

Hanover Township

Capital Improvement Program

(FY11 – FY15)

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 Town 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.

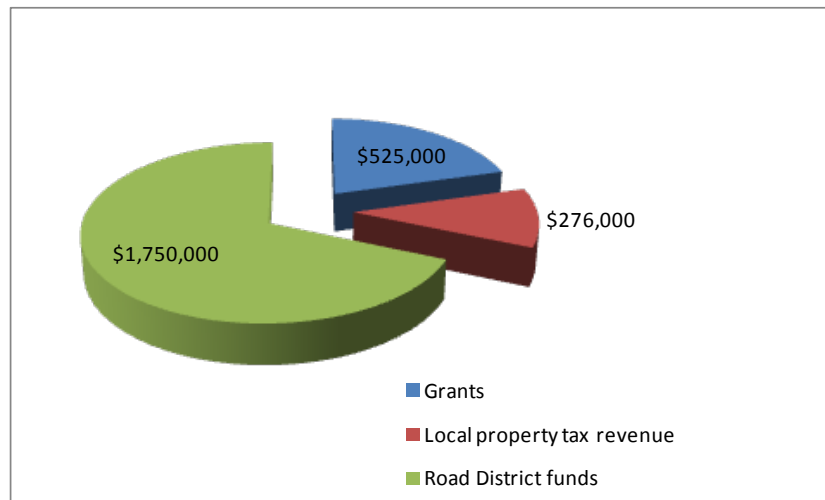
Overview

Submitted for consideration is the proposed Capital Improvements Program for the Fiscal Years 2010-2011 through 2014-2015. 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 late summer, 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 5-year Capital Improvements Program for 2011-2015 totals \$3,731,000. In Fiscal Year 2011 the Town Board has allocated up to \$2,500,000 to be expended on capital improvements. This includes approximately \$525,000 in grants, \$251,000 in local property tax revenues, and \$1,750,000 from the Road District. The chart below shows anticipated annual expenditures

proposed in the 2011-2015 program. Capital expenditures can be expected to vary significantly from one year to the next.



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 expenditure purposes. A second option is to fund the improvements through the working fund reserves, which represent savings by the Township overtime in each of the Town’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 may be available for application; however a great deal of research is required to identify these potential sources of capital revenue. The Township may wish to allocate additional resources to grant research, writing, and administration. A mixture of financing methods including current revenue, fund reserves, grants, and borrowing will likely be required for any significant projects.

FY11 Highlights

While the Capital Improvements Program anticipates expenditures over a five-year period, the immediate focus is on 2010-2011, which is referred to as the Capital Budget. These projects are part of the operating budget that has been approved by the Town Board. In Fiscal Year 2011 the Town Board has allocated up to \$710,000 to be expended on capital improvements. Funds are proposed to be budgeted for a total of four primary projects. Projects include continuing the Astor Avenue Community Center improvements, construction of a new highway and bus garage, a Senior Center emergency generator, and starting the Senior Center lower level build out. Smaller projects include improvements to the Farm House and Town Hall including roof replacement and repairs.

Project Descriptions

Roof Replacement for Farm House and Town Hall

This project will replace the roof of the Farm House and repair the roof of the Town Hall. The roof replacement was originally expected to be completed through an outside firm. It has since been determined that the Maintenance Department is able to do this in-house for a significant amount of savings. In addition, a contractor has determined the Town Hall roof does not require replacement. With some minor repairs and yearly maintenance, the Town Hall roof should last another ten years.

Astor Avenue Improvements

The community center at Astor Avenue is an older facility that requires additional repair and upgrades to remain operational. These funds are set aside for improvements to the facility focusing on specialty needs of the food pantry, more office space, and building wide system requirements for phones, internet access, and HVAC. The majority of funds for these improvements have already been secured through the CDBG grant process.

Senior Park – “Runzel Reserve”

This project will address the continued growth in the senior citizen population of the Township. Many years ago the Town Board had the foresight to purchase a sizable main campus. Within the last few years the Township has successfully completed the construction of an impressive Senior Center. Adjacent to the main campus, a new senior housing and assisted living complex has recently been completed and occupied. Today, these facilities, along with even newer senior living facilities on West Bartlett road, represent the majority of senior orientated construction throughout Hanover Township. A new senior park located between these two facilities on an approximate 1.2 acre parcel owned by the Township would provide additional recreation and programming space specifically designed for our growing senior population. The goal is to form a partnership with the local park districts and utilize state grants to pursue the project for any amount over and above the amount allocated in CIP.

Senior Center Emergency Generator

The installation of the generator will provide backup emergency power to the 15,000 square foot facility in the event of an emergency. This will allow the lower level of the Senior Center to function as an Emergency Operating Center during natural disasters and/or other catastrophic events. The generator will also allow the Senior Center to be used as a heating or cooling shelter to at-risk senior and disabled Township residents.

Town Hall RTU Replacement

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 2012 the Town Hall RTU will meet that age standard and at that time a determination will be made if and when a replacement is necessary.

Highway/Bus Garage

The Township owns and operates eleven vehicles, excluding those owned by the Road District. Currently, only three of these vehicles are housed under roof. The existing highway and bus garages are dated, likely not in compliance with all current codes, and ineffective at meeting existing and future space needs. A new garage would likely be located in the general area of the existing garages, providing much needed additional space for vehicles, a wash bay to allow for on-site cleaning of vehicles, and possibly additional storage space for Township records and equipment. This garage would create an opportunity for further partnership between the Road District and Senior Transportation Services. Also, as the Emergency Management Agency develops this location may provide space for storage of any related emergency vehicles acquired. In the interim period, the Township has identified and is negotiating a lease for garage space to house vehicles until a Township garage of appropriate size is constructed.

Senior Center Lower Level Build Out

This project will provide additional space for Senior Center activities. In particular, the Senior Services staff has proposed a “Positive Aging Resource Center” that would compliment existing programming and services offered at the center on the West portion. The PARC center may include relocating Senior Social Services staff, providing space for senior service providers such as Catholic Charities or the Illinois Department on Aging, as well as local regional specialists. The East side would likely be primarily built out for a multi-purpose room for the increased number of Senior Center activities. The senior lending closet, gift shop storage, and bathroom facilities would also been included in the scope of this project. The Township has already acquired \$85,000 in CDBG funds towards the completion of phase one of the project, and hopes to acquire an additional \$100,000 for phase two.

Township Space Study

The programs and services of Hanover Township have grown significantly over the last twenty-five years since the construction of the Town Hall, matching the growth in population in the community. The addition of the Senior Center and relocation of services to the Astor Avenue Community Center has met demand for space in the short term. However, it is expected that further increases in services will be limited by existing space constraints, even as the Township is utilizing new grant funding options to meet service demand. A comprehensive space study of

all Township departments and operations by professional architects in the field will provide a blue print for future capital improvements including a probable Town Hall renovation and/or construction.

Township Hall Renovation/Construction

The farm house portion of the Town Hall dates back to the early 20th century, and existing building systems are becoming obsolete including HVAC, sprinklers, and design layout. As demand for space continues and building codes become more stringent a significant remodeling and/or construction of Town Hall facilities may become necessary to address resident expectation of service delivery. The previously mentioned space study should provide the Township with a clear direction of which alternatives will best address the Township's long term space needs.

Parking Lot Reconstruction

The existing parking lot serving the Town Hall and the areas around the garages is in significant disrepair. A short term project to repair and seal coat the lots should prolong their useful life by a few years, however significant reconstruction will be required in the future. This reconstruction should only occur after any planned major construction projects using these access roads and lots such as the town hall addition/remodel and the garage construction.

Campus Property Enlargement

This project is to address long term space needs of the Township. As neighboring properties are voluntarily placed on the market for sale, the Township should review each parcel for consideration for long term acquisition to accommodate services offered by the Township.

Recommendations

It is recommended that the Town Board consider each project individually and in context of the larger CIP. This would be an appropriate time to offer additional projects for inclusion in the CIP and/or deletions or amendments to the projects presented. The CIP is an advisory document providing the Town Board and administration direction in future fiscal year's capital budget development. Future years funding need not be fully addressed in the CIP, only in the capital budget of the effective fiscal year. It is anticipated that a variety of funding sources will be required to meet the CIP as presented including current revenues, grants, fund reserves, and possibly some form of borrowing. Grants will likely be a primary source of funding for capital improvements. The Township should invest additional resources towards grant research, writing, and administration. Please feel free to contact the Administrator's Office with any questions, comments, or inquiries regarding the information presented.