

## 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 2025-2026 through 2029-2030. 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 2026-2030 totals \$14,646,000. 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 2026-2030 program. Capital expenditures can be expected to vary significantly from one year to the next.

# FY 26 Capital Improvement Program



## Hanover Township 5+ Year Capital Improvement Plan (CIP) (April 1, 2025)

| Project                                          | FY 26               | FY 27               | FY 28               | FY 29               | FY 30               | Total                |
|--------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Tiknis Campus Reserve Improvements               | \$ 1,400,000        |                     |                     |                     |                     | \$ 1,400,000         |
| Izaak Walton Youth Center & Reserve Improvements |                     | \$ 120,000          |                     |                     |                     | \$ 120,000           |
| Senior Center Equipment and Improvements         | \$ 25,000           |                     | \$ 175,000          | \$ 50,000           | \$ 50,000           | \$ 300,000           |
| RTU Replacement                                  |                     | \$ 30,000           | \$ 15,000           |                     |                     | \$ 45,000            |
| Roadway Improvements                             |                     | \$ 650,000          |                     | \$ 650,000          | \$ 650,000          | \$ 1,950,000         |
| Town Hall Roof and Renovations                   |                     |                     |                     | \$ 3,700,000        |                     | \$ 3,700,000         |
| Town Hall Emergency Generator                    | \$ 105,000          |                     |                     |                     |                     | \$ 105,000           |
| Rohressen Road Bridge Replacement Project        | \$ 500,000          |                     | \$ 500,000          |                     | \$ 4,000,000        | \$ 5,000,000         |
| Miscellaneous Minor Improvements                 | \$ 95,000           | \$ 15,000           | \$ 65,000           | \$ 65,000           | \$ 65,000           | \$ 305,000           |
| Loan Repayment                                   | \$ 955,000          | \$ 354,000          | \$ 354,000          | \$ 354,000          | \$ 354,000          | \$ 2,371,000         |
| <b>Total Per Fiscal Year</b>                     | <b>\$ 3,080,000</b> | <b>\$ 1,169,000</b> | <b>\$ 1,109,000</b> | <b>\$ 4,819,000</b> | <b>\$ 5,119,000</b> | <b>\$ 15,296,000</b> |

| Funding Summary                    | FY 26               | FY 27               | FY 28               | FY 29               | FY 30               | Total                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Grants                             | \$ 1,100,000        |                     | \$ 500,000          | \$ 2,280,000        | \$ 4,000,000        | \$ 7,880,000         |
| Property Tax Revenue - Senior Fund | \$ 25,000           | \$ 15,000           | \$ 175,000          | \$ 25,000           | \$ 25,000           | \$ 265,000           |
| Property Tax Revenue - Road Fund   |                     | \$ 650,000          |                     | \$ 650,000          | \$ 650,000          | \$ 1,950,000         |
| Property Tax Revenue - Town Fund   | \$ 855,000          | \$ 300,000          | \$ 15,000           | \$ 364,000          | \$ 364,000          | \$ 1,898,000         |
| Capital Fund Reserve               | \$ 1,100,000        | \$ 204,000          | \$ 419,000          | \$ 1,500,000        | \$ 80,000           | \$ 3,303,000         |
| <b>Total Funding</b>               | <b>\$ 3,080,000</b> | <b>\$ 1,169,000</b> | <b>\$ 1,109,000</b> | <b>\$ 4,819,000</b> | <b>\$ 5,119,000</b> | <b>\$ 15,296,000</b> |

## 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.

## Fiscal Year 2026 Highlights

Although the Capital Improvements Program anticipates expenditures over a five-year period, the immediate focus is on FY26, 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 2026, the Town Board has allocated up to \$2,580,000 to be expended on capital improvements. The \$2,580,000 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 Reserve Improvements*



**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, since then the Township has developed and implanted a Reserve Master Plan which added several new features to the property and 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. The Township also has plans to install new air conditioning to the lower level of the Izaak Walton Youth Center.

### **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 FY26, the main floor bathroom will be remodeled with new tiling and other cosmetic updates. A portion of the Senior Center roof will also be replaced in FY26. Other building improvements projected for the future entail an additional partial roof replacement, plumbing refurbishments, and HVAC updates. This will be an ongoing project throughout 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 2018, the Hanover Township Road District was consolidated into Hanover Township operations following a citizen referendum. The Township currently owns and maintains approximately 13 miles of unincorporated roadway. To support the long-term integrity of these roads, a comprehensive system assessment was completed in collaboration with an engineering firm to help prioritize resurfacing needs for the years ahead. Although Hanover Township typically completes road resurfacing projects on an annual basis, the scope and scale of the upcoming resurfacing project requires a longer timeline. As a result, no resurfacing is planned for FY26, with improvements scheduled to continue in FY27.

The Township is currently evaluating two options for this next resurfacing cycle in the Bridlewood Subdivision. The first option is a two-year plan that would resurface McDonough Drive, Shotkoski Drive, Galloway Drive, Morningview Drive, and Bridlewood Drive across FY27 and FY28. The second option, a three-year plan, would begin with resurfacing only Morningview Drive and Galloway Drive in FY27, with the remaining roads deferred to later years. Final decisions will depend on contractor bids, budget availability, and internal review.

### **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.