

Introduction

The preparation and adoption of a Capital Improvements Program (CIP) is an important part of Hanover Township’s planning process. A CIP aims to recognize and resolve deficiencies in existing public facilities and anticipate and meet future demand for capital facilities. A CIP is a multi-year schedule that lays out a series of Township projects and their anticipated associated costs. Over the five year period considered by the CIP, it shows how the Township should plan to expand or renovate facilities and services to meet the demands of existing and new residents and businesses.

A CIP is an advisory document that can serve a number of purposes, including:

1. Guide the Township Board and administration in the annual budgeting process;
2. Aid in prioritization, coordination, and sequencing of capital improvements;
3. Inform residents, business owners, and developers of planned improvements

Overview

Submitted for consideration is the Capital Improvements Program for the Fiscal Years 2020-2021 through 2024-2025. This document identifies long term needs and proposes a multi-year financial plan for them. The Township of Hanover has a long standing commitment to quality public services and thoughtful planning. The Capital Improvements Program formalizes that commitment and provides for orderly and appropriately financed growth of Township facilities. It is a financial tool that allows the Town Board to take a long range view of the organization’s needs. This process will serve the organization as part of a larger ongoing strategic planning effort.

Beginning in the summer, the Township staff review the projects included in the current Capital Improvements Program, update the costs and status of those projects, and identify new projects to be included. The department submissions are reviewed, and project budgets and schedules are adjusted accordingly. The Town Board reviews the five-year program in the early fall, allowing an opportunity for additions, deletions, or amendments. This allows staff time to incorporate the new year’s projects into the upcoming budget development process. This early review will likely also afford the Township an opportunity to bid construction projects early in the year, keeping costs down and completion timely.

The five-year Capital Improvements Program for 2021-2025 totals \$5,778,000. A portion of these funds will be dedicated to developing the Izaak Walton Center parking lot, the Lenoci Reserve walking path addition, and the Senior Center main level flooring replacement. Other projects include improvements to the Astor Avenue Community Center and Food Pantry and unincorporated Hanover Township road resurfacing. Long term projects include construction of a Town Hall roof replacement and a shelter for Hanover Township vehicles that accommodates Department of Emergency Services by facilitating a permanent training and operating space. Funding will predominantly be transferred from the Town Fund, Road Fund, and Senior Fund, as well as Capital Fund reserves and Grants. The chart on the following page shows anticipated annual expenditures proposed in the 2021-2025 program. Capital expenditures can be expected to vary significantly from one year to the next.

Capital Improvement Program



Hanover Township 5+ Year Capital Improvement Plan (CIP) (April 1, 2020)

Project	FY 21	FY 22	FY 23	FY 24	FY 25	Total
<i>Combined Transportation Facility</i>	\$ 1,500,000					\$ 1,500,000
<i>Izaak Walton Reserve Master Plan</i>	\$ 800,000					\$ 800,000
<i>Senior Center Improvements</i>	\$ 120,000			\$ 40,000	\$ 50,000	\$ 210,000
<i>Astor Avenue Parking Lot</i>	\$ 25,000					\$ 25,000
<i>Town Hall RTU Replacement</i>	\$ 10,000		\$ 11,000		\$ 12,000	\$ 33,000
<i>Roadway Improvements</i>	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,750,000
<i>Izaak Walton HVAC Improvement</i>		\$ 60,000				\$ 60,000
<i>Town Hall Roof and Renovations</i>		\$ 30,000	\$ 665,000	\$ 210,000		\$ 905,000
<i>Camera Security System</i>	\$ 30,000	\$ 30,000				\$ 60,000
<i>Miscellaneous Minor Improvements</i>	\$ 165,000		\$ 25,000	\$ 25,000		\$ 215,000
Total Per Fiscal Year	\$ 3,000,000	\$ 470,000	\$ 1,051,000	\$ 625,000	\$ 412,000	\$ 5,558,000

Funding Summary	FY 21	FY 22	FY 23	FY 24	FY 25	Total
<i>Grants</i>	\$ 2,000,000		\$ 1,000		\$ -	\$ 2,001,000
<i>Property Tax Revenue- Senior Fund</i>	\$ 120,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 220,000
<i>Property Tax Revenue- Road Fund</i>	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,750,000
<i>Property Tax Revenue- Town Fund</i>	\$ 765,000	\$ 45,000	\$ 300,000	\$ 150,000	\$ 62,000	\$ 1,322,000
<i>Property Tax Revenue- Capital Fund Reserve</i>	\$ 209,000	\$ 25,000	\$ 350,000	\$ 125,000	\$ -	\$ 709,000
Total Funding	\$ 3,444,000	\$ 470,000	\$ 1,051,000	\$ 625,000	\$ 412,000	\$ 6,002,000

Financing Methods

Hanover Township has limited financing options. These options include funding from current revenue, often referred to as pay-as-you-go. The vast majority of annual revenue to the Township is from local property tax revenue, the bulk of which funds operating expenses such as salaries and utilities. A larger portion of these funds could be set aside each year for capital expenditures purposes. A second option is to fund the improvements through the working fund reserves, which represent savings by the Township over time in each of the Township's several funds.

Debt financing, often referred to as pay-as-you-use, is another option available for consideration. The Town Board has historically been reluctant to use this source of financing, except for short-term borrowing on rare occasion. The Township is limited by state statute and practice from considering other forms of revenue including sales tax, impact fees, and significant user fees.

Another major source of revenue for financing capital projects are grants. The Township has successfully applied for several Community Development Block Grants from the federal government through Cook County. A variety of county, state, federal, and private grants are available for application and the Township has been actively pursuing these opportunities. A mixture of financing methods including current revenue, fund reserves, grants, and borrowing will likely be required for any significant projects.

FY 2021 Highlights

Although the Capital Improvements Program anticipates expenditures over a five year period, the immediate focus is on FY2021, which is referred to as the Capital Budget. These projects are part of the operating budget that was approved by the Town Board. For Fiscal Year 2021, the Town Board has allocated up to \$1,185,000 to be expended on capital improvements. The \$1,185,000 will be derived from local property tax revenues and reserves. These funds are to be budgeted on the following primary projects: Izaak Walton parking lot resurfacing/connection to Hastings Street, Lenoci Reserve walking path, Senior Center main level flooring replacement, Food Pantry remodeling, and road resurfacing of Hanover Township roads.

Project: *Emergency Services Station*

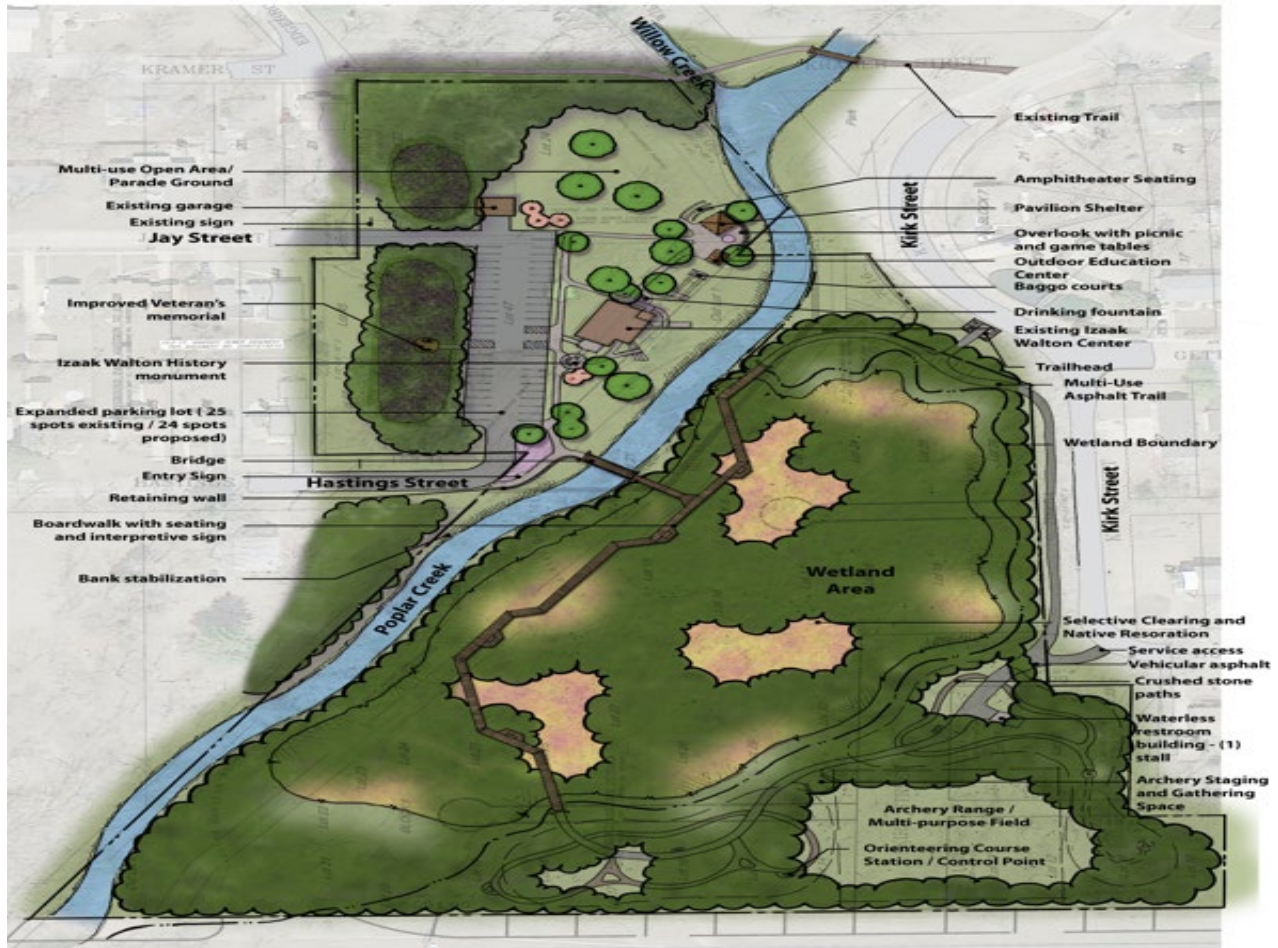


Description: Operating out of the donated space in Bartlett, Emergency Services is in need of a more permanent facility in order to better shelter Hanover Township’s large fleet of vehicles. Not only will the Senior Service buses have protection from the environment when not in use, but the Department of Emergency Services would have a space for their increasing fleet and equipment. Emergency Services also requires a more permanent space to conduct trainings. A site will be identified and acquired to build and renovate in conjunction with a contracted architect. The project entails constructing a garage and training space that includes bathroom facilities and additional storage for the township. This project is set to complete in FY2021.

Projected Impact on Operational Budget:

This project would add additional operational expenses.

Project: Izaak Walton Reserve Master Plan



Description: Hanover Township acquired the Izaak Walton property in FY 2013, and consists of 11 acres of wooded land that includes a lodge built in the 1940's. To maximize the utilization of the 11 acre property, a more permanently constructed bridge, walking path and elevated board walk will lead through the southwest portion of the reserve, which mostly consists of forest and wetland south of Poplar Creek. Currently an archery range resides in the southwest corner of the reserve and a pathway would provide easier and more frequent accessibility. On the northern side of Poplar Creek, Hanover Township is looking to add a designated picnic area with drinking fountains and pavilion shelter as well as an amphitheater. This project is set for completion by FY2021 contingent on the State of Illinois Open Space Land Acquisition and Development grant funding.

Projected Impact on Operational Budget:

With the addition of reserve improvements, there may be operational impact related to property upkeep for the Facilities and Road Maintenance Department. Full operational impact would be assessed as the master plan is developed for the reserves.

Project: Izaak Walton Parking Lot Resurfacing



Description: The Izaak Walton Center and Reserve has been in need of a parking lot rehabilitation since it was donated in FY 2013. With land transferred from the City of Elgin, the parking lot was extended to connect to Hastings Street in FY2020. Presently, the parking lot has 27 spaces for cars including two designated handicap spaces. The parking lot needs resurfaced and restriped. The resurfacing project is targeted for completion in FY 2021.

Projected Impact on Operational Budget:

This project will have no estimated impact on the operational budget.

Project: Senior Center Billing Automated System



Description: The Building Automated System (BAS) was installed upon the completion of the Senior Center construction in 2004. The BAS controls the HVAV system for the building and allows multiple units to be controlled by a central location and function in conjunction with other units. A replacement of the BAS is needed due to the current operating system not being supported by the operator any longer. Immediate needs include replacing the HVAC Billing Automated System that regulates temperature controls for the building. Longer term updates involve replacement of the larger components of the HVAC system including the boiler, main control panel, and sensors on the main equipment. This is projected for completion FY2021.

Projected Impact on Operational Budget:

This project will have no estimated impact on the operating budget.

Capital Improvement Program

Project: *Township Security Camera System*



Description: The current security system for Township properties includes an alarm system, emergency panic buttons, and piece-meal security cameras. To increase security throughout the Township locations, an upgrade to a commercial Township-wide integrated system that utilizes centralized monitoring control is required. This would enhance uniformity of security throughout the Township and aid in crime prevention. Additional locations to monitor on top of Hanover Township's main campus and satellite offices would be the Izaak Walton and Lenoci Reserves. The Bridlewood Subdivision would be included as an additional location in order to monitor for snow in the winter. The project is scheduled for completion in FY21.

Projected Impact on Operational Budget:

This project will have no estimated impact on the operational budget.

Project: Astor Avenue Parking Lot



Description: The existing parking lot serving the Astor Avenue Community Center is in need of resurfacing and repairs. This includes the front parking spaces and the side driveway that provides access for delivery vans for the food pantry. The project is scheduled for completion in FY21.

Projected Impact on Operational Budget:

This project is expected to have no estimated impact on the operational budget.

Project: Izaak Walton Center HVAC Improvement



Description: The Izaak Walton property was donated to the Township in FY 2013, and consists of 11 acres of wooded land that includes a lodge built in the 1940's. Over the last four fiscal years, the lodge has been remodeled and transformed into a useable office and community space. Though the main floor of the building has been updated with central air conditioning, the lower level has not. Currently, insulation is being added to regulate temperature throughout the seasons. With the increasing number of events and meetings taking place in the lower level, this issue has grown more noticeable and is targeted to be addressed in FY 2022 with a new lower level air conditioning system.

Projected Impact on Operational Budget:

This project will have no estimated impact on the operational budget.

Project: *Senior Center Improvements*



Description: The Senior Center was constructed in 2004 with approximately 20,395 square feet. New tile to the main entryways, front desk area, and a portion of the café area was added in FY2019. Carpeting was replaced due to extensive staining, aging, and wearing in FY2020. The building is in need of updates to the art room's counter tops and cabinets, the main lobby furniture, and the lower level flooring. Also, an assessment of any external wear on the building or grounds and subsequent repairs are needed. Other building improvements projected for the future entail roof replacement, plumbing refurbishments, and electrical updates. This will be an ongoing project throughout FY21-FY25 and the next ten years.

Projected Impact on Operational Budget:

This project will have no estimated impact on the operational budget.

Project: *Town Hall RTU Replacement*



Description: The RTU (Roof Top Unit) is designed to supply a building with heat and air conditioning. The average life span of an RTU is roughly 15 to 20 years. A plan has been implemented to replace one RTU every two years, until all the old units have been replaced.

Projected Impact on Operational Budget:

This project is expected to reduce maintenance costs for these units and provide additional energy efficiencies, slightly reducing operating costs

Project: *Road Resurfacing Project*



Description: In January of 2018, the Hanover Township Road District was consolidated into the operations of Hanover Township due to a citizen referendum the prior year. The Township owns and maintains approximately 13 miles of unincorporated roads. The Township completed a comprehensive road system assessment with an engineering firm to provide long-term guidance on road resurfacing prioritization. In FY2022, the Township plans to resurface roads in the eastern portion of the Sherwood Oaks subdivision along with South Berner Drive to address cracking, loose gravel, and deterioration of these roads as identified in the road system assessment.

Proposed Impact on Operational Budget:

This project will have no estimated impact on the operational budget

Project: *Reserve Improvements*



Description: One of the key strategic goals established during the three year strategic planning retreat was the creation of a master plan for improvements at the Township’s open space reserves. The reserve master plan would build off existing plans available for the Mel Runzel Reserve, the Naomi Walters Lenoci Reserve, and the Izaak Walton Reserve. The plan would include updating existing plans with changes in resources available, long-term reserve development and establishing the priorities and preferences of user groups. Specific improvements foreseen for the Runzel Reserve property may include dedicated green space for recreational activities such as a putting green or yoga area, alternative exercise equipment, an entertainment space, a new fountain, additional benches for seating, or a permanent bags or horseshoe set up. Possible updates for the Lenoci Reserve involve community garden boxes and water access to accommodate the garden and a drinking fountain. This is projected for completion by FY2024.

Projected Impact on Operational Budget:

This project will have no estimated impact on the operational budget.

Project: *Town Hall Roof and Building Improvements*



Description: The Town Hall building is almost thirty-five years old and will soon need significant repairs to keep it in good condition. Repairs and replacements will include a new roof, replacement and redesign of the fascia material, new energy efficient windows and doors. Improvements made will keep the building safe, help prevent major structural repairs and make it more sustainable.

Projected Impact on Operational Budget:

This project will have no estimated impact on the operational budget.