



Town of Winchester

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TO: The Select Board

FROM: Stacie Ward, Comptroller

RE: Comptroller Report
Financial Update – Operating Activity
Fiscal Year 2023 as of December 31, 2022

DATE: February 6, 2023

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

General Fund Revenue

- The revenue budgets in this December report are the final estimated revenues certified by the Department of Revenue (DOR). The DOR approved the tax recap on December 2, 2022. Revenue budgets from this point on for the General Fund (Water & Sewer and Recreation) cannot be changed.
- Real Estate and Personal Property tax revenue seems to be meeting expectations at this time. New growth came in higher than expected, so adjustments were made to local receipt estimates in order to balance the overall FY23 budget.
- The first Motor Vehicle commitment for FY23 hasn't been processed yet, but based on preliminary data, it should be right around what last year's first commitment was.
- The Licenses & Permits revenue has been broken out in two separate lines, one for Building Permits and one for Other License and Permits. This is a newly prescribed DOR presentation. Last year at this time we had already received building permit revenue associated with the two 40B projects (Wainwright Road – formally known as the Cambridge Street project and River Street). Other permit revenue related to electrical, plumbing, gas and mechanical permits for these projects were received in FY22 (Wainwright Road) and in FY23 (River Street).
- Miscellaneous Non-Recurring revenue of \$135k includes \$114k of Opioid Settlement payments, of which \$38,497 was received before the Fall Town Meeting (FTM) and appropriated (which is why you see a budget for this line item).
- Indirects from the Enterprise Funds are posted quarterly up front; therefore, 50% of the indirects have been processed as of December 31st.

General Fund Expenditures

- For the most part, 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. FTM approved additional Town Clerk funding and replenished the Reserve Fund.
- FTM also approved a \$1.2m BAN paydown for the Washington/Swanton BAN. For budgeting purposes, we associate BAN paydowns with the funded debt service budget, but for accounting presentation (per the DOR), it is a transfer out to the Washington/Swanton Capital project fund.
- Snow and Ice is not in a deficit as of December 31st, but it will likely be this month (February). I will seek deficit spending approval from the Acting Town Manager (per Mass General Law CH 44 §31D).
- Due to the nature of some of the departmental activity, the budgets will be spent more than the expected 50%:
 - WCRS appropriation paid in full by September.
 - MIIA general insurance premium paid in July (there are other insurance premiums we pay throughout the year, but this is the largest component)
 - Worker's compensation we prepay a 3rd party for claims (the revised budget includes a \$315k encumbrance from the FY22 budget which covers expected medical claims associated with an FY22 disability retirement)

(Note that we used to pay health insurance premiums a month in advance with our previous provider, but the new provider bills us later and we pay in the same month of the coverage)
- Subsidies to the Enterprise Funds are posted quarterly up front; therefore, 50% of the subsidies have been processed as of December 31st.

Free Cash Activity

Free Cash was certified by the DOR in September in the amount of \$16.7m. Fall Town Meeting appropriated \$1.7m of this, leaving a balance of \$15m. Of the amount appropriated, \$1.2m funded the Washington/Swanton BAN paydown, \$275k was transferred to the Healthcare & Health Insurance Stabilization Fund, \$75k funded continued Eversource related consulting, \$61k supplemented the FY23 budget and \$58k was transferred to the SPED Reserve Fund. The list of uses from FY19 through FY23 (YTD) can be found in the "General Fund Free Cash Activity" analysis.

Reserve Fund Transfers

So far in FY23, the Finance Committee has only made one Reserve Fund transfer in the amount of \$25k to the Main Street Bridge project. This \$25k was replenished at the FTM. The list of transfers from FY19 through FY23 (YTD) can be found in the "General Fund Reserve Fund Transfers" analysis.

Water and Sewer Enterprise Fund

Overall, the fund appears to be operating as planned and will meet budgeted targets. Rate studies are continually be performed to make sure we are meeting or plan to meet revenue, spending and retained earnings targets.

Recreation Enterprise Fund

Overall, the fund appears to be operating as planned and for the most part will meet budgeted targets. Revenue adjustments were made at the FTM, due to DOR requirements, but it is anticipated that the revenue will exceed what is being estimated.