

“Federation Corner” column  
*The Montgomery Sentinel*, 29 October 2015

## **Affordability and responsibility**

By Paula Bienenfeld

Last Month Jerry Garson, our Civic Federation Transportation Chair, who has been doing an extraordinary job as Chair, testified before the County Council at the September 22<sup>nd</sup> County Council hearing on County Spending Affordability Guidelines. His testimony is below.

Good afternoon, my name is Jerry Garson; I am representing the Montgomery County Civic Federation, Inc. (MCCF). The MCCF’s member associations serve over 150,000 households or nearly half of the County’s population.

The question posed to our residents and businesses is, are the Spending Affordability guidelines and targets for General Obligation Bonds correct and affordable.

Section 305 of the Charter requires the Council to set spending affordability guidelines for the Capital Budget each year. The real question is can the residents and businesses in Montgomery County afford the increase in taxes proposed.

We see, in addition to these costs, proposed Bus Rapid Transit routes on MD 355, US 29, and Veirs Mill Road and the Corridor Cities Transitway that would cost \$2.2 billion, with operating costs exceeding \$80 million per year.

These costs are not included in the spending affordability guidelines. We do not know why.

In January, the County Executive requested new State legislation that would allow Montgomery County to overhaul the current government structure for providing transit services, by creating an Independent Transit Authority (ITA), and perform an end-run around our County Charter and the County Charter’s taxing limits.

The bill, would create a countywide special taxing district and raise real estate taxes above those allowed by our County Charter.

The ITA would be an independent agency run by a five (now seven) person board appointed by one person—the County Executive. No oversight of its operations is provided for. It would have its own procurement process and the authority to enter into contracts with other governments and private parties and to take property through eminent domain if the project is included in the CIP. CIP projects are normally limited to 3 or 4 pages of discussion, with no detailed list of properties to be condemned for public use, and hearings are held one night. It would be neither answerable to, nor accountable to us—the taxpayers and residents. The Authority could build bridges, tunnels, ports, freight or rail terminals, tracks, subways, parking areas, parking structures, and building structures. The Authority would have a significant payroll for Board members and administrative personal.

There are some easier, cheaper and faster alternatives that are possible:

- Provide free Ride On bus services, which would provide more mobility and cost less than the costs of the BRT lines proposed. The cost last year for free Ride On services would have been \$22 million. Next year it probably would be \$ 23 million. This is the amount of fare contribution made by its riders.
- Accept the WMATA proposals for the Q9 on Viers Mill road and the Z9 and Z29 on US Route 29. This is at no cost to the County and will be implemented by June 2016.
- Implement the 355 Ride On Plus Transit Improvements, a \$21 million proposal instead of Bus Rapid Transit, saving \$1,020,400,000 of capital cost along Md. Route 355.

The principal reason for this radical change of bypassing the Spending Affordability limits in the County Government is to finance the construction and operations of the proposed BRT system, but the new ITA would have far-reaching powers that would extend to the creation of bridges, ports, subways, tunnels, and any other related projects it so desired. The extent of the County government's control would be limited to the approval of ITA projects in the County CIP budget and provisions in relevant master plans.

Page 4 of the Memorandum to the Council dated 18 September 2015 from Council staff member Glenn Orlin states: "How each scenario meets the five debt indicators is shown below. The table indicates the number of years within the CIP period the indicators met (maximum total score=30)." The memo shows a total score of 6 out of 30 in scenario.

"These scores are extremely poor, especially compared with the experience prior to the Great Recession. Debt has normally not exceeded 1.5% of real property value in any year, but the projection under every scenario is that it will exceed 1.5% of real property value in every year."

On top of this debt, the County wants to add the debt of the BRT, which, by some method, should be considered independent of the County Debt; however, the taxpayers would still be required to pay for it as part of their property tax bill.

What are you going to do reduce operating and capital expenditures to help the taxpayers in this county and to stimulate job creation and economic development? Or are you trying to make Montgomery County less competitive with surrounding jurisdictions and the rest of the United States?

The County Executive's Transit Task Force Public Draft Report and Recommendations on page 17 states:

"The County has a pressing need to create better transportation access for people who earn less than the median County wage and rely on public transit to commute to their jobs, particularly given that the median wage is falling with the increasing proportion of lower-wage jobs in the County. These 'captive' riders may find that owning and operating a car to commute to work either is cost-prohibitive or takes a significant bite out of their household budgets. At the same time, the limitations of our current transit system may reduce their economic as well as physical mobility, as some jobs are literally out of reach from the places where they can afford to live."

Would these people prefer free Ride On service and a WMATA style BRT-commuter-type system being implemented by June 2016, or would they rather wait until full completion in Fiscal Year 2026 of the \$2.2 billion dollar system?

Thank you for your time.