

\$40 per Hour?!

If you take our infamous “**Red Book**” (which is the “ultimate financial yearly budget document”) and calculate what PCM charges us for one hour of a PCM gardener’s time It comes to \$40 per hour. Don’t ask a Board Member to justify this cost because most of them haven’t a clue. It might not be their fault, in a few instances, because when it comes to wages and salaries, PCM takes on the “**Don’t ask! Don’t tell!**” approach.

You see, wages are “confidential” and there is limited information coming from PCM about their employees. Now, **you** know, and, **we** know, that the \$40 per hour includes more than the “take home” pay that a gardener makes every payday. We all realize that included in that is the benefit package that PCM has agreed to.

People with knowledge of local wages understand that the take home pay, plus, the benefit package for a gardener in this area does NOT come close to \$40 per hour and is closer to \$20. So what accounts for the difference? Management Salaries!

About 15 years ago we had a Managerial Audit that assessed the management structure that the General Manager had designed into his plan for maintenance of our amenities and homes. One of the highlights of this audit was the comment that there were too many management levels between the worker and the General Manager. Yes, each level of management adds to the hourly rate charged to the residents for a service.

Are the current add-on charges for management justified? Are the Board Members aware of these add-on charges? Who should determine what the charges should be?

The Board Members do not have this kind of background, regardless if they are a judge or a doctor. So how do we make these kind of determinations? We hire an independent contractor with the necessary skills to tell us what is within reason, or, we can sit back and let PCM do this as we have for over 30 years, and that is where we are today .

If the Board Members do not have the skills to do this, they have the **Fiduciary Responsibility** to see that it is done by someone who is not tainted with a potential “***Conflict of Interest,***” as PCM would be.

But, “An outside independent audit costs money” say the Board Members. That is not reason enough to justify not having an audit. An audit is an obligation on the part of the Boards to ensure each resident/owner that they are getting the most for their money. Like insurance, we hope that we never have a problem and still we consider the money well spent. Should there come a time when we are not prudent on our costs, history shows that we will probably save far more than the cost of our audits.

This responsibility falls on the shoulders of the Board Members to clear up any misunderstandings, one would think that PCM would be the first in line to get an audit. Their resistance to audits does not bode well and makes them appear that they have something to hide.

Historically, labor accounts for about 55% of our expenses. Controlling those costs is imperative and can be done a number of ways. Reducing management levels is just one way. There are many others. This is where the managerial skills of the General Manager will show up.

We’re still looking for them!