

Village of Channahon

Popular Annual Financial Report

Fiscal Year Ended April 30, 2021

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Incorporated in 1961, the Village of Channahon is celebrating its 60th anniversary in 2021. While much has changed around town over the last six decades, the once small canal town has quietly and efficiently transformed into a bustling destination for new residential, commercial and industrial development. Through the continued evolution of Channahon, one thing remains the same: our commitment to thoughtful, sustainable growth.

Overview



Dear Residents and Businesses of Channahon,

The Village of Channahon is proud to present the Popular Annual Financial Report (PAFR) for the fiscal year ended April 30, 2021.

This report provides highlights of the Village’s finances from the previous fiscal year by taking information from our recently completed Comprehensive Annual Financial Report (Annual Report) and summarizing it in a more comprehensible format. The PAFR is intended to be a supplement to the Annual Report, not a replacement. The complete 2021 Annual Report, which explores the Village’s financial operations in full, can be found at www.channahon.org/AnnualReport2021.

For the sixteenth consecutive year, the Village was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for the fiscal year ended April 30, 2020. Additionally, the Village also received its second consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended April 30, 2020. Our commitment to the GFOA award programs is a testament to our belief that sharing financial information in formats consistent with the highest standards in governmental financial reporting is imperative.

Fiscal year 2021 also marked the kickoff of the Village’s 60th anniversary celebrations, a special moment in our community’s history. Today, the original vision for Channahon is a reality: a scenic village with diverse residential, commercial and retail experiences and an outstanding financial position. The Village of Channahon does not rest on its laurels, though. As you’ll see throughout this report, the Village continues to focus on a number of improvements across town intended to enhance the quality of life for our residents.

The Village of Channahon takes immense pride in what we’ve accomplished. As elected officials, it is our strong belief that maintaining effective communication with our residents and businesses promotes transparency and responsible government. We hope this report gives you a greater understanding of how we continuously strive to achieve one overarching goal: to improve the lives of all of our residents with thoughtful, sustainable growth.

Respectfully,

Missey Moorman Schumacher
Village President



Quick Statistics



Community Demographics

13,383 Residents
4,300 Households
\$91,897 Median Household Income
\$224,500 Median Housing Value



Police Department

25 Officers
7,778 Calls for Service
235,236 Patrol Miles
2,709 Training Hours



Public Works

85.4 Miles of Roads
1,107 Tons of Salt Used for Snow Removal
1,699,000 Peak Day Water Pumped (Gallons)
801,035 Average Daily Water Pumped (Gallons)
684,000 Average Daily Sewerage Treated (Gallons)



Community Development

4,140 Building Inspections Performed
124 Construction Permits Issued
1,337,177 Commercial Square Footage Permitted

Strategic Goals

1. Preserve Channahon as a wonderful community to work, live and play in.
2. Engage the community with a diversified and compassionate law enforcement agency.
3. Continue the Village's conservative approach to financial decisions.
4. Uphold a high standard of services provided to residents.
5. Maintain the pace of building high quality developments in the Village.



Village of Channahon's Top Employers

Employer	Employees	Employer	Employees
1. Amazon Services LLC	700	6. Aux Sable Liquid Products	158
2. Channahon Park District	261	7. Minooka Community High School	133
3. A&R Logistics, Inc.	205	8. Amazon.com Services LLC	80
4. Utility Concrete Products, LLC	175	9. Brieser Construction	70
5. Channahon Grade School Dist.17	164	10. Novo Distribution, LLC	69

Key Terms

FUNDS

Most Village services and projects are accounted for in a general category referred to as Funds. This report focuses on the Village's largest funds (General, Water & Sewer and Capital Projects).

GENERAL FUND

Accounts for revenues and expenditures for general operations of the Village not required to be accounted for in separate funds.

NET POSITION

The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. A positive net position means the Village has more money available (assets) than it owes (liabilities).

WATER & SEWER FUND

Accounts for the revenue and expenses related to providing a safe, drinkable water supply for domestic and industrial usage, fire protection and for maintaining a dependable system for collecting and treating wastewater of the Village. The fund also accounts for the Village's refuse disposal operations.

CAPITAL OUTLAY

Money that is spent to maintain, upgrade, acquire or repair capital assets, or Village-owned property and equipment.

INTERGOVERNMENTAL REVENUES

Revenues such as state and local sales tax, income tax, gaming tax, etc.

General Fund

The General Fund is the general operating fund of the Village. It is used to pay for services typically associated with governmental activities, such as public safety, street and road maintenance, planning and community development, and the general administration of the Village.

In Fiscal Year 2021, the General Fund Balance **increased more than \$2.8 million**, or 18.9%. The increase was a result of conservative spending, the receipt of significantly more revenues than initially anticipated, and the receipt of unanticipated state and federal grant monies. The Village Board strives to maintain a healthy fund balance for future growth and to be prepared for an unanticipated or unforeseen decreases in revenues.



Fund Balance - General Fund

	2021	2020
Assets		
Deferred outflows of resources	\$0	\$0
Liabilities		
Deferred inflows of resources (e.g. property taxes, sales taxes, income taxes)	\$2,638,246	\$2,343,807
General Fund Balance	\$17,662,964	\$14,854,293

General Fund Revenues Trends

Source	FY 2021	FY 2020
Property Taxes	\$1,257,810	\$1,282,350
Police Pension Taxes	\$882,130	\$822,222
Other Taxes	\$1,924,821	\$1,210,703
Intergovernmental Revenues	\$5,065,526	\$3,242,618
Licenses & Permits	\$944,518	\$664,531
Fines & Fees	\$139,786	\$132,807
Charges for Services	\$455,858	\$441,268
TIF Payments in Lieu of Taxes	\$211,633	\$204,062
Interest Income	\$89,563	\$376,754
Miscellaneous Revenues	\$1,066,204	\$761,730
GRAND TOTAL	\$12,037,849	\$9,139,045

General Fund Expenditures Trends

Source	FY 2021	FY 2020
General Government*	\$1,213,860	\$1,180,688
Contributions to Police Pension Fund	\$882,130	\$822,222
Public Safety	\$3,801,152	\$3,631,505
Streets and Bridges	\$2,069,351	\$1,367,256
Community Development	\$636,148	\$570,716
Capital Outlay**	\$1,389,933	\$1,099,761
Debt Service	\$442,451	\$437,885
GRAND TOTAL	\$10,435,025	\$9,110,033

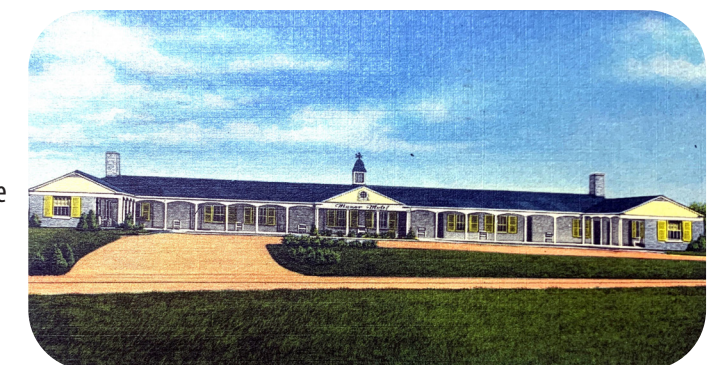
*Includes the following departments: Administration, Finance, and Emergency Management
 **Includes: Various capital projects or capital items such as vehicles, and equipment for public safety

At the close of fiscal year 2021, the Village's General Fund **revenues exceeded expenditures by approximately \$1.6 million**. Fiscal year 2021 was vastly unique in that the Village continued to prosper and thrive amidst an ongoing pandemic. Residential, commercial and industrial building continued throughout the fiscal year, resulting in various revenue sources such as permits, fees, sales tax, and property tax. In addition, fiscal year 2021 includes revenues received from the state and federal governments related to infrastructure and pandemic related expenses.

Over the course of the year, the Village Board of Trustees revised the Village budget to account for changes in projected revenues, the speeding up or delay of Village projects, and changes in costs for normal operations. The General Fund's amended budgeted revenues were approximately \$7.2 million, while expenses were approximately \$10.8 million.

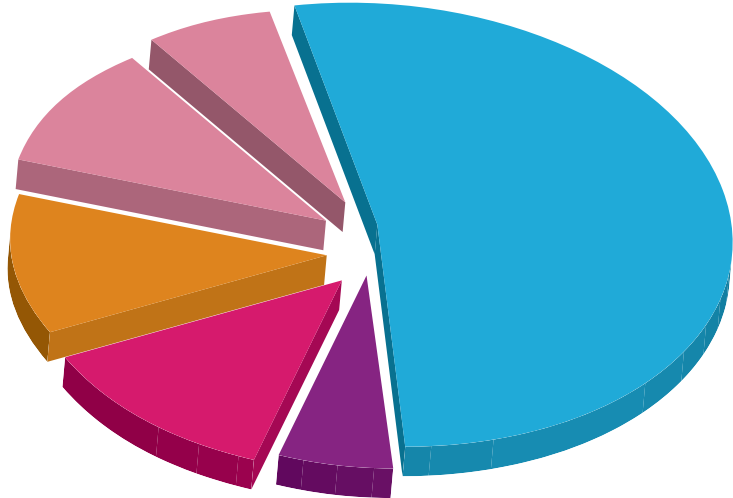
Did You Know?






Opened in 1954, the Manor Motel in Channahon was one of the original destinations along Route 66. Today, the Manor Motel is considered to be one of the longest running motel buildings remaining on Route 66 in Illinois.



Revenues & Expenditures

Fiscal Year 2021 Revenues



	Property Taxes The Village levies taxes in December each year for both Will and Grundy Counties. The Village collects approximately 6.9% of the total property taxes paid by residential, commercial and industrial parcels.	Village \$1.3 million
	Other Taxes The Village receives various other tax revenues such as state and local sales tax, income and local use tax, gaming tax, cannabis tax, fuel and diesel tax. These tax revenue sources are used to support operating and capital expenditures.	Police Pension \$0.8 million
	Intergovernmental Grants The Village received various state and federal grants during the fiscal year. The grants related to both ongoing infrastructure projects and COVID-19 related expenses.	\$6.3 million
	Licenses, Permits, Fines, Fees and Charges for Services The Village collects revenues related to licenses (liquor, business, vending machines), permits (building, application, UTV, mobile food vendors, solicitation), fines and fees (compliance tickets, law enforcement, impound, overweight trucks), and charges for services (franchise fees, security details, contractor registrations).	\$0.7 million
	Interest Income and Other Revenues The Village earns interest income on various checking, money market, and investment accounts in addition to miscellaneous revenues from other sources.	\$1.5 million
	TOTAL REVENUES	\$12.0 million

Capital Improvements



A solid foundation for the Village includes infrastructure, buildings, ease of transportation, current technology, and excellent public safety services. In order to maintain the foundation of the Village, capital purchases and capital improvements are an essential part of the Village's success and future.

The Village is in the process of reinstating a five-year capital improvement plan (CIP). A CIP is a tool that will assist the Village in making effective budgeting decisions for large projects and purchases, based on the Village's goals and available resources. The CIP will provide a link between the Village's comprehensive and strategic plan and the annual budget. A CIP will provide a working plan for sustaining and improving the community's infrastructure and department equipment and is essential for managing and coordinating the expenditure of public resources.

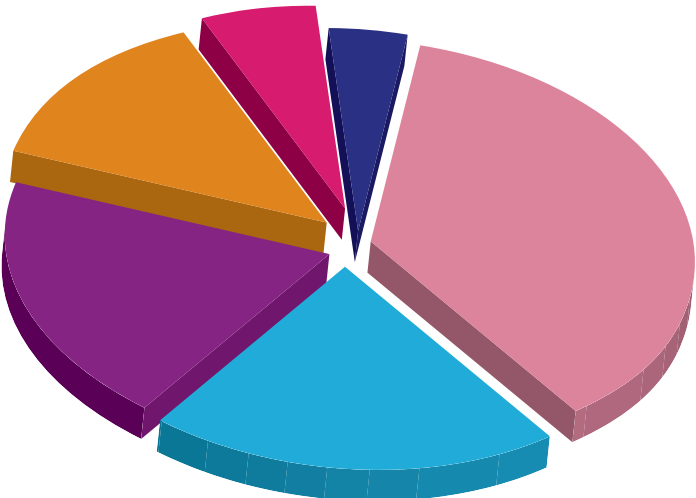
- The Village purchased capital equipment and vehicles for the Police and the Public Works departments, including:
- Three Police vehicles to replace deteriorating and aging vehicles within the fleet
 - Replacement of an old articulating telescopic aerial boom truck
 - Replacement front loader and skid steer
 - Two work trucks with snow plows to replace deteriorating and aging vehicles within the Public Works fleet
 - A replacement dump truck with snow plow



- Other capital projects continued or completed this year include:
- Additional land acquisition for the Bridge Street Multi-Use Path
 - Completion of the Waste Water Treatment Plant expansion
 - Completion of the Dove Drive reconstruction

Due to the continued investment in capital equipment, vehicles and infrastructure representative of the investment in the future of the Village, increases in expenditures are anticipated each year.

Fiscal Year 2021 Expenditures



	Public Safety	36.5%
	General Government	20.2%
	Streets & Bridges	20.2%
	Capital Outlay	13.5%
	Community Development	5.8%
	Debt Service	3.8%

Department Snapshot: Public Works



The Village of Channahon's Public Works Department is one of the largest departments in the municipality, employing 22 full-time employees and approximately three seasonal employees. Led by Director Edward Dolezal, the department maintains a fleet of 26 trucks and 13 pieces of equipment that are used to maintain all Village-owned property, streets, sidewalks, trees and landscaping, water and sewer systems, buildings and grounds, and snow removal and ice control to provide a pleasant and safe community for the Village's residents. The Public Works Department consists of two general areas of responsibility: Streets and Utilities. Each division provides services to Channahon residents in an efficient, timely, reliable and cost-effective manner in order to enhance the living and business conditions within the Village. To accomplish these missions, the Public Works Department strives to uphold ongoing maintenance of existing assets and develop a comprehensive Capital Improvement Program to ensure a sustainable high level of service into the future.

Streets Division

The mission of the Streets Division of the Department of Public Works is to deliver public works services - including maintenance of pavement, right-of-way, buildings and grounds, snow plowing, stormwater drainage management, and engineering review of development - to the residents of the Village of Channahon.

Utilities Division

The mission of the Utilities Division of the Department of Public Works is to deliver safe and pleasing potable water to the residents of the Village of Channahon. The Utilities Division is also responsible for treating wastewater to minimize environmental impact and maintain sanitary living conditions.

Bridge Street Multi-Use Path



In June 2021, the Village of Channahon was awarded \$2 million through the Illinois Transportation Enhancement Program (ITEP) for the final phase of the Bridge Street Multi-Use Path project.

This marks the Village's third time applying for and receiving an ITEP grant for the Bridge Street Multi-Use Path project; the Village received a combined total of \$1.46 million in ITEP funding in the 2016 and 2018 grant cycles for the design and construction of Phase 1, 2 and the first half of Phase 3 of the project. Upon the final phase's completion, the Village will have received a total of \$3.46 million in ITEP funding for the entire project.

Overseen by the Public Works Department, the Bridge Street Multi-Use Path will complete the missing, non-motorized link in the trail system connecting the eastern and western segments of Channahon, including Minooka High School, that are currently divided by the river system. The Bridge Street Multi-Use Path will provide a direct connection to existing area and regional public multi-use trails. At the east end, the path connects to the I&M Canal State Trail, which extends through the Channahon State Park, to the Village Municipal Complex and Commercial Districts, and ultimately through northeastern Illinois. The Bridge Street Multi-Use Path will also advance the goals established in the Village's 2008 Comprehensive Master Trail Plan and the 2019 Re-Imagine Channahon Comprehensive Plan.

The Village was one of 99 communities, out of 270 total applications, to be awarded an ITEP grant in the 2020 program cycle.

Potable Water Supply

The Village of Channahon, through its Public Works Department, draws its drinking water primarily from wells drilled deep into an aquifer and, after treating it to make sure it is safe, distributes it to residences and businesses. Groundwater modeling done by the Illinois State Water Survey indicates that this aquifer that provides drinking water to Channahon and surrounding communities is not sustainable after a few more decades.

In response to this situation, the Village has been looking at alternative water sources. The Village, and other surrounding municipalities, have an opportunity to form a new Water Commission in order to obtain the future supply of water from Lake Michigan through the City of Chicago. The commission would provide Lake Michigan water to Channahon's residents and businesses. The feasibility and cost to do this, along with other alternative sources, has been a primary focus of the Public Works Department for almost two years. A decision whether to join a Lake Michigan Water Commission is expected to be made by the Village Board by January 2022.



Water & Sewer Fund

Water & Sewer Fund Revenues Trends

Source	FY 2021	FY 2020
Water and Sewer Billings	\$3,279,722	\$2,951,678
Water Meters	\$59,348	\$66,925
Water System Recapture	\$17,330	\$2,750
Water and Sewer Tap/Turn-On Fees	\$1,511,797	\$1,314,565
Refuse Disposal	\$1,098,231	\$1,030,159
Grants	\$48,039	\$0
Miscellaneous Income	\$272,930	\$182,516
GRAND TOTAL	\$6,287,397	\$5,548,593

Water & Sewer Fund Expenditures Trends

Source	FY 2021	FY 2020
Salaries	\$895,633	\$750,409
Employee Benefits	\$184,829	\$172,069
Legal and Professional Fees	\$87,183	\$5,844
Engineering Fees	\$83,426	\$26,689
Sewage Transportation	\$184,511	\$183,552
Refuse Removal Contract	\$1,026,017	\$957,841
Utilities	\$442,855	\$366,399
Billing and Office	\$83,274	\$59,711
Repair and Maintenance	\$333,532	\$742,926
Depreciation	\$1,679,315	\$1,390,547
Chemical Supplies and Testing	\$52,610	\$23,014
Misc. Expenses	\$6,668	\$8,166
GRAND TOTAL	\$5,059,853	\$4,687,227

Water & Sewer Fund Net Position

The Village's Water & Sewer fund net position increased by approximately \$2.7 million. Current and other assets, which consist mainly of cash and investments, customer account receivables, intergovernmental receivables (grants, shared taxes with other governmental bodies, etc.), increased by approximately \$3.3 million, largely due to state and federal grant monies received and not yet spent, as well as capital asset additions.

	2021	2020
Assets	\$54,836,919	\$51,523,044
Deferred outflows of resources (e.g. pensions)	\$256,118	\$371,531
Liabilities	\$13,503,136	\$13,083,983
Deferred inflows of resources (e.g. pensions)	\$392,949	\$324,157
Water & Sewer Fund Balance	\$41,196,952	\$38,486,435

Wastewater Treatment Plant



The most recent expansion of Channahon's wastewater treatment plan has been in service for about a year. The expansion doubled the treatment capacity to about 1.4 million gallons of wastewater per day. That is enough to treat the wastewater from the equivalent of more than 14,000 people. The new expansion included the ability to remove phosphorus, a plant nutrient that promotes the growth of algae in the receiving waters (the Des Plaines River) of the plant's effluent. Too much algae degrades the river by using up oxygen or by producing toxins. By now removing the phosphorus, we are further minimizing our negative impact on the environment.

The expansion will provide capacity for the Village to continue to develop and grow in a service area roughly between I-55 and McLinden Road. The next major wastewater project will be a new treatment plant east of Brisbin Road to serve the Village from McLinden Road west to Brisbin Road.

Did You Know?

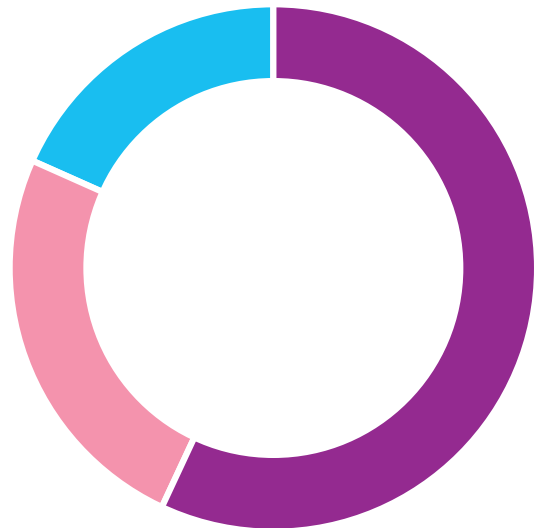
Channahon is home to the Illinois & Michigan (I&M) Canal, which is the centerpiece of the National Heritage Corridor. Originally used to transport goods and services across the state, the I&M Canal today is a 100-mile urban cultural park intended to preserve this Illinois landmark.



Long-Term Debt

The Village has approximately \$8.8 million of General Obligation bonds outstanding and approximately \$11.7 million of Illinois Environmental Protection Agency (IEPA) loans outstanding. 53.6% of the total debt outstanding was recently incurred as a result of the wastewater treatment plant expansion project.

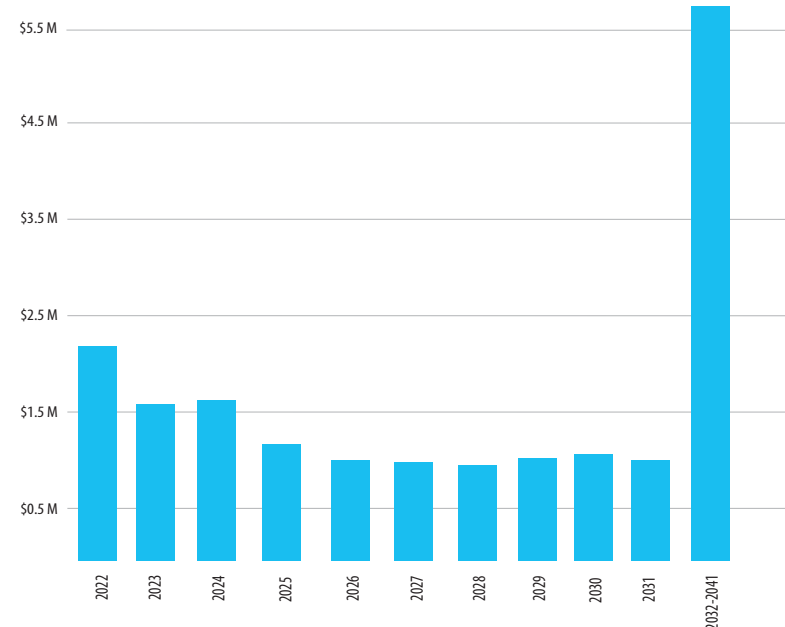
The following is a summary of the Village's outstanding debt as of April 30, 2021.



FY 2021 Total Outstanding Debt

24.5%	General Obligation - Non-Utility	\$5,026,350
18.3%	General Obligation - Utility	\$3,753,587
57.2%	Illinois Environmental Protection Agency Loans	\$11,720,316
	Total Outstanding Debt	\$20,500,253

Schedule of Debt Payout



Don't think of debt as a burden, but rather an opportunity to fund major capital projects for the growth, success and prosperity for the Village in the present and in the future.

The Village funds the annual debt payments from alternate revenue sources other than property taxes. The Village does not levy a tax for any outstanding debt payments.

General Obligation Bond Ratings

MOODY'S

Aa2

(very strong)

Bond ratings are measures of a municipality's credit risk and ability to pay its debt. The stronger the bond rating, the lower the credit risk. The Village's bond ratings reflect a very strong ability to fulfill its debt obligations on an annual basis. The Village's last reaffirmation report for the bond rating stated, "The Village of Channahon has a healthy financial profile with extremely strong reserves and a low debt burden."

Looking Ahead



The economic outlook for the Village of Channahon is a positive one. The Village of Channahon is, has been and will continue to experience growth. The pace of development continues to increase in the Village, and the overall interest in investing in the community is expected to continue in upcoming years. Our goal for the future is to account for that continued growth while also remaining conservative in nature. This positive growth is a result of sound fiscal management by staff, the Village's conservative approach to budgeting and thoughtful consideration related to all decisions made by the Village Board. Channahon continues to be a community in which people want to live, work and visit.

Acknowledgments

This report and the information contained herein has been prepared with the help of the Village's Administrator, Finance Department staff and the cooperation of each Village department. The guidance, support and leadership provided by the Mayor and Board of Trustees in the preparation of this report are all recognized and greatly appreciated.

Requests for Information

The information contained in the PAFR is a general overview of the Village's finances. Questions or requests for additional information may be addressed to **Finance Director Heather Wagonblott** at (815) 467-6644, hwagonblott@channahon.org or to:

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