

VILLAGE OF GATES MILLS
FINANCIAL REPORT FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2023
December 14, 2023

NOVEMBER RESULTS AND FINANCIAL POSITION

The financial statements were provided to the Mayor, Clerk and Council prior to the December Council meeting.

GENERAL FUND

Revenue for the month of November was \$564,000, consisting of \$251,000 of municipal income tax revenue, \$243,000 of traffic camera gross receipts and \$70,000 of other revenue. Tax amounts represent collections by the taxing agencies (Cuyahoga County and RITA) that are forwarded to the Village. The Village is dependent on the timing of those agencies' billing and collection activities and on the timing of taxpayer remittances.

For real estate taxes, receipts are dependent on the seasonal nature of tax due dates, payments by property owners and county remittances to the Village. For the first eleven months of 2023, real estate tax receipts of \$2,488,000 are slightly ahead of the prior year and budget by \$52,000.

Municipal income tax revenue was \$251,000 in November. We have been reporting for several months that tax receipts in 2023 have been less than in 2022. For the eleven months in 2023, income tax revenue of \$2,110,000 is below 2022 amounts by \$950,000. As discussed, we have conferred with RITA several times on expectations for 2023. Their latest projection of \$1,976,000, has been surpassed in November with collections of \$251,000. In the first two weeks of December, we have collected \$185,000 bringing our likely 2023 income to \$2,295,100. Our budget was \$2,600,000, so a shortfall of \$305,000.

In November, the Village received the second collection from the traffic camera enforcement program. Gross collections appear in the revenue category, while expenses to the Lyndhurst Court and to Gatso appear in the Police expenditure categories. In November, the Village received \$243,000 and remitted \$42,000 to Lyndhurst. We are anticipating Gatso sending a partial invoice to the Village for October and November collections, as they are working out reporting issues with the Court's reports.

Other sources of revenue (excluding the traffic camera receipts) is favorable to the prior year by \$140,000 due to higher receipts in most categories. Of note, the village received rental income from the cell tower, Mills Building rentals and interest on investments.

Expenditures for the month of November were \$409,000 for operations. Our monthly operating costs are approximately \$450,000 to \$500,000. For the first eleven months of 2023, expenditures were \$5,893,000 compared to \$5,536,000 in 2022. The 2023 amount includes \$932,000 of transfers from the General Fund to other Funds (\$1,093,000 in 2022). Excluding those transfers, cash expenditures were \$4,961,000 in 2023 and \$4,443,000 in 2022, an increase of \$518,000 (11.6%).

The Police Department is on budget in 2023. In the Fire Department, we spent greater amounts on personnel costs and on ambulance/EMS costs. The additional volume of fire calls requiring our Fire Department personnel has risen 30% this year including a record 42 calls in the month of July. As to EMS, calls are up 20%. EMS costs are \$447,000 in 2023 (compared to \$354,000 in 2022) due to more emergency calls. We are not expecting anymore invoices from Mayfield Village this year, as they invoice

quarterly. In the Service Department, we spent more on upgrades to the Village Hall and Mills Building, fees to evaluate the possible expansion of Burton Court and the new front-end loader purchase.

For the first eleven months of the year, the Village operated with a General Fund shortfall of approximately \$172,000 (\$72,000 recorded and \$100,000 possibly owed to Gatso). We had budgeted for a break-even year of \$19,841. Our results are lower than budgeted due to lower income tax receipts, higher Fire and EMS costs due to greater volumes, and start-up costs for the traffic enforcement program. It is possible we could end the year at a shortfall of several hundred thousand dollars rather than break even.

The General Fund cash balance at November 30 was \$7,738,000 compared to the beginning of the year balance of \$7,811,000.

OTHER FUNDS

The Village is required to maintain other special purpose funds by statute or contract. Cash in these special purpose funds amounted to \$2,036,000 at November 30. During the month, we distributed \$340,000 from the Capital Improvement Fund for the 2023 Roads Program.

This report will be published on the Village website.

Please direct any questions or comments to Treasurer@gatesmillsvillage.com.

Steven L. Siemborski
Treasurer, Village of Gates Mills
Chair, Budget and Finance Committee