



# Town of Winchester

Town Comptroller's Office  
71 Mt. Vernon Street  
Winchester, MA 01890  
Phone: 781 721-7116  
Fax: 781 721-7156  
sward@winchester.us

**TO:** The Select Board

**FROM:** Stacie Ward, Comptroller

**RE:** Comptroller Report  
Financial Update – Operating Activity  
Fiscal Year 2021 as of November, 2020

**DATE:** January 11, 2021

---

In relation to the Comptroller's Report, I wish to highlight the following:

## *General Fund Revenue*

- Despite the COVID-19 situation, the Real Estate and Personal Property tax revenue seems to be meeting expectations. The Revised Budget in November is not the final certified balance yet. As part of the tax recap approval process, the Department of Revenue (DOR) certified the final tax levy in December @ \$106,477,801 (\$105,697,186 RE and \$780,615 PP) which will be reported as the Revised Budget in the December report.
- In relation to the State Cherry Sheet Revenue, the final estimated revenue (net of offsets) was certified at \$11,291,821 by the DOR in December. The Revised Budget in this report reflects the original conservative estimate, which was lower than the final by close to \$1m.
- The Local Receipt Revised Budgets are based on the original Spring Town Meeting estimates. Town Management believed it would be prudent to reduce these to a more conservative level due to the potential COVID impact. The DOR certified the final Local Receipts @ \$7,900,000 (\$565k less than original estimates) which will be reported in the December report.
- Indirects from the Enterprise Funds are posted quarterly up front; therefore, 50% of the indirects have been processed as of November 30<sup>th</sup>.

## *General Fund Expenditures*

- For the most part, non-COVID related salaries and expenditures are meeting expectations at this time. Departments have been asked to let me and/or the Town Manager's Office know if they need additional funding or require any other budgetary changes. Article 25 of the Fall Town Meeting (FTM) addressed and approved the needs that have been identified to date. These changes are reflected in the report.
- Due to the nature of some of the departmental activity, the budgets will be spent more than the expected 42%:
  - WCRS appropriation 50% paid in July and 50% paid in August.
  - MIIA general insurance premium paid in July.
  - Health insurance premiums are paid a month in advance (most premiums).
  - Worker's compensation we prepay a 3<sup>rd</sup> party for claims
- In relation to unemployment, I have filed official protests to most of the claims that were considered invalid but I still have several more to file. The level of activity has slowed a bit, which is good news, but fraudulent claims are still coming in here and there. The Department of Unemployment Assistance has certainly been responsive and helpful in the protest process. At the last meeting I attended regarding the matter, they stated their intent is to issue credits for the fraudulent claims as soon as possible. I'm not certain when that will happen, but I did notice they have extended the due dates on the bills, so we could hold off paying the next couple of bills in the event we receive credits. I'll provide an update in the next report.
- COVID-19 related costs are being tracked in hopes to recover most, if not all, of what we are spending from FEMA and/or the state's Cares Act. The Cares Act eligibility period has been extended through December 31, 2021, but unfortunately they did not increase our approved reimbursement amount (\$2,014,720). We submitted our Round 2 application and received \$823,845 in December based on estimated costs. We will soon be submitting the "reconciliation" request in late January to get more of the funding related to costs that weren't fully allowed in the Round 2 application process but are now eligible (primarily costs FEMA is no longer considering eligible). Some of the costs are still in the general fund activity in November and even December, but will be reclassified once all of the reconciling is completed. The reconciling, reporting and request process will continue as we keep spending the funds.
- Subsidies to the Enterprise Funds are posted quarterly up front; therefore, 50% of the subsidies have been processed as of November 30<sup>th</sup>.

### *Water and Sewer Enterprise Fund*

Overall, the fund appears to be operating as planned and will meet budgeted targets. I reported previously that consumption is up from last year according to the most recent readings/commitments. The DOR certified the estimated user charges with the new service fee and the rate increase, thanks to the hard work of the Department of Public Works who provided the support required to justify the increases.

At the FTM there was a supplemental budget article to true up the FY21 debt service and the corresponding funding sources (i.e. estimated user charge revenue and CH110 transfer from the General Fund). This article was approved and the changes are reflected in the report.

### *Recreation Enterprise Fund*

The Recreation Department continues to face many unknowns as a result of the COVID-19 situation. The Recreation Director and the Program Coordinator are working diligently to find new programs to offer and creative ways to generate revenue. As you can see the activity is very different this year compared to last year. Town Management continues to work with the Recreation Department to make sure they have the support they need during this time.

One of the topics that has come up recently is the consideration of changing the fund structure. Currently, as you know, the Recreation activity is reported as an Enterprise Fund which has many benefits, but it also has its limitations. At some point in the near future we should meet to discuss the options that are available to us and the related pros and cons.