

Budget Message Brief

Revenue Notes:

The State of Connecticut has not passed a budget so state revenue is uncertain. The town revenue projections are based on the governor's budget proposal. This anticipates level funding except for a decrease in ECS funding of approximately \$63,000.

Town Revenue Sources The town anticipated decreased revenue from the building department as well as the town clerk's office. This is driven by decreased home sales and decreased new home building/major renovations.

The total decrease in Revenue is projected to be \$231,000.

Use of Fund Balance to offset taxation

There is not a sufficient surplus to use unexpended Fund Balance to offset the current years taxation as in years past.

Major Infrastructure Projects impacting budget season 2023-24

Buildings

Construction of a new Community Center on land behind Town Hall

This construction costs are 100% funded by Federal ARPA funds at approx. 1 million dollars. Additionally, the town is designating approximately \$125,000 from the Multiuse Building fund to furnish the building.

The town received a STEAP grant for \$275,000 to fund the demolition of 15 center st existing old firehouse building and replacing it with a parking structure. The town has committed \$75,000 from the multiuse building fund to complete the project.

The town anticipates expending approximately \$30,000 for repair of the doors at the Andover Museum as well as repair of the ceiling in the entrance. This is earmarked in the Building Maintenance fund

Additionally the Board of Finance has earmarked \$13,000 dollars to replace the bleachers in the gymnasium. The existing ones have needed annual costly repairs as the plastic gets brittle.

Roads Network

Bridges and Culverts

Federal local bridge program. The town has been able to secure 100% grant funding for the replacement of the Bunker Hill and Long Hill Rd Bridges over the hop river. Combined this represents approx. \$7 million in Federal and State Grant Funding. Andover Secured 100% funding through 3 separate funding mechanisms, Federal local bridge grant, design managed by state Grant program, and supplemental funding through federal IJA funds saves the town approximately \$1.4 million over what we anticipated.

State Local Bridge Program- The town will have two grant applications in for the replacement of a culvert on Hutchinson Rd and a second culvert on Lake Road near Basola. If awarded, the state will pay for 50% of the cost of the culverts. The town has been funding its ½ of the cost through annual funding the bridge and culvert fund.

Roads

The town is anticipating approximately \$600,000 in spending on town roads. \$193,000 of this is State funding through the Town Aid Road funding and 410,000 by funding the Road Improvement fund. The funding level for this has increased significantly as cost for asphalt and chipseal has increased 30% in the last 2 years.

The town of Andover also has submitted a grant application to the Transportation Rural Improvement Program for an additional \$1.1 million in funding.

Major Equipment spending

The town approved at public meeting the purchase of a public works plow truck. This will be paid for over 5 years from the public works equipment fund. It is anticipated that the truck will be delivered in time for the 2023-24 plow season.

The Capital improvement Planning Committee and Board of Finance are recommending the purchase of a new Squad rescue Pumper Fire apparatus for the fire department. It is anticipated that this will cost approximately 1 million dollars and will be paid for over 10 years. The intention is to sign a contract this year with the anticipated 2-year build process. This single vehicle will replace 2 vehicles. The vehicles being replaced are a 32-year-old Engine Pumper and a 28-year-old heavy rescue truck. This will be funded through the Fire Engine Fund.

Education Spending

RHAM. The overall RHAM budget increases by 2.85% but the Andover LEVY (the portion we pay decreases 11%) This is due to the population of Andover students attending RHAM decreasing. This represents a budget decrease of \$533,525 from last year

Andover Elementary School The Andover Elementary School Budget increase by 4%, or \$182,009.

The Net Educational Spending is a decrease of \$351,514.