

# St. Cloud Times

## Put taxes toward maintenance, not new stuff

Kim Crockett

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Hundreds of thousands of Californians are living in the path of the Oroville Dam. Residents were evacuated last week, and may be evacuated again, because more rain is on the way. This dam has needed attention for years. Why didn't Gov. Jerry Brown, who has been in office for six years, take care of the deferred maintenance before it became an emergency, and possible mass catastrophe?

Because government has gotten really good at putting off boring maintenance and repairs while at the same time spending extravagantly on new and poorly vetted infrastructure like high-speed trains, light rail and fancy stadiums. For example, California got matching federal funds to build a \$68 billion high-speed rail even though the state is roughly \$500 billion (yes, a half-trillion) in the hole on pension obligations.

Minnesota just dropped \$500 million of taxpayer dollars on a football stadium even though the pension funds are about \$17 billion in the hole and have been missing annual payments for more than a decade. And unless Minnesota leaders figure out a way to stop the funding train coming out of Washington, the Metropolitan Council is going to drop \$2 billion just to build the Southwest LRT without budgeting for maintenance of the system, estimated to cost about \$30 million a year. Or the billions needed to replace the LRT when it wears out in just 25 years.

It's a lot more fun to break new ground on shiny new objects than to budget for and maintain capital improvements. The media does not show up to snap pictures or write glowing stories about maintenance workers doing their job. Maybe they should.

John Ryan, writing for *Governing* magazine, put it this way: "When infrastructure maintenance is deferred or a pension contribution is skipped, critics of imprudent public spending are quick to label it as 'kicking the can down the road.' But that doesn't really capture the essence of the practice. It's a form of borrowing. More cash is available in the current period, but a future obligation in the same amount, plus accrued costs, is created. Just like a loan."

Yes, and if the dam breaks, or the pensions fail, you have to pay a lot more than regular maintenance.

Randall O'Toole, a transit expert with the CATO Institute, was in Minnesota recently to testify in the House on the "transportation revolution" already underway. He predicted light rail is going to be obsolete in about 20 years. Think Uber, Lyft, ride sharing, double-decker buses and self-

driving cars. He also warned that light rail (which means that the train does not carry a lot of passengers) was never a good or economical solution in Minnesota if your goal is congestion relief.

We also learned that light rail systems all over the country are in need of huge repairs. The worst one is probably the Metro serving the nation's capital. It's falling apart, and yet the regional transit authority wants to spend more on new LRT projects.

The American Society of Civil Engineers has given light rail transit a grade of "D" on its "America's Infrastructure Report Card." The rest of the grades on roads, dams and so on, are pretty bad, too. The ASCE estimates the nation is \$3.6 trillion in arrears. The information on Minnesota's infrastructure was more encouraging except for road conditions that damage cars every day. Even though the ASCE has a keen financial interest in overstating problem, the general point is well taken.

Minnesota has already built the Northstar, Hiawatha and Green Lines, and is very close to getting full federal funding for Southwest Light Rail. Has anyone noticed any impact on congestion?

After Southwest LRT, the billion-dollar-plus Bottineau Line is next. Other projects being teed up? A "Zip Line" to Rochester, a passenger train to Duluth, LRT between downtown St. Paul and the airport — and an extension of the Northstar to St. Cloud.

What these trains all have in common is that operating and maintenance costs have not been built into state and local budgets. That's just so boring. Instead, we borrow against future revenues, which means we are shifting the burden onto the increasingly narrow and burdened shoulders of our children and grandchildren.

We the People get the government we vote for, so what does this say about us?

The Northstar train to Big Lake is running a massive operational deficit. O'Toole said it would be cheaper to buy each Northstar passenger a new Prius every year than to run that train. Yet there are elected officials (and rail lobbyists) arguing to extend the Northstar train to St. Cloud. And then dare to claim that "it won't cost a thing."

Yeah, and I have some land near the Oroville dam to sell you.