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 demands 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 2022-2023 through 2026-2027. 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 2023-2027 totals $10,513,000. A portion of these reward funds will be dedicated to developing the Izaak Walton Reserve and the Department of Emergency Services permanent training and operating space. Other projects include improvements to the Senior Center HVAC and unincorporated Hanover Township road resurfacing. Long term projects include construction of a Town Hall roof replacement and other public infrastructure improvements. 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 2022-2026 program. Capital expenditures can be expected to vary significantly from one year to the next.

Hanover Township

5+ Year Capital Improvement Plan (CIP)

(April 1, 2022)

Project	FY 23	FY 24	FY 25	FY 26	FY 27	Total
Emergency Services Station/ Campus Expansion	$ 5,260,000					$ 5,260,000
Izaak Walton Reserve Master Plan	$ 200,000					$ 200,000
Senior Center Improvements		$ 60,000	$ 40,000	$ 50,000	$ 50,000	$ 200,000
Senior Center HVAC		$ 485,000				$ 485,000
Town Hall RTU Replacement	$ 10,000					$ 10,000
Roadway Improvements	$ 550,000		$ 550,000		$ 550,000	$ 1,650,000
Town Hall Roof and Renovations			$ 30,000	$ 550,000		$ 580,000
Camera Security System	$ 125,000					$ 125,000
Miscellaneous Minor Improvements	$ 70,000	$ 85,000	$ 85,000	$ 85,000	$ 85,000	$ 410,000
Loan Repayment	$ 177,000	$ 354,000	$ 354,000	$ 354,000	$ 354,000	$ 1,593,000
Total Per Fiscal Year	**$ 6,392,000**	**$ 984,000**	**$ 1,059,000**	**$ 1,039,000**	**$ 1,039,000**	**$ 10,513,000**

Funding Summary	FY 23	FY 24	FY 25	FY 26	FY 27	Total
Grants	$ 2,200,000	$ 400,000				$ 2,600,000
Property Tax Revenue- Senior Fund		$ 85,000	$ 40,000	$ 50,000	$ 50,000	$ 225,000
Property Tax Revenue- Road Fund	$ 550,000		$ 550,000		$ 550,000	$ 1,650,000
Property Tax Revenue- Town Fund	$ 395,000	$ 325,000	$ 115,000	$ 439,000	$ 439,000	$ 1,274,000
Property Tax Revenue- Capital Fund Reserve	$ 247,000	$ 174,000	$ 354,000	$ 550,000		$ 1,325,000
Loan Proceeds	$ 3,000,000					
Total Funding	**$ 6,392,000**	**$ 984,000**	**$ 1,059,000**	**$ 1,039,000**	**$ 1,039,000**	**$ 10,513,000**

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 is through 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 2023 Highlights

Although the Capital Improvements Program anticipates expenditures over a five-year period, the immediate focus is on FY2023, 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 2023, the Town Board has allocated up to $6,392,000 to be expended on capital improvements. The $6,392,000 will be derived from grant funding, local property tax revenues, and reserves. These funds are to be budgeted on the following primary projects: Emergency Services Station and Tiknis Campus Expansion, Izaak Walton Reserve Master Plan, security camera system, and road resurfacing of Hanover Township roads.

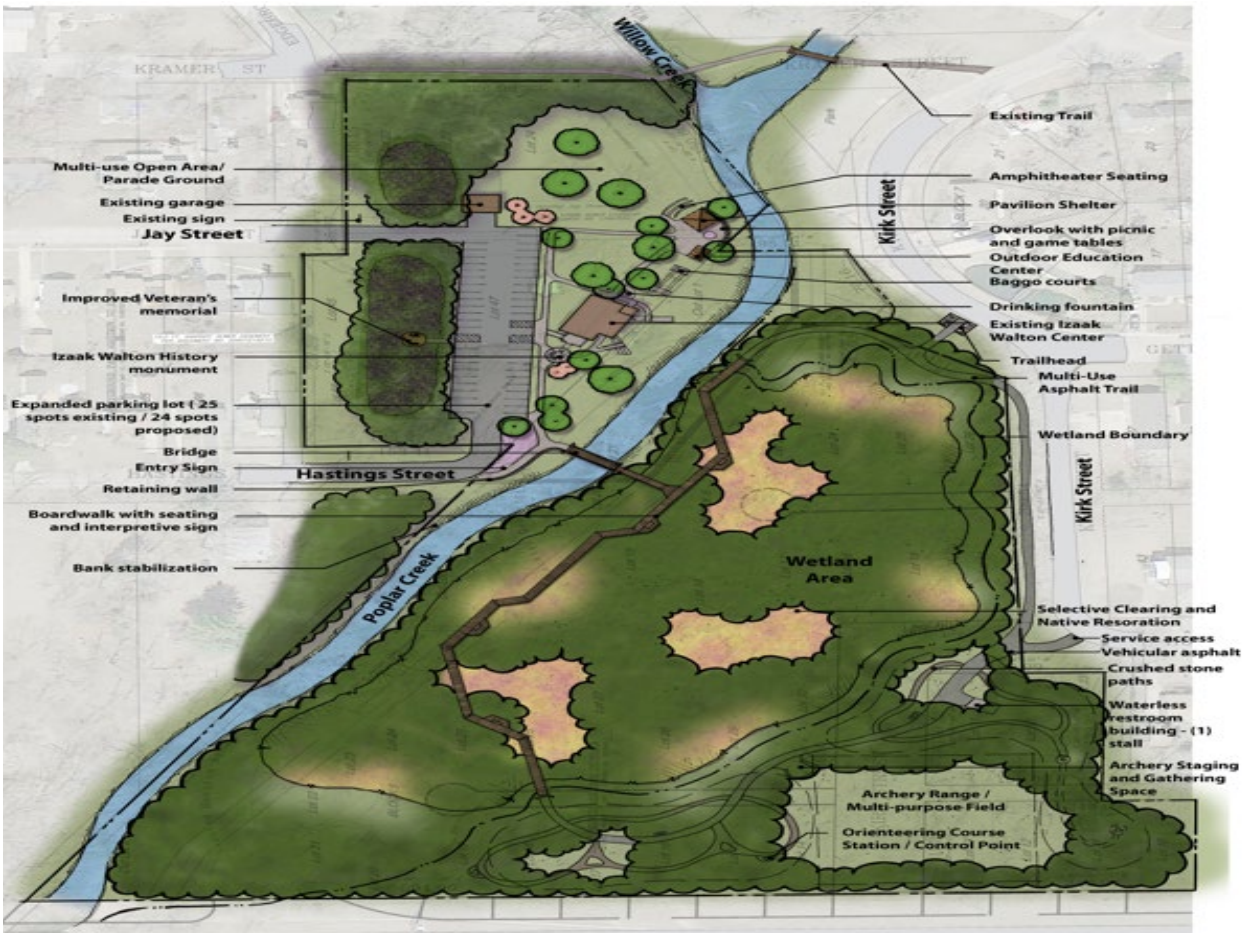
Project: ***Emergency Services Station***

Description: Operating out of the leased 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. The Department of Emergency Services is in need of a space for their increasing fleet and equipment and a location better suited to conduct trainings. A site adjacent to the main Hanover Township campus has been purchased. Planning and construction for the property and Emergency Services Station began in May 2021. 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 FY2023.

Projected Impact on Operational Budget:

This project would add additional operational expenses. The new Emergency Services Station will have utility and maintenance costs associated with running and operating the new station. Hanover Township estimates total annual operational costs will not exceed $15,000. The Department of Emergency Service currently leases a space to operate from, rent for this facility is $20,000 annually. Therefore, after the station is constructed Hanover Township will experience a net savings of approximately $5,000 annually in operational costs.

Project*: Izaak Walton Reserve Master Plan*



Description: Hanover Township acquired the Izaak Walton property in FY2013, 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 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 southeast 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 FY2023 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: ***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. 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 FY2023-FY2027 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 FY2023, the Township plans to resurface roads including Dale Drive, Berner Drive, and Wolsfeld 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: ***Township Security Camera System***

Description: The current security system for Township properties is made up of 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 footage 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 project is scheduled for completion in FY2023.

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, replacement of highly trafficked floor, and a redesign of the staff kitchen and breakroom. 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.

Project: ***Senior Center HVAC***

Description: The current Senior Center HVAC is original to the building which was constructed in 2005. Proper temperature regulation is important year-round to ensure the building is operating efficiently and in the summer months the Senior Center is a designated cooling center for the community. The replacement of HVAC system will ensure the Senior Center remains efficient and has a heating and cooling system that is in good working order.

Projected Impact on Operational Budget:

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