THE TAX ATTACK
Chapter II

Many thanks to all those who took the time to contact me concerning my September *Pink Sheet* report on Village taxes. In this edition, I'll begin to describe the cost side of our safety and service departments and administrative office.

Because compensation and benefits are such a significant share of all Village expenses (53%), you should know that at least annually the Village surveys 8 surrounding communities to compare labor rates and benefits. Because of individual community historic benefit practices, absolute comparisons are very difficult and benefit valuation by responding communities can reflect their local subjectivity, particularly if the benefit does not have an obvious cost, e.g., the use of village property. Some benefits are mandated by the State as a percentage of pay. A committee made up of both elected officials and other residents reviews these surveys, together with the request of the department heads, in an effort to be certain Village pay rates and benefits are competitive but not excessive. Generally our wages and benefits satisfy that standard even though some neighboring comparison communities are substantially larger in number of residences, number of business organizations and other factors. While we occasionally experience an employee resignation for greater compensation in a neighboring community, this has not been a frequent problem. Unfortunately, when it does occur the Village sustains the loss of the costs of training and uniforms, which are invested in most employees. The product of the review by the Wage and Benefit Committee becomes an important component of each departmental budget proposal.

In 1996, the Village employed 30.4 full-time equivalent (FTE) employees. This year that number is 33.7. The actual number of employees today is 97, but many of those are part-time or seasonal. Gates Mills contains 8.8 square miles and has 55 miles of roads. These are critical components in the budgeting for all services. For example, given Village size, it has been determined that, if we are to have 2 police cars on the road at all times, we must have 12 patrol officers (21 shifts per week per car plus sick time and holiday replacements). A full workweek without overtime consists of 40 hours. The same math applies to the Service Department, particularly during snow season. The Wage and Benefit Committee has determined that current staffing levels are appropriate for the services provided to our residents by the Village.

Beyond Wages and Benefits, the operating expenses of each department are somewhat predictable. Motor vehicles must be replaced when the cost of repair for an adequately functional vehicle exceeds the cost of replacement. For example, our police cars average 4 years of service and 125,000 miles, while our service department equipment averages 10 years and 162,000 miles. As with all of us, the cost of motor fuel is a significant one even though we purchase at bulk rates. Large purchases, such as road salt and other minerals, are bid by Council before commitments are made. The list of operating expenses for the most part mirror those of any other business organization with some notable exceptions. For example, road maintenance, exclusive of major projects, costs more that $300,000 each year, and legal expenses for the routine business of the Village (including the enforcement of our criminal ordinances) is about $129,000. In the area of safety, each police car carries a defibulator recognizing that the first minutes of cardiac care are critical to patient survival, and members of our Police Department are trained regularly in their use. Annually, tens of thousands of dollars are invested in equipment to address potential emergencies and, of course, periodically technical obsolescence requires replacement. The good news is that our various departments consistently live within their operating budgets established by Council.

Next month, I continue to present information on the costs of maintaining services in Gates Mills.

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