

THE TAX ATTACK

Chapter XXIII

This is the last Tax Attack article until December. Because I plan to be active in the upcoming Village election process, I will avoid any claim of editorial bias by withholding further Pink Sheet comment on Village fiscal matters until then. Throughout the years in which I have offered information on the business of Gates Mills, I have strived to be apolitical. But the issues that face our community deserve a fair airing and I believe past articles have satisfied that standard. I hope that during the next ten weeks the candidates will embrace the same approach.

That said, I offer several nonpartisan facts regarding the fiscal health and the operation of our Village. Many communities in our nation are in fiscal crisis. Unfunded retiree benefits coupled with less than predictable revenues and escalating costs have created hardship. One need only look to our region to find examples of “hopeful” planning that are resulting in wage reductions, layoffs and service curtailment or new fees and taxes.

That has not been the pattern in our Village. For example, our share of Ohio death taxes has been dedicated to capital improvements and only committed after receipt. True, the Ohio legislature has ended the tax for deaths occurring on or after January 1, 2013. Receipt of our share of those taxes paid will likely extend into early 2014 given tax payment deadlines. Those tax receipts have averaged about \$831,000 over the last decade and over the last four calendar years have averaged almost \$1.1 million. A first priority in budgeting for 2012 (which will occur this fall) and beyond will be to rationalize the ultimate loss of that revenue.

The Village also continues to live within its means in terms of operating expenses. But for the recent new cost of providing emergency ambulance service purchased from Mayfield Village (almost \$295,000 this year), operational costs are estimated to be somewhat lower this year than last. Department heads have been effective in lowering costs without significant reductions in service. That was possible, in part, because refuse pickup costs are once again borne by residents.

But if all other revenue sources remain unchanged, by 2015 the Village will need to extract significant and dramatic savings from existing operations (in some measure thru service reductions) or curtail capital projects, most of which affect the safety and wellbeing of our citizens.

So, you may ask yourself, what can I do now to impact these anticipated challenges. The answer is simple. If you want to do more than await your fate, you need to inform your representatives (Local, State and Federal) of your preferences. It is not enough to call for lower taxes. Respectfully, that option is unrealistic and would result in irreparable harm to all of us. If you are not committed to passivity, you owe it to yourself and your community to express your opinions. Waiting to be dissatisfied is not a plan for success.

I urge you to reflect upon the quality of life in our Village. Determine which services you prize and which you are prepared to surrender or to pay more to retain. Attend meetings of Council and its committees addressing fiscal issues. Gain an understanding and express yourself. Changes that may become necessary can impact not only your taxes but also your property values.

While apparently not shared by everyone, it is my considered opinion that our Village is well managed, but even that assessment does not insure the future. Please inform yourself and engage. It is our best chance to continue what we have and value so highly.

Bob Reitman
Treasurer and Tax Administrator