



A MESSAGE FROM OUR VILLAGE PRESIDENT

HAROLD J. MIRE, JR.

**APOLOGIZE FOR THE LENGTH BUT PLEASE READ IN ITS ENTIRETY
VERY IMPORTANT INFORMATION REGARDING UTILITY RATES**

Dear Resident(s):

It's that time of year again when the children are out of school and will be traversing the streets in the village more often, so I ask everyone to observe the speed limits, stop at all stop signs and be extremely aware of your surroundings.

One particular area of concern is the area of 9th Avenue and 17th Street. This is a major residential intersection in the Village, and we have received complaints of motorists failing to observe the stop sign and speeding through the intersection. We have asked the RICO Sheriff's Office to observe this intersection more closely as we want to avoid any unnecessary injuries to life or property.

I would like to take a moment to acknowledge Greg Rankin's service to the Village. Greg decided not to seek re-election as a Trustee and attended his last meeting as a Village elected official on May 13, 2025. Greg has served this Village with distinction for two decades as both a Trustee and Village President. On behalf of everyone who has had the privilege of working with Greg and on behalf of a grateful Village, I want to thank Greg for a job well done. If you should see Greg around, please thank him.

Assuming Greg's position as Trustee, is Nick Peschang. Nick is a welcomed addition to the Board and brings youth and a business experience perspective to the Board. Also serving another term is Carolyn Fowler and Kristy Polenske. We are very grateful for their years of service and look forward to their valuable input as the Village moves forward.

I have always told you that I would always be transparent, always have and always will be. However, the news that I am about to deliver is very distasteful to me, but necessary to maintain the proper operation of the Village utilities. This is a lengthy message but please bear with me as I am going to present to you the entire financial picture of our utilities.

Let's discuss the Water Fund. The Water Fund has taken several financial hits lately. I will start with the Waterloo project. I am very limited as to what I can say about this project because we are in mediation that may go back to arbitration over an approximate 200k cost overrun on the initial bid. We have to carry that as a liability on our books until that issue is resolved. The 17th Street project initially negatively impacted the Water Fund greater than expected based upon findings as the road was dismantled and things discovered. We had to install 2 new pressure reduction valves, a new water main from 17th St. Hill to Route 84, 2 new hydrants with valves, new service lines up to the curb boxes, 5 new isolation valves, etc. The approximate cost of the 17th Street assessed to the Water Fund was \$327,946.00. The General Fund and Sewer Fund each loaned the Water Fund \$163,973.12 to cover the cost. It was better to borrow internally at 0% than to seek funds from a financial institution. Water started immediately re-paying General and Sewer the funds until January 14, 2025. At the meeting on January 14, 2025, the Board, in accordance with applicable law, forgave the amount of \$143,973.12 due to the General Fund from the Water Fund. However, the Board is not allowed to forgive the loan from the Sewer Fund. Therefore, the Water Fund is required to pay the Sewer Fund \$2,249.58 monthly for 64 months from the date of the meeting. Also, a few months ago, the "Brain" of the system, which monitors the tower and water levels, malfunctioned and parts for the antiquated "Brain" can no longer be located. First, there is NO DANGER to the public. What this means is that our Public Works personnel have to manually

monitor the tower water levels at various times throughout the day and night. A new “Brain” has been ordered, and the cost of this project is approximately \$60,000.00. Additionally, we have a Water Tower project. The Water Tower must be completely refurbished every 17-20 years. As it stands, that will have to be done in 2027-2028. The estimated cost to perform this project is \$750,000.00. We are currently seeking a low interest loan from the State but that will be months, if not a year in the making, even if we get approval. Also, Sprint used to have an antenna on the Water Tower and paid the Village \$2,000 per month lease. When T-Mobile purchased Sprint, they discontinued use of that antenna, and the Village lost that revenue of \$24,000 per year. Lastly the Water Fund currently has approximately a \$60,000.00 balance remaining.

I am sure by now you understand where this is headed. The Board had no other option than to raise rates to maintain the viability of the Water Fund. Therefore, the following will occur with regards to rates effective July 1, 2025 to April 30, 2026. The Fund and rates will be re-evaluated for future increases in the budget process that begins in January 2026.

- 1. There will be NO CHANGE in the base rate of \$35.00 for the first 2,000 gallons. A recent water study suggested we reduce our base rate to only include 1,000 gallons but we are not doing that this year.
- 2. The rate for water in excess of the first 2,000 gallons will increase from \$3.06 per 1,000 gallons to \$3.60 per 1,000 gallons.
- 3. There will be a \$10.00 monthly surcharge that will be dedicated to Water Tower maintenance.

Now let’s discuss the Sewer Fund. The Sewer Fund is currently stable. However, as most of you may know, the City of East Moline processes Village Sewage, and they have passed sizeable cost increases for the next five years and these increases have already begun. This year, the increase to the Village is 17.54%, 2026 – 17.54%, 2027 – 15.53%, 2028 – 15.08% and 2029 – 12.54%. Naturally, the Village Sewer Fund cannot absorb this type of increase and do nothing. Therefore, the following will occur with regards to rates effective July 1, 2025 to April 30, 2026. The Fund and rates will be re-evaluated for future increases in the budget process that begins in January 2026.

- 1. For this year, the Village is absorbing a sufficient percentage of the increase.
- 2. There will be NO CHANGE in the base rate of \$35.00 and \$44.25 respectively for the first 2,000 gallons for the Current Residential Cost and Non-Residential Cost.
- 3. Residential Cost and Non-Residential Cost will increase 5.5%, from \$7.23 per 1,000 gallons after the first 2,000 gallons to \$7.63 per 1,000 gallons.
- 4. Current Flat Rate Residential Cost will increase 10.10% from \$77.25 to \$85.05.

Finally, is the Waste Management Fund. The Waste Management Fund is basically a pass-through account. We collect the monies and forward them to the Waste Management Company. As of now, the projected monthly rates from July to June are as follows:

- 2025-2026 - \$15.18
- 2026-2027 - \$15.86
- 2027-2028 - \$16.58

We have always held our fiduciary responsibility to you, the citizens, as a solemn oath. We have tried to do more with less. The Village Staffing has not increased in over 20 years, we have lowered your Village Property Tax Rate three times, and it has not increased once in the last ten years and yet we still delivered quality products to the community.

By now I am rambling and apologize because as you can tell I am really bothered by the actions we were forced to take. I feel helpless because we did not have any good options. To the Seniors, those on Fixed Incomes and those barely scrapping by, know that I truly regret these actions and ask for your understanding and forgiveness.

Sincerely,

Harold J. Mire, Jr.
Village President