OPINIONS

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Digging a hole

Decisions -- bad decisions -- made by past boards of commissioners have put county taxpayers into debt that has exploded.

Most people don't pay cash for a house. They take out a mortgage. They borrow money.

Mortgages aren't necessarily a problem. The problem comes if a homeowner borrows more money than he or she can afford to repay, or opts for an adjustable-rate mortgage that resets to a sky-high percentage, or buys a money-pit house without having it inspected before closing, or adds to debt with home equity loans when the borrowing ends up being used for vacations rather than for remodeling the house.

That applies to government debt, too -- specifically Lancaster County's debt.

As a Sunday News story reported last week, Lancaster County owes $260.6 million in debt, down from the high of $271.2 million in 2010. The debt stood at $45.7 million as recently as 1999. Now it translates to more than $500 owed per resident.

Debt service -- the amount the county has to pay in principal and interest -- sucks $23 million a year from the county budget. More bond issues might be necessary to finance a new prison, which could cost $170 million or more, and to pay off projects already under way.

Republican county Commissioners Scott Martin and Dennis Stuckey both disapprove of the county's debt level; Mr. Martin said he'd rather see county leaders pay as they go. We agree that government debt can't continue to grow unchecked. But the issue shouldn't be whether debt is good or bad, but how the money is spent.

Take the new morgue, at $12.7 million. That investment was forced because a previous board of commissioners sold the Conestoga View nursing home out from under taxpayers -- and the morgue had been in the basement of Conestoga View. The new owners gave the county a time frame after which the morgue had to be moved.

Or take the $50 or so million -- we're guessing that's a low-end number because work seems to be never-ending -- to fix up the new county government center at 150 N. Queen St. The same board of commissioners seized "150," as it's called, by eminent domain. They wound up not only paying more after the owner took the county to court but spending much more than anticipated to bring the building up to government standards.

Even before that, another board of commissioners probably spent more than needed to construct the Youth Intervention Center on Sunnyside. The $18.3 million building -- desperately needed to replace the aging and overcrowded Barnes Hall -- has never been fully utilized.

How about the emergency radio system, which has been in the works since 2000? Previous boards spent nearly $14 million on the "OpenSky" network, but the project was plagued by so many glitches that the current commissioners pulled the plug on the deal in 2008. Now it will cost another $13 million or so to switch to another system. In hindsight, committing to OpenSky was a mistake -- for which taxpayers and first responders still are paying.

And consider that borrowed money didn't always get spent for the advertised purposes. Just for instance, back in 2000, commissioners floated a $25 million bond intended to wipe out the backlog of farms waiting to be preserved. But just $7.7 million of the $25 million actually was used to buy preservation easements. The rest financed other county projects.

Let's not forget previous boards' use of "swaps" -- complex investment tools intended to hedge the amount of interest paid on bond issues. While swap deals came with millions in upfront cash, most of the county's swaps wound up losing money as the commissioners lost their bets on the direction that interest rates would move.

If elected officials had made better decisions on spending bond money, the debt level probably would be significantly less than $500 per county resident.

And county taxpayers wouldn't be worrying about government debt being underwater.

Falling down on economic development

Has Lancaster done a good job at economic development? In my opinion, the answer is "no."

The Lancaster economy was strong when manufacturing was an effective engine of widespread prosperity. But signs of danger and decline have been visible for a while now: There has been an increasing gap between our per-capita income and that of the country. We have been falling behind, losing manufacturing jobs at a faster pace than the country, and not replacing them with enough well-paying jobs.

On the average, Lancaster families (which, to their credit, were not as given to the frenzy of debt and speculation that infected other areas) remain fairly strong -- this, of course, aside from the general effects of the recession. But one can rely on the legacy of a strong past only for so long. If the current trend continues, it will not be too long before cracks in family finances become increasingly the norm here even if the country gets out of the recession.

Has the "economic development" leadership in Lancaster (both public and private, and both the for-profit and the not-for-profit sectors) responded effectively to the challenge it has been facing? In my opinion, the answer is, again, and regrettably, "no."

For sure, providing effective leadership on matters of economic development is difficult. It takes time to recognize trends, and then it takes more time to overcome inertial forces, forge a new vision, organize a working consensus.

Politics is very important here: It can help, or it can get in the way. To be effective, the economic development leadership circles must be uncompromising in putting vision above established interests and individual short-term interests. They must be willing to participate in an open public process of discussion and ready to confront political impediments to that process.

In a capitalist economy, where change is the order of the day, overcoming the inertia of established interests and narrow politics is important at all times; it is even more important when, as in our case, things haven't been going well. Time is of the essence, too: The longer the inertia persists, the more difficult it becomes to overcome.

The local community tried to do economic development right when the Lancaster County Planning Commission contracted a research firm (Amerigis) to study the economic development scene in Lancaster, and to do so in consultation with a broad range of constituencies and in close collaboration with the economic development leadership circles. It was a fairly expensive undertaking, taking more than $300,000 in taxpayer money. But the potential payoff was great -- the forging of a vision and the galvanizing of the community energies necessary to give that vision a chance.

But this moment of possibility was not seized. The study was killed; the commissioners prohibited its publication. For this $300,000-plus value to have been wiped off the public record is astounding: People should remember that when they hear the commissioners claiming to be good stewards of the people's money.

But the even more important point is that this suppression of the marketplace of ideas is not good in itself. Overcoming inertia, developing an effective vision, forging a consensus, and energizing a community -- the necessary conditions for an effective economic development plan -- are not possible in a climate of government-imposed silence and ignorance.

If the commissioners didn't like the study, they could have explained why. They could have exercised their legitimate, voter-given power to support some actions and oppose others based on their positions and conversations with the public. That would have been responsible leadership. Their suppression of the study, instead, is a failure of political leadership and responsibility.

This is where the failure of the economic development leadership circles becomes apparent. Why didn't they cry out against this travesty of the public process? Some groups are now undertaking a kind of economic development study (a much less comprehensive one) on their own. But this means that economic development is being discussed behind closed doors, among those already sitting at the table.

This is the wrong climate for a community that needs some new directions but in which the established interests (those that represent the old, the ways of the past) are likely to trump the necessary changes. The economic development leadership circles have failed us for participating in this climate -- thus allowing, supporting it.

The reader will have noticed that I have not discussed the contents of the Ameregis study. Those contents are important and do deserve an airing. What were those contents? Does the public know? The commissioners and those in the economic development leadership circles know. But the conversation about economic development should not be a back-room conversation among those in the know. The people of Lancaster should know -- it's their future that is at stake.

Antonio Callari, the Sigmund M. and Mary B. Hyman Professor of Economics at Franklin & Marshall College, is chairman of the college's economics department and director of the Local Economy Center at F&M.