

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 2015-2016 through 2019-2020. 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 five-year Capital Improvements Program for 2016-2020 totals \$1,991,000. These funds will be dedicated to developing the 11 acres that surround the Izaak Walton Center. Other projects include improvements to the Senior Center, Lenoci Reserve, and Town Hall. The parking lots of the Senior Center and Town Hall will also be reconstructed and expanded in FY 2016. In addition to grants, funding will come from transfers from the Town Fund and Senior Fund, as well as Capital Fund reserves. The chart on the following page shows anticipated annual expenditures proposed in the 2016-2020 programs. Capital expenditures can be expected to vary significantly from one year to the next.

Capital Improvements Program



Hanover Township 5+ Year Capital Improvement Plan (CIP) (April 1, 2015)						
Project	FY 16	FY 17	FY 18	FY 19	FY 20	Total
Parking Lot Reconstruction (Town Hall)	\$ 125,000					\$ 125,000
Senior Center Improvements	\$ 50,000			\$ 50,000		\$ 100,000
Izaak Walton Center Improvements	\$ 40,000					\$ 40,000
Lenoci Reserve Improvements	\$ 40,000	\$ 40,000				\$ 80,000
Senior Center Solar Panels and Retrocommission	\$ 30,000					\$ 30,000
Izaak Walton Reserve Master Plan		\$ 700,000				\$ 700,000
Parking Lot Reconstruction (Senior Center)	\$ 220,000					\$ 220,000
Parking Lot Expansion	\$ 50,000					\$ 50,000
Town Hall RTU Replacement			\$ 8,000		\$ 8,000	\$ 16,000
Town Hall Renovations				\$ 250,000	\$ 250,000	\$ 500,000
Miscellaneous Minor Improvements	\$ 30,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 130,000
Total Per Fiscal Year	\$ 585,000	\$ 765,000	\$ 33,000	\$ 325,000	\$ 283,000	\$ 1,991,000

Funding Summary	FY 16	FY 17	FY 18	FY 19	FY 20	Total
Grants		\$ 350,000	\$ -	\$ -		\$ 350,000
Property Tax Revenue- Senior Fund	\$ 100,000	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ 250,000
Property Tax Revenue- Town Fund	\$ 150,000	\$ 200,000	\$ 33,000	\$ 150,000	\$ 150,000	\$ 1,236,000
Property Tax Revenue- Capital Fund Reserve	\$ 335,000	\$ 165,000	\$ -	\$ 125,000	\$ 83,000	\$ 150,000
Total Funding	\$ 585,000	\$ 765,000	\$ 33,000	\$ 325,000	\$ 283,000	\$ 1,991,000

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 shortterm 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.

FY 2016 Highlights

Although the Capital Improvements Program anticipates expenditures over a five year period, the immediate focus is on Fiscal Year 2015-2016, which is referred to as the Capital Budget. These projects are part of the operating budget that will be approved by the Town Board. For Fiscal Year 2016, the Town Board has allocated up to \$585,000 to be expended on capital improvements. This includes approximately \$585,000 in local property tax revenues and reserves. These funds are to be budgeted on the following primary projects, including improvements to the Izaak Walton Center, Lenoci Reserve, and parking lot reconstruction for the Senior Center and Town Hall, and Senior Center retro –commissioning.

Project: *Parking Lot Reconstruction (Town Hall)*



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 FY 2013, the lot around the Highway garages was reconstructed, and in FY 2016, the parking lot in front of the Town Hall is scheduled for reconstruction.

Projected Impact on Operational Budget:

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

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 the Senior Center. This would add approximately 28 spaces. This project is targeted for completion in FY 2016.

Projected Impact on Operational Budget:

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

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 led to significant cracking, depressions, and other damage. The reconstruction would include new asphalt, sealing, and striping. This project is targeted for completion in FY 2016.

Projected Impact on Operational Budget:

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

Project: Senior Center Improvements



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 retro-commissioning the Center’s HVAC system and updating the system’s computer program has been projected to reduce energy usage by as much as 50% and will be completed in FY 2016. Other improvements include repairs to the external façade of the building. **Projected Impact on Operational Budget:**

Estimated Operational Impact of Solar and Energy Efficiency Projects

Energy Measure	Annual Average Electricity Cost (2010-2013)	Annual Average Gas Cost (2010-2013)	Estimated Reduction in Electricity (%)	Estimated Reduction in Gas (%)	Estimated Total Annual Savings
	\$ 38,257	\$ 11,615	44.7%	67.0%	
Solar Panels			5.0%	n/a	\$ 1,913
DCV			14.4%	25.0%	\$ 8,413
Retro-Commissioning			27.5%	42.4%	\$ 15,443
Total					\$ 25,769

Project: *Izaak Walton Center Improvements*



Description: The Izaak Walton Property was acquired by the Township in FY 2013, and consists of 11 acres of wooded land that includes a lodge built in the 1940's. The Township's Office of Community and Veterans Affairs is based at the building, and multi-use programming is offered through other departments on a weekly basis. In addition, the property will be used for at-risk youth programming and other community events. Additional upgrades and improvements in FY 2016 include, the lower level remodel, an outdoor education center and an ADA accessible ramp.

Projected Impact on Operational Budget:

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

Project: *Lenoci Reserve Improvements*



Description: The Township acquired the Lenoci Reserve property in FY 2014, which consists of 2.8 acres, including a playground area. The primary use of the property will remain as a park for area residents, with other multi-use programming offered. The Township replaced playground equipment in FY 2015 and will be resurfacing the walking path on the property as well as adding community water and electric service in FY 2016. Also in FY 2016, community garden boxes will be added to the reserve along with additional plants and flowers.

Projected Impact on Operational Budget:

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

Project: *Izaak Walton Center Reserve Master Plan*



Description: The Izaak Walton Center Reserve currently sits on 11 acres of undeveloped land which is inaccessible to residents. This project will develop the 11 acres to benefit residents and will include: expansion of the parking lot, restroom facilities, walking trails and a bridge, and wetland enhancement and restoration. This project is targeted for completion in FY 2017.

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. In 2013, the Town Hall RTU met the age standard for the equipment and will require replacement every two years. This project is targeted for completion in FY 18.

Projected Impact on Operational Budget:

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