

# THE TAX ATTACK I

As a member of Village government, I'm frequently asked to "do something about our high taxes." My brief stock response has been that our taxes are not high relative to comparable communities, but that's just my opinion, as well as a complex conclusion to substantiate in a casual conversation.

But the implicit question raised by those inquiries is a fair one and deserves a factual response. These comments and the ones that will follow in subsequent months are intended to provide all residents insight into Village finances and the way in which the business of the Village is conducted.

## How the Village is Managed

Before addressing revenue and expense, let me offer a word about process. The day-to-day operation of the Village is overseen by the Police Chief, the Fire Chief, the Service Director and the Administrative Assistant to the Clerk, each of whom is responsible to our uncompensated Mayor and Council. Control over operating and capital expenditures is continuous and multi-layered:

- Committees of resident volunteers provide detailed oversight of all operational functions.
- With regard to finances, there are committees responsible for wages and benefits, the annual operating and capital budgets and long-range financial planning.
- Council adopts the annual operating and capital budgets and reviews all expenditures of the Village and the unaudited financial statements monthly.
- The books of the Village are audited by the State of Ohio Auditor, and further oversight is provided by the Cuyahoga County Auditor. We regularly receive "clean" audits.
- With the exception of payroll expenditures that are approved by Council, all checks are reviewed and signed by two elected or appointed non-employee residents.

## The Annual Budget

The budgeting process for an upcoming year begins in the fall and concludes at year-end or shortly thereafter with adoption by Council. The process is a bottom-up one. Each department estimates the anticipated cost components of its operations based on expected staffing, past expense experience and new or enhanced services it proposes to provide, as well as its anticipated capital needs.

- Each component is reviewed by the Budget Committee and approved, adjusted or eliminated as they feel is appropriate.
- Wages and other personnel costs, 53% of the Village's more than \$4.5 million operating budget, are reviewed by the department managers and the Wage and Benefits Committee which recommends annual adjustments as appropriate to the Budget Committee.

## More on Village Operating Expenses Next Month

I hope you find these comments and the ones that will follow informative. It is important for Villagers to be well informed as the cost of government continues to rise in almost every community. As residents and voters we are asked repeatedly to make judgments concerning leadership, taxation and other important matters. My aim is to simplify your decision-making process. Informed judgments generally are good judgments. Copies of these thoughts and more financial information about our Village will be available on our web site ([www.gatesmillsvillage.com](http://www.gatesmillsvillage.com)) as well as on our community's cable television Channel 23. In addition, comments and questions may be sent to me at [rsrform@core.com](mailto:rsrform@core.com).

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