

Treasurer's Report for the period ended March 31, 2022

Financial statements were distributed to the Mayor, Clerk and Council in advance of the Council meeting.

The Village continues to be in a very solid financial position. Going into 2022, the Budget and Finance Committee recommended a balanced budget for 2022. It is good to report that three months into the year, we are operating on budget, and slightly favorable. Of course, this is only three months and economic pressures continue with rising costs, rising interest rates and supply chain disruptions. Nonetheless, we are pleased to be able to report we are in good shape and will continue our diligence over Village financial matters. Now for the numbers:

General Fund-In March, the Village received \$458,000. Revenue from municipal income taxes and real estate taxes were \$64,000 and \$234,000, respectively. For the year, Real estate taxes collected are \$1,229,000, above prior year of \$1,133,000 by \$96,000. For the year, Municipal income tax revenue was \$819,000 down from 2021 when the Village received a non-recurring receipt of \$2,000,000. Excluding that large receipt, revenue in 2021 would have been \$534,000 and so the 2022 figure of \$819,000 is quite favorable. Overall, the tax receipts to date are stronger than were budgeted in December.

Other revenue of \$160,000 for the three months was significantly less than prior year due to decreases in all Other Source categories—Notably, permits and licenses, interest income, Mills Building rental income and Misc. income. Permits and licenses are a function of building and commercial activity. Interest is down as expected and budgeted. Mills building revenue should increase starting July with occupancy of the first-floor space following the renovations. Fines and costs should increase mid-year from traffic camera enforcements.

Expenditures for the month of March and year-to-date were \$417,000 and \$1,762,000, respectively, which includes \$451,000 of transfers from the General Fund to Other special purpose funds earlier this year. By comparison to the \$417,000 departmental expenses for March, Departmental expenses were \$397,000 in February and \$495,000 in January. The Departmental expenditures are the operating costs to run the Village. Compared to prior year, there were some notable differences. In Administration, legal and professional services were doubled compared to last year at this time, and income tax collection expense was down due to lower receipts this year. The Police Department is generally in line with last year except for higher dispatch operating costs and higher gasoline costs. In the Fire Department, all costs are comparable to 2021, except the EMS costs which are billed quarterly. Service Department costs were up in compensation, overtime and gas.

As the books of the Village are maintained essentially on a cash basis, there can be large variances based on when cash is received, and expenses are paid. Month-over-month, and year-over-year, it is not uncommon to have a surplus one period and a shortfall the next period.

At month-end March, 2022, General Fund cash was \$7,902,000 and cash in other funds was \$1,465,000 for a total cash position of \$9,368,000, up from February. We ended 2021 and started 2022 with combined cash of \$8,266,000.

This report will be posted on the Village's website.

Steven L. Siemborski

Treasurer, Village of Gates Mills

Chair, Budget/Finance Committee

April 8, 2022