

**Please note:** This page provides the opportunity for an elected official to communicate their views about issues affecting their constituents. These views may not correspond with "official" City of Minneapolis policies as approved by the Council and Mayor -- the Council and Mayor may have taken no action on the issue to date or may have taken action different from the elected official's individual opinion.

### **Op-Ed Piece for the Star Tribune**

December 15, 2000

"Our credit card payment is past due!" declared Mayor Sharon Sayles Belton in last year's budget framework address. While there is little such rhetoric this year, we still have the problem to which the Mayor referred: internal cash deficits totaling about \$45 million. The City also has a huge backlog -- \$74 million in 1997 -- of neglected infrastructure investment and maintenance. Unless we make some hard choices, these and other financial commitments have the City on course toward a \$300 million cash deficit in 2010.

In a Nov. 13 letter to this newspaper, the Council President and the Majority Leader dismiss this projection as "inaccurate" or "unrealistic." They argue that the City need only raise revenue, "cut costs or redirect resources" and all will be well. This is true, completely obvious and beside the point. The more pertinent questions are: Whose taxes get raised and by how much? Which programs are to be cut and when? What resources will be redirected and to whom? Since Council leadership acknowledges that we must take action, they owe us a long-range plan which answers these questions.

The City has committed to funding our internal deficits and to addressing half of the infrastructure backlog in the next decade. We have also made commitments to reduce our debt, support the Mayor's Public Safety Initiative and pay off the Kondrator settlement. Cumulative payments for these and other spending commitments will grow from just under \$10 million in 2001 to a peak of nearly \$40 million in 2007. Assuming a 3% annual growth in base city spending, these payments will represent an additional 5% demand on resources in 2001 and an additional 15% demand in 2007.

If we want to keep our commitments -- and our triple-A bond rating may depend on doing so -- we must either raise revenues, cut services or find efficiencies to account for as much as 15% of city operations each and every year for at least the next ten years. Failure to do so may cause a significant deficit and an unresolved infrastructure backlog by 2010. Must this happen? No. Should this happen? Absolutely not. The point of doing projections is not to guarantee a crisis, but to anticipate future demands and respond before the crisis is upon us.

In the face of these projections, the Mayor's budget raises taxes by 8.4% next year and actually reduces our City infrastructure commitments by over \$19 million over the next five years. This is not a sustainable solution. The Council President offers little by way of an alternative strategy. Her goal, as stated in a recent memo, is to "come in a bit below the Mayor's proposed budget." Neither leader has linked her 2001 budget proposals with a plan to get the City through to 2010.

We have time and opportunities to manage this problem if we start now. It took several years for these deficits and backlogs to accrue. It will take several more years to deal with them responsibly. Therefore, the City Council is obligated to make our policy

choices for 2001 and beyond in this larger context. We must establish a forward-looking, sustainable and moderate tax policy. We must decide whether we can create further efficiencies and, if so, when. We must carefully evaluate and manage program cuts to reduce their impact on citizens.

Minneapolis is not presently in a crisis. Nevertheless, we know that the credit card payment is past due. We must neither blithely dismiss unpleasant projections nor blindly assume the projected result is inevitable. Instead, we must look ahead, acknowledge the challenges which lie before us and publicly chart a course which meets them. We have both the luxury and the obligation of a fair warning. Once warned, the test of our mettle -- and our leadership -- will be how we respond.