by the Assessor, the Board once again lowered the Village Property Tax Rate as we felt it was unwarranted.

For most of the last decade this Board has maintained a debt free Village. However, Father Time, just like he takes a toll on us, he has taken a toll on our infrastructure. Therefore, we had to incur significant debt to complete the Waterloo system, to design and complete the 13th Street Culvert Project (99% complete) and the biggest one of all, the 17th Street Hill project, expected start date sometime between 6/15 – 7/1, weather permitting. The three projects alone required millions in bonds and we currently have outstanding bond debts of \$1,929,809.41, which means we have already paid down quite a bit. The bulk of this, 1.6+ million is for the 17th Street project. These projects were or is being done with your money, no grants or MFT funds. This is your hard earned tax dollars at work and you deserve to know where it was/is spent.

The Board and I have done everything in our power to do MORE WITH LESS and we have held off on raising rates for years as best we could, but alas that day has come. We hope you know that it was as distasteful to us as it is you. However, in order to provide you with the service you deserve we had no alternative.

Even with these expenditures, the Village Financial situation is sound and stable and we intend to make sure we continue moving forward in that direction for a very long time.

If you have any questions or would like to discuss this or any other matters, please feel free to reach out to me. Thank you for allowing all of us to serve you.

Regards,

Harold J. Mire, Jr., President
Village of Rapids City