

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 2024-2025 through 2028-2029. 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 reviews 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 Fiscal Years 2025-2029 totals \$7,026,000. A portion of these rewarded funds will be dedicated to the Tiknis Campus Expansion Reserve project, Izaak Walton Reserve Improvements, Senior Center equipment and improvements, unincorporated Hanover Township roadway improvements, and Town Hall improvements. Long term projects include 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 fiscal years 2025-2029 program. Capital expenditures can be expected to vary significantly from one year to the next.

FY 25 Capital Improvement Program



Hanover Township 5+ Year Capital Improvement Plan (CIP) (April 1, 2024)

Project	FY 25	FY 26	FY 27	FY 28	FY 29	Total
Tiknis Campus Expansion	\$ 650,000					\$ 650,000
Tiknis Campus Reserve Improvements		\$ 750,000				\$ 750,000
Izaak Walton Reserve Improvements	\$ 60,000					\$ 60,000
Senior Center Equipment	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 225,000
Town Hall RTU Replacement		\$ 15,000		\$ 15,000		\$ 30,000
Roadway Improvements	\$ 650,000		\$ 650,000		\$ 650,000	\$ 1,950,000
Town Hall Roof and Renovations				\$ 850,000		\$ 850,000
Town Hall Emergency Generator		\$ 100,000				\$ 100,000
Senior Center Walk In Freezer	\$ 35,000					\$ 35,000
Miscellaneous Minor Improvements	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 325,000
Loan Repayment	\$ 755,000	\$ 354,000	\$ 354,000	\$ 354,000	\$ 354,000	\$ 2,171,000
Total Per Fiscal Year	\$ 2,240,000	\$ 1,334,000	\$ 1,119,000	\$ 1,334,000	\$ 1,119,000	\$ 7,146,000

Funding Summary	FY 25	FY 26	FY 27	FY 28	FY 29	Total
Grants	\$ 500,000	\$ 600,000		\$ 19,000		\$ 1,119,000
Property Tax Revenue- Senior Fund	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 200,000
Property Tax Revenue- Road Fund	\$ 650,000		\$ 550,000		\$ 550,000	\$ 1,750,000
Property Tax Revenue- Town Fund	\$ 555,000	\$ 550,000	\$ 439,000	\$ 435,000	\$ 464,000	\$ 2,443,000
Capital Fund Reserve	\$ 510,000	\$ 134,000	\$ 80,000	\$ 830,000	\$ 80,000	\$ 1,634,000
Total Funding	\$ 2,240,000	\$ 1,334,000	\$ 1,119,000	\$ 1,334,000	\$ 1,119,000	\$ 7,146,000

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 2025 Highlights

Although the Capital Improvements Program anticipates expenditures over a five-year period, the immediate focus is on FY25, 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 2025, the Town Board has allocated up to \$1,590,000 to be expended on capital improvements. The \$1,590,000 will be derived from grant funding, local property tax revenues, and reserves. These funds are to be budgeted on the following primary projects: Tiknis Campus Expansion, Izaak Walton Reserve improvements, Township building improvements, and road resurfacing of Hanover Township roads, Capital Project Loan Repayment.

Project: Tiknis Campus Expansion



Description: In FY22, Hanover Township purchased approximately 17 acres of land adjacent to the Township's main campus. Since then, an existing building on the property has been converted to the Emergency Services Station and in FY24 a new 5 bay garage was added to the station. In FY25, Hanover Township has budgeted to convert the property's "main house", pictured above, into the Department of Facilities and Road Maintenance Headquarters. The renovated building will feature enough workspaces to house the department's staff under one roof, whereas currently, staff are stationed across four different buildings. The new Headquarters will also have a conference space to be utilized by all Township staff. The Department's move to the Headquarters will also free up storage space in the two garage buildings where staff workspaces are currently.

Projected Impact on Operational Budget:

With the addition of reserve improvements, there may be operational impacts 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: *Tiknis Campus Reserve Improvements*



Main Campus Expansion

Description: Hanover Township plans to develop the open space immediately adjacent to its Town Hall offices into a public reserve. The reserve will feature native plants, a walking path, access to wetlands located on the property, and outdoor equipment such as benches, a pavilion, and exercise equipment. In FY25, Hanover Township will be working with Hitchcock Design Group to submit an application for an Open Space Land Acquisition and Development (OSLAD) grant to fund a majority of the project.

Projected Impact on Operational Budget:

With the addition of reserve improvements, there may be operational impacts 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: *Izaak Walton Reserve Improvements*



Description: Hanover Township acquired the Izaak Walton property in FY13, and it consists of 11 acres of wooded land that includes a lodge built in the 1940s. To maximize the utilization of the 11-acre property, Hanover Township developed a Reserve Master Plan which added several new features to the property. The Izaak Walton Reserve Master Plan was completed in FY23. Additionally, in FY23 the property's lodge was converted to a Youth Center, with the lower-level operating as a Teen Center. In FY25, Hanover Township budgeted \$60,000 for ongoing improvements to the lodge, focusing on the repair and reconstruction of a retaining wall and overhead awning at the back entrance of the lodge. The current retaining wall and overhead awning are in poor condition and construction of a new retaining wall and awning would improve the structural integrity of the building and create a safe and usable back entrance to the lodge.

Projected Impact on Operational Budget:

With the addition of reserve improvements, there may be operational impacts 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 Equipment*



Description: The Senior Center was constructed in 2004 with approximately 20,395 square feet. An assessment of any external wear on the building and subsequent repairs that are needed was completed in FY24. In FY25, a bathroom in the Stars 'n' Stripes café will be converted into a walk-in freezer for the Nutrition Division to use. The Senior Center will also be replacing 50 chairs that are used regularly for programs and meetings. Other building improvements projected for the future entail roof replacement, plumbing refurbishments, and electrical updates. This will be an ongoing project throughout FY25-FY29 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. Hanover Township's Town Hall building operates with 5 separate RTU's. 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 FY25, Hanover Township will resurface the following roads: Mardjetko Drive, Birch Bark Drive, Sawhorse Drive, Cheshire Drive, and Morningview Court.

Proposed 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 forty 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 front fascia material, new energy efficient windows and doors, and replacement of highly trafficked floor. In FY24, Hanover Township completed a redesign of the staff copy room and floor replacement in several offices. 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: *Rohrssen Road Bridge Replacement Project*



Description: The original structure was built in 1958 as route C.H. 074, section 074-0101 M.F.T. The structure was rehabilitated in 1980 and 2001. A bridge inspection was performed by Milhouse Engineering & Construction, Inc. on June 13, 2022. The inspection revealed that the bridge deck, parapets, joints, and beams are in poor condition and cracked in some areas. The inspection also noted that several of the bridge drains are partially or fully clogged, potentially preventing water from freely flowing through. Additionally, the bridge needs to be replaced in order to align with the FEMA flood plain maps. The bridge at Rohrssen Road must be raised by 36 inches to properly prevent flooding. In FY25, Hanover Township will be working with Cook County Department of Transportation and Highways to use American Rescue Plan Act (ARPA) grant fund to complete Phase I design and engineering of the bridge replacement.

Projected Impact on Operational Budget:

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