

# Hanover Township

## Capital Improvement Program

(FY14 – FY18)

### 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

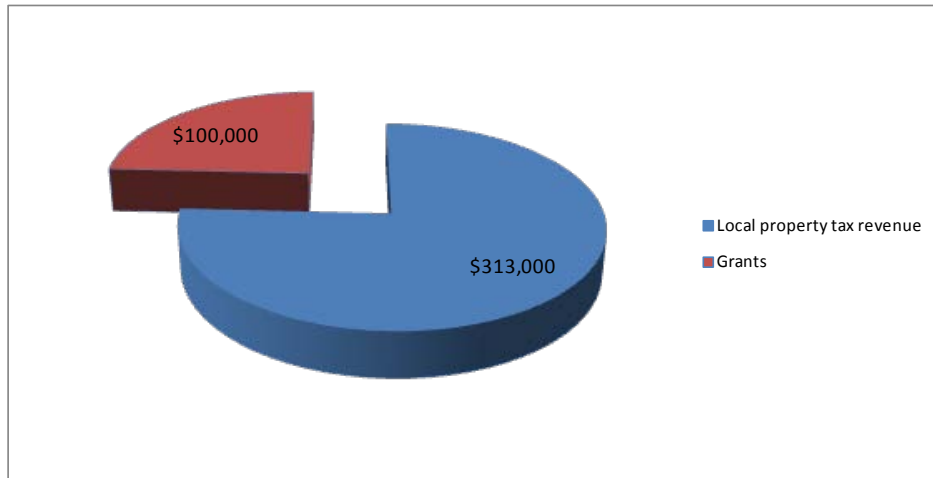
Submitted for consideration is the proposed Capital Improvements Program for the Fiscal Years 2013-2014 through 2017-2018. This document identifies long term needs and proposes a multi-year financial plan for them. The Township of Hanover has a long standing commitment to quality public services and 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 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 5-year Capital Improvements Program for 2014-2018 totals \$1,354,000. In Fiscal Year 2014 the Town Board has allocated up to \$413,000 to be expended on capital improvements. This includes approximately \$313,000 in local property tax revenues and reserves, and \$100,000 in grant funding. The chart below shows anticipated annual expenditures proposed in the 2014-

2018 program. Capital expenditures can be expected to vary significantly from one year to the next.

### FY14 Capital Funding Sources



### 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 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. 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 we have 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.

## **FY14 Highlights**

While the Capital Improvements Program anticipates expenditures over a five-year period, the immediate focus is on Fiscal Year 2013-2014, which is referred to as the Capital Budget. These projects are part of the operating budget that will be approved by the Town Board. In Fiscal Year 2014 the Town Board has allocated up to \$413,000 from the Capital Fund, with \$100,000 coming from grant funding to be expended on capital improvements. Funds are proposed to be budgeted for a total of four primary projects. Projects include improvements to the Izaak Walton property, Town Hall renovations, Senior Center solar and energy efficiency project, and reconstruction of the Town Hall parking lot.

## **Project Descriptions**

### **Project: *Izaak Walton Property Improvements***



**Description:** The Township acquired the Izaak Walton League property in FY13. The property consists of 14 acres on wooded land that includes a lodge built in the 1940s. The primary use of the property will be for at-risk youth programming with other multi-use programming offered. The primary concern with the property is ADA compliance issues. The funding for this project will come from the Cook County Community Development Block Grant (CDBG) program. The funding proposal will include the installation of an elevator or significant improvements to access ramps as the building currently only has a narrow stairway to descend to the lower level, a central HVAC cooling system and duct work, and installation of automated handicapped accessible doors.

**Project: *Township Hall Renovation***



**Description:** The farm house portion of the Town Hall dates back to the early 20<sup>th</sup> century, and existing building systems are becoming obsolete including HVAC, sprinklers, and design layout. As demand for space continues and building codes become more stringent a significant remodeling and/or construction of Town Hall facilities may become necessary to address resident expectation of service delivery. This project will require a space needs utilization analysis and in the interim will include updated flooring, paint, and energy efficient lighting among other upgrades.

**Project: *Senior Center Solar & Energy Efficiency Project***



**Description:** The solar and energy efficiency project is a concerted effort by Hanover Township to ensure that taxpayer resources can be conserved through a reduction in energy utilization while simultaneously benefiting the environment through reducing the Township's carbon footprint. A small scale solar project will help to offset a small portion of the Senior Center's electricity usage while also serving as a highly visible demonstration of the technology to residents. Efficiency measures such as Demand Control Ventilation (DCV) and retro-commissioning the Center's HVAC system has been projected to reduce energy usage by as much as 50%.

**Project: *Parking Lot Reconstruction***



**Description:** The existing parking lot serving the Town Hall is in significant disrepair. Considerable reconstruction is required, including new asphalt paving, sealing, striping, and curb repair. In FY13, the lot around the Highway garages was reconstructed and in FY14 the parking lot in front of the Town Hall is scheduled to be reconstructed.

**Project: *Parking Lot Expansion***



**Description:** At the request of Senior Center users and increased demand due to the build out of the lower level of the Senior Center, there is a possible need for expansion of the parking lot on the main Township campus. In consulting with an engineer, the lowest cost alternative is to add parking spaces on both sides of the connecting road between the Town Hall and Senior Center. This would add approximately 28 spaces.



**Project: *Senior Center Parking Lot Reconstruction***



**Description:** The existing parking lot serving the Senior Center will be in need of significant repairs in the future. The parking lot originally constructed in 2004 included underground drainage which had lead to significant cracking, depressions, and other damage. The reconstruction would include new asphalt, sealing, and striping.

**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. In 2013 the Town Hall RTU will meet that age standard and at that time a determination will be made if and when a replacement is necessary.

## **Project: *Senior Center Flooring Replacement***



**Description:** The Senior Center was built in 2004 and opened to the public in 2005. The carpet in the main community areas including lobby, library, hallways to programming rooms, and Veterans Hall, will need to be replaced due to age and volume of foot traffic.

### **Recommendations**

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. Please feel free to contact the Administrator's Office with any questions, comments, or inquiries regarding the information presented.