

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 2017-2018 through 2021-2022. 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 2018-2022 totals \$1,871,000. A portion of these funds will be dedicated to developing the 11 acre Izaak Walton Reserve. Other projects include improvements to the Senior Center, Astor Avenue Community Center and Town Hall. The parking lot at the Izaak Walton Center will also be resurfaced and expanded in FY 2018. Funding will predominantly 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 2018-2022 program. 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, 2017)						
Project	FY 18	FY 19	FY 20	FY 21	FY 22	Total
<i>Izaak Walton Parking Lot Expansion and Resurfacing</i>	\$ 275,000					\$ 275,000
<i>Astor Avenue Center Roof Replacement</i>	\$ 120,000					\$ 120,000
<i>Senior Center Improvements</i>	\$ 40,000	\$ 40,000	\$ 50,000			\$ 130,000
<i>Phone System</i>	\$ 40,000					\$ 40,000
<i>Maintenance Garage Roof Replacement</i>	\$ 15,000					\$ 15,000
<i>Izaak Walton Reserve Master Plan</i>		\$ 100,000	\$ 450,000			\$ 550,000
<i>Lenoci Reserve Improvements</i>		\$ 60,000				\$ 60,000
<i>Astor Avenue Center RTU Replacements</i>		\$ 36,000				\$ 36,000
<i>Town Hall Entrances</i>		\$ 19,000				\$ 19,000
<i>Town Hall RTU Replacement</i>		\$ 18,000		\$ 18,000		\$ 36,000
<i>Izaak Walton HVAC Improvement</i>		\$ 15,000				\$ 15,000
<i>Town Hall Renovations</i>			\$ 225,000	\$ 225,000		\$ 450,000
<i>Miscellaneous Minor Improvements</i>	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
Total Per Fiscal Year	\$ 515,000	\$ 313,000	\$ 750,000	\$ 268,000	\$ 25,000	\$ 1,871,000

Funding Summary	FY 18	FY 19	FY 20	FY 21	FY 22	Total
<i>Grants</i>	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
<i>Property Tax Revenue- Senior Fund</i>	\$ 40,000	\$ 40,000	\$ 50,000	\$ -	\$ -	\$ 130,000
<i>Property Tax Revenue- Town Fund</i>	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 25,000	\$ 625,000
<i>Property Tax Revenue- Capital Fund Reserve</i>	\$ 325,000	\$ 123,000	\$ 350,000	\$ 118,000	\$ -	\$ 916,000
Total Funding	\$ 515,000	\$ 313,000	\$ 750,000	\$ 268,000	\$ 25,000	\$ 1,871,000

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. 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 2018 Highlights

Although the Capital Improvements Program anticipates expenditures over a five year period, the immediate focus is on Fiscal Year 2017-2018, 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 2018, the Town Board has allocated up to \$515,000 to be expended on capital improvements. The \$515,000 will be derived from local property tax revenues and reserves. These funds are to be budgeted on the following primary projects: parking lot resurfacing/expansion for the Izaak Walton Center, Astor Avenue roof replacement, Senior Center improvements, phone system replacement and the replacement of a portion of the maintenance garage roof.

Project: *Izaak Walton Center parking lot*



Description: The Izaak Walton Center and Reserve has been in need of parking lot repair and expansion since it was acquired in FY 2013. Currently, the parking lot has enough spaces for 27 cars but will need to expand to accommodate the growth of Township services delivered through the center, which include Township department programming and community events. The scope of the project includes resurfacing the parking lot, expanding it to accommodate more vehicles and connecting the lot to Hastings Street for easier access for emergency vehicles, Senior Services buses and residents. The project is targeted for completion in FY 2018.

Projected Impact on Operational Budget:

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

Project: Astor Avenue Community Center Roof Replacement



Description: The Astor Avenue Community Center houses the Township’s Welfare Services Department and food pantry. In addition, it acts as a satellite location for other Township departments to provide services. There has been on-going issues with the roof of the building for several years. The Township has patched small leaks in the roof, but as it continues to age and more leaks and issues occur, this has become impracticable and costly. The most cost effective option is to replace the roof and it is targeted for completion in FY 2018.

Projected Impact on Operational Budget:

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

Project: *Senior Center Improvements*

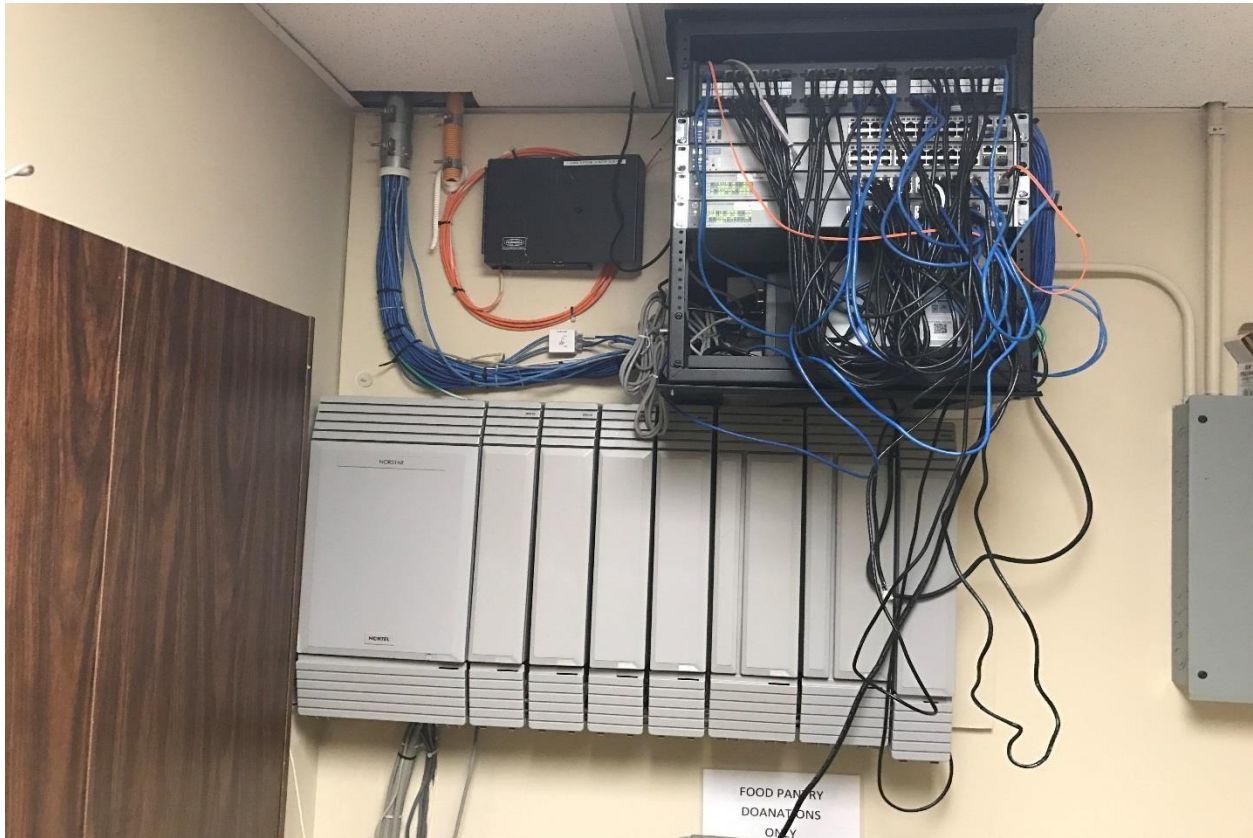


Description: The Senior Center was built in 2004 and opened to the public in 2005. Portions of the flooring in the main community areas including the lobby, library, hallways to programming rooms, and Veterans Hall will need to be replaced due to age, and heavy use. Additional improvements include new counter tops in the art room. These projects are targeted for completion in FY 2018.

Projected Impact on Operational Budget:

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

Project: *Phone System Replacement*



Description: The Township has a main location, along with several satellite locations. Each site has its own separate phone system and none of the locations can be linked to each other with the current set up. A new system will not only link each site together, providing more efficiency and increasing service levels, but it will reduce long term repair costs and provide more user friendly features for staff. This project is targeted to be completed in FY 2018.

Projected Impact on Operational Budget:

Depending on phone system chosen, it is expected that this project will have a yearly software assurance fee associated with it, but associated savings due to the reduction in the number of dedicated hard phone lines is expected to offset this cost, impacting the operational budget minimally.

Project: *Maintenance Garage Roof Replacement*



Description: The maintenance garage, located behind the Town Hall building, houses the offices of three maintenance staff members, the department’s equipment and acts as additional storage space for Emergency Services and Transportation vehicles. The garage roof has reached its expected lifespan and the most cost effective option for the long term is to replace the existing roof. This project only covers the garage portion of the building. The office space attached to the left side of the garage was an addition to the main building and is not in need of a roof replacement at this time. This project is targeted for completion in FY 2018.

Projected Impact on Operational Budget:

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

Project: Izaak Walton Center and Reserve Master Plan



Description: The Izaak Walton Center and Reserve was acquired in FY 2013 and by FY 2016, a master plan for the property was developed. The master plan was designed to make the lodge and property it sits on, more useable for the Townships residents. Improvements include upgraded paths through the wooded portion of the site, a board walk surrounding the reserve, and a walking/bicycling bridge crossing the creek which will connect the two halves of the property. Additional improvements will include wetland enhancement/restoration.

Projected Impact on Operational Budget:

With the addition of walking trails and an archery range, this project may require the Township to hire a seasonal employee to help the Facilities and Maintenance Department maintain the grounds in the summer.

Project: Naomi Walters-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 resurfaced the walking path on the property in FY 2016. In FY 2019, improvements will include adding a community water source on the property so residents enjoying the reserve have access to potable water, the addition of community garden boxes and other flowers and plantings added around the reserve.

Projected Impact on Operational Budget:

This project would add additional operational expenses related to water costs, but it is not expected to be significant.

Project: Astor Avenue 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. The RTU's on top of the Astor Avenue Community Center have reached the end of their lifespan and are in need of being replaced. These RTU's are targeted to be replaced in FY 2019.

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: *Town Hall Entrance*



Description: Continued improvements to the Town Hall building include renovations to the entrances of the building. Renovations will include two sets of doors for the Youth and Family Services and Administration entrances, as well as three rear and side entry doors. This project is proposed to be completed in FY 2019.

Proposed 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: Izaak Walton Center HVAC Improvement



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. Over the last four fiscal years, the lodge has been remodeled and transformed into a useable office. Though the main floor of the building has been updated with central air conditioning, the lower level has not. 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 2019.

Projected Impact on Operational Budget:

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

Project: *Town Hall Improvements*



Description: The Town Hall building is over thirty 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 windows and improvements to the layout of the interior. Improvements made will keep the building safe, help prevent major structural repairs and make it more energy efficient.

Projected Impact on Operational Budget:

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