

**VILLAGE OF GATES MILLS**  
**FINANCIAL REPORT FOR THE EIGHT MONTHS ENDED AUGUST 31, 2023**  
**September 17, 2023**

**AUGUST RESULTS AND FINANCIAL POSITION**

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

**GENERAL FUND**

Revenue for the month of August was \$1,023,000, consisting of \$805,000 of real estate tax receipts, \$150,000 of municipal income tax revenue and \$68,000 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 eight months of 2023, real estate tax receipts are slightly ahead of the prior year. We have caught up with a slow collection start earlier in the year. As the underlying basis of calculating real estate taxes has not changed, we can expect the budget amount for the full year.

Municipal income tax revenue was \$150,000 in August. We have been reporting for several months that tax receipts in 2023 have been less than in 2022. For the eight months in 2023, income tax revenue of \$1,534,000 is below 2022 amounts by \$873,000. As discussed, we have conferred with RITA on expectations for 2023 collections to see whether their previous guidance to us, from which we developed the budget of \$2,600,000, is different and for explanations of the lower amounts. Their updated projection of \$2,125,000 would produce a \$475,000 possible shortfall between budget and projection.

Other source revenue of \$610,000 is favorable to the prior year by \$103,000 due to higher receipts in all categories except ambulance income. Of note, rental income from the cell tower (\$72,000 this year, \$62,000 in 2022) , interest on investments, and higher Mills Building rental income from a one-time tenant payment in January of 2023 that was paid differently for 2022 provided for most of the difference.

Expenditures for the month of August were \$424,000 for operations and \$436,000 of transfers to other Funds. Our monthly operating costs are approximately \$450,000. Certain vendors invoice the Village on a quarterly basis. Legal and professional fees are up for the year by 10% or \$16,000 due to increased rates and more matters requiring attention. Income tax expense is down as a function of lower collections. For the first eight months of 2023, expenditures were \$4,600,000 compared to \$3,765,000 in 2022. The 2023 amount includes \$932,000 of transfers from the General Fund to other Funds (\$451,000 in 2022). Excluding those transfers, cash expenditures were \$3,558,000 in 2023 and \$3,314,000 in 2022, an increase of \$354,000 or about 10%.

The Police Department is on budget in 2023, except for the \$90,000 deposit payment made by the Village to Mayfield Courts upon the commencement of the traffic camera program in August. 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 58% this year to 158 YTD calls,

including a record 42 in the month of July. As to EMS, calls are up 40% to 151 calls. EMS costs are \$357,000 in 2023, compared to \$233,000 in 2022, due to more emergency calls. We can expect one more quarterly invoice from Mayfield Village this year. In the Service Department, we spent more on upgrades to the Village Hall and Mills Building and purchased the budgeted, new front-end loader.

For the first eight months of the year, the Village operated with a General Fund shortfall of \$109,000. We had budgeted for a breakeven year. Our results are lower than budgeted due to lower income tax receipts, higher Fire and EMS costs due to greater volumes, costs to start the traffic program and the emergency Gates Mills Boulevard road repair. It is possible we could end the year at a shortfall of several hundred thousand dollars rather than breakeven.

The General Fund cash balance at August 31, 2023 was \$7,701,000 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 \$2,310,000 at August 31. ARPA funds that have been awarded to and received by Gates Mills have been deposited into the ARPA fund per instruction and not into the Capital Improvement fund. I will be providing to Council and the Mayor at the September meeting, a schedule of select funds that address balances, sources and uses of those funds that relate to the capital improvement projects.

This report will be published to the Village website.

Please direct any questions or comments to [Treasurer@gatesmillsvillage.com](mailto:Treasurer@gatesmillsvillage.com).

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