

VILLAGE OF GATES MILLS
FINANCIAL REPORT FOR THE TEN MONTHS ENDED OCTOBER 31, 2023
November 18, 2023

OCTOBER RESULTS AND FINANCIAL POSITION

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

GENERAL FUND

Revenue for the month of October was \$491,500, consisting of \$264,000 of municipal income tax revenue, \$144,000 of traffic camera gross receipts and \$83,000 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 ten months of 2023, real estate tax receipts are slightly ahead of the prior year and budget by \$50,000.

Municipal income tax revenue was \$264,000 in October. We have been reporting for several months that tax receipts in 2023 have been less than in 2022. For the ten months in 2023, income tax revenue of \$1,859,000 is below 2022 amounts by \$912,000. As discussed, we have conferred with RITA on expectations for 2023 collections. In the month of November, we received \$251,090, bringing the year-to-date collections to \$2,110,079.

In October, the Village received the first collections from the traffic camera enforcement program. Gross collections appear in the revenue category, while expenses to the Lyndhurst Court and to Sensys Gatso appear in the Police expenditure categories. In the first collection the Village received \$144,000. In October, the Village remitted \$82,000 to the other parties. The net contribution to the Village is \$62,000. These amounts exclude the deposit we made with the Court when the program commenced.

Other sources of revenue total \$707,000 (excluding the traffic camera receipts) and are favorable to the prior year by \$124,000 due to higher receipts in most categories. Of note, the Village achieved higher rental income from the cell tower, Mills Building rentals and interest on investments.

Expenditures for the month of October were \$528,000 for operations. Our monthly operating costs are approximately \$450,000 to \$500,000. For the first ten months of 2023, expenditures were \$5,483,000 compared to \$5,115,000 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 \$4,551,000 in 2023 and \$4,022,000 in 2022, an increase of \$529,000 (13%).

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 32% this year to 184 calls including a record 42 calls in the month of July. As to EMS, calls are up 21% to 182 calls. 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 ten months of the year, the Village operated with a General Fund shortfall of \$227,000. 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, 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 break even.

The General Fund cash balance on October 31 was \$7,584,000 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 \$2,217,000 on October 31. During the month, we distributed \$51,500 to the Gates Mills Land Conservancy.

FINANCE/BUDGET COMMITTEE

The Committee met twice. Minutes are being prepared and will be posted when complete.

This report will be published to the Village website.

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

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