

"Federation Corner" column
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County needs to establish priorities

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The job of heading the Montgomery County Council changes hands yearly, with a new President and Vice President being elected by their colleagues each December. Following the installation of their new leaders, the Council traditionally then goes on a retreat in order to set goals for the upcoming year. I would guess that some form of establishment of goals also takes place each year across the street from the Council in the Executive Office Building in Rockville.

I have a suggestion for consideration at the 2014 Council retreat and the County Executive's next goal setting session: no matter the issue being addressed, Priority Number One should be the provision of the best level of services at the lowest possible cost.

Consider the need for additional public transit capacity, for example. How can the County Executive and Council members provide the best level of new transit service at the lowest possible cost? Most, if not all, top county officials seem to think that the Purple Line light rail system proposed to run from Bethesda through Silver Spring, Langley Park, and College Park then on to New Carrollton, is a "must build" project. Now Governor Martin O'Malley has stated that he believes the most cost efficient way to provide this transit system is through a public-private partnership. But will this be the lowest cost method to handle construction and operation of the Purple Line?

Governments are not in the business of making a profit. They have no stockholders expecting dividends, or Board members receiving huge annual salary bonuses, often taking the form of lucrative stock option deals. So when a local government or a quasi-governmental entity like the Washington Metropolitan Area Transit Authority (WMATA) runs a public transit system like the Washington area's Metrobus and subway system, the fiscal goal is to break even. That said, since most transit systems including Washington's operate at a deficit, even this requires financial subsidy by the region's local governments that are served by the system.

Private sector businesses, by contrast, have profit making as a primary goal. So if subsidies would likely be required for the Purple Line just to break even, should it be run by local government or a quasi-governmental entity, then where will the money come from to pay a private sector partner the profit they will surely demand in exchange for constructing, operating and maintaining the Purple Line?

Is the primary goal to partner with a company who will provide "up front" money to build the system? I am of the understanding that local governments often borrow the money needed to construct public-private initiatives because banks lend them money at a lower interest rate. But whether government or a private entity provides the construction funding, if the system operates at deficit then I am left asking where the extra revenue will come from to pay the private sector partner their profit. I am certain it will come from us, the taxpayers.

So, if government or a quasi-governmental entity like WMATA running the Purple Line would have to be subsidized by taxpayers just to break even, and a private sector partner would require a greater level of taxpayer subsidy in order to reap a profit, is a public-private partnership the lowest cost method of providing this added transit capacity? Will the Council and County Executive have met the

Number One Priority I suggested at the start--that of providing the best level of service at the lowest possible cost?

County Executive Isiah Leggett has wisely decided that even though a bus rapid transit system (BRT) might be the most cost efficient way of providing added transit service to the rest of the county not served by the Purple Line, the county will probably only have funding in the near term to establish two or three of the dozen or so BRT routes being considered. He understands that these first trial routes should service areas with the greatest possible ridership, and be located close enough to each other to share a maintenance and storage yard for the new vehicle fleet...a solution to provide the best service at the lowest cost.

Take as another example the creation of affordably priced housing in the county. For the last decade I have heard county officials proclaim that even teachers, policemen and fire fighters employed by the county cannot find affordable housing within the borders of the very jurisdiction they serve.

Fairfax County faced this very problem several years ago when they realized that they were failing to attract new, young teachers to their county because the recruits could not afford to live there. Fairfax addressed the problem by buying an apartment building as housing for new teachers, who would then move out on their own when their pay increased with time in service, thereby freeing up the employer provided housing for the next round of new teachers.

If Montgomery officials are committed to creating affordable housing for county employees, their first task should be to ascertain the scope of the problem. How many government employees do not currently reside in the county, and would like to move here if they could find affordably priced housing? When they have answered that question, then they would have a target to shoot for.

The way to address the problem might be to build employee housing as part of every new public facility project (fire station, library, police station, etc.). Or it might be the most cost effective way to solve the problem is to provide lower wage employees with some form of voucher they could use to secure market rate housing.

The point I raise is that our county officials must not only establish priorities as to which issues they immediately address and which may be less pressing. They should also insure that, whatever the issue may be, the solutions they implement will provide the maximum benefit for the minimum cost. That should be the filter through which they view all issues that come before them.

The views expressed in this column do not necessarily reflect formal positions adopted by the Federation. To submit an 800 to 1000 word column for consideration, send as an email attachment to montgomerycivic@yahoo.com