

Hanover Township

Capital Improvement Program

(FY08 – FY12)

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 Town 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 proposed Capital Improvements Program for the Fiscal Years 2007-2008 through 2011-2012. 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 Town 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 late summer, 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 5-year Capital Improvements Program for 2008-2012 totals \$3,433,000. In Fiscal Year 2008 the Town Board has allocated up to \$560,000 to be expended on capital improvements. This included approximately \$470,000 in grants and \$90,000 in local property tax revenues. The chart below shows anticipated annual expenditures proposed in the 2008-2012 Program. Capital expenditures can be expected to vary significantly from one year to the next.

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 expenditure purposes. A second option is to fund the improvements through the working fund reserves, which represent savings by the Township overtime in each of the Town'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. 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 may be available for application; however a great deal of research is required to identify these potential sources of capital revenue. The Township may wish to allocate additional resources to grant research, writing, and administration. A mixture of financing methods including current revenue, fund reserves, grants, and borrowing will likely be required for any significant projects.

FY08 Highlights

While the Capital Improvements Program anticipates expenditures over a five-year period, the immediate focus is on 2007-2008, which is referred to as the Capital Budget. These projects are part of the operating budget that has been approved by the Town Board. In Fiscal Year 2008 the Town Board has allocated up to \$560,000 to be expended on capital improvements. Funds are proposed to be budgeted for a total of four projects. Projects include continued improvements at the Astor Avenue Community Center, seal coating and repairs of the parking facilities at the main Township campus, and a variety of small improvements such as HVAC system repairs and upgrades. Additionally, the CIP calls for a comprehensive space study of the town hall building in anticipation of, and planning for, the larger town hall building addition and remodeling.

Project Descriptions

Town Hall Addition/Remodeling:

This project consists of building an addition on the existing town hall to primarily accommodate growth in the Food Pantry and associated Welfare Services. Funds permitting, the addition may also house additional offices based upon the anticipated space study findings. The project may also include a variety of remodeling to the existing town hall including HVAC systems, sprinkler systems, floor/space configurations, possible demolition and reconstruction of the older farmhouse portion of the facility, flooring, lighting, and façade improvements. \$250,000 has been acquired from CDBG grants towards the Food Pantry portion of the project. An addition to the town hall for the Food Pantry is advantageous as it reduces land purchase costs associated with off-site options and provides for more effective service coordination.

Senior Park

This project will address the continued growth in the senior citizen population of the Township. Many years ago the Town Board had the foresight to purchase a sizable main campus. Within the last few years the Township has successfully completed the construction of an impressive Senior Center. Adjacent to the main campus, a new senior housing and assisted living complex has recently been completed and occupied. Today, these facilities represent the majority of senior orientated construction throughout Hanover Township. A new senior park located between these two facilities on an approximate 1.2 acre parcel owned by the Township would provide additional recreation and programming space specifically designed for our growing senior population. The goal is to form a partnership with the Park District and utilize state grants to pursue the project.

Senior Center Lower Level West Build out

This project would provide additional space for Senior Center activities. In particular, the Senior Services staff has proposed a “Positive Aging Resource Center” that would compliment existing programming and services offered at the center. The Township has already acquired \$80,000 in CDBG funds towards the completion of the project.

Highway/Bus Garage

The Township owns and operates eleven vehicles, excluding those owned by the Road District. Currently, only three of these vehicles are housed under roof. The existing Highway and bus garages are dated, likely not in compliance with all current codes, and ineffective at meeting existing and future space needs. A new garage would likely be located in the general area of the existing garages, providing much needed additional space for vehicles, a wash bay to allow for on-site cleaning of vehicles, and possibly additional cold storage space for Township records.

Parking Lot Reconstruction

The existing parking lot serving the town hall and the areas around the garages is in significant disrepair. A short term project to repair and seal coat the lots should prolong their useful life by a few years, however significant reconstruction will be required in the near future. This reconstruction should only occur after any planned major construction projects using these access roads and lots such as the town hall addition/remodel and the garage construction.

Senior Center Lower Level East Build Out

In the more distant future the remaining space in lower level of the Senior Center may be built out to accommodate the continued growth of the Township’s senior population. Programmatic use of this space would be detailed at a later time as specific needs and demands are determined. Until this time, the space will be utilized Township wide for storage purposes.

Astor Avenue Improvements

The community center at Astor Avenue is an older facility that will likely require additional repair and upgrades over a long period of time to remain operational. These funds are set aside for general improvements to retain the building’s operational status.

Campus Enlargement

This project is to address long term space needs of the Township. As neighboring properties are voluntarily placed on the market for sale, the Township should review each parcel for consideration for long term acquisition to accommodate services offered by the Township.

Recommendations

As this is the first year of implementing the Township's Capital Improvement Program, it is recommended that the Town Board consider each project individually and in context of the larger CIP. This would be an appropriate time to offer additional projects for inclusion in the CIP and/or deletions or amendments to the projects presented. The CIP is an advisory document providing the Town Board and administration direction in future fiscal year's capital budget development. Future years funding need not be fully addressed in the CIP, only in the capital budget of the effective fiscal year. It is anticipated that a variety of funding sources will be required to meet the CIP as presented including current revenues, grants, fund reserves, and possibly some form of borrowing. Grants will likely be a primary source of funding for capital improvements. The Township should invest additional resources towards grant research, writing, and administration. Please feel free to contact the Administrator's Office with any questions, comments, or inquiries regarding the information presented.