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WINNIPEG IS HOME TO 750,000 PEOPLE, AND MORE THAN 54% OF MANITOBA'S REGISTERED VOTERS. THAT SHOULD MEAN SOMETHING.

CITY'S BUDGET CULTURE OF DEPENDENCY

RELYING ON PROVINCIAL FUNDING, PRIORITIES TAKES TOLL ON CRITICAL STREET REPAIRS

BY CHRIS LORENC

Two weeks ago, a handi-transit bus bottomed out big time just off Point Drive. It was a sad scene – the bus nose-dived in what might have been a pothole, clearly now a sinkhole.

Sadder still was the irony: the van was owned by Vital Transit. For 30 years, the company's website says, it "has brought safe, reliable, and affordable transportation options to people in Manitoba."

Could there have been a more poignant, maddening metaphor for Winnipeg's street-repair woes this year? Safe. Reliable.

Our transportation choices should all be safe and reliable. But that also depends on our streets being safe and reliable.

We know how to do the 'affordable' part. Council in 2013 and '14 implemented a tax hike, to raise rates 2% every year to increase local and regional street repair budgets annually. The tax hikes funded the strategy to get out of the \$3-billion infrastructure investment hole we are in.

But that, too, came to a halt in the proverbial pothole this year.

Why? The City of Winnipeg, overly dependent on other levels of government for financial help to repair or build infrastructure, learned weeks before it released its 2019 budget the province would not renew a five-year roads funding agreement. That agreement committed to flow \$250 million from 2014-18.

Further, the city says the province owes it \$40 million still from the last year of the five-year deal. The province says it's all paid up.

Winnipeggers know what happened next: City Council chose to whack \$40 million from 2019's streets budget, and a stunning \$174 million from planned street work, 2019-24.

We argue it is the wrong way to deal with the dilemma. We said find 0.788% out of the total

\$2.5-billion revenues – reserves, surpluses, external authorities and operations – to restore some of the cut this year.

Instead, Mayor Brian Bowman and Council opted to "accept the new reality" and to cancel all planned significant repairs – 53 neighbourhood streets and 11 lanes.

Accept this as the new reality? That should be unacceptable to every Winnipegger.

It should also be unacceptable that the province walk away from a \$40-million liability (unless it factually demonstrates otherwise) and decline to renew a multi-year funding agreement.

As columnist Carl DeGurse, in this newspaper, so pointedly stated: "none of the current provincial and municipal politicians campaigned on a promise to make roads worse. Not one said: 'Vote for me and I'll eliminate the budget for residential road repair. That will ensure roads in dire need of repair will crumble even more. Can I count on your support?'"

Further, DeGurse pointed out, every budget has elasticity – city expenditures overall rose, the city gave generous increases to other programs; the Pallister government cut the PST, taking \$300 million out of annual tax revenues. *It's about choices.*

All Winnipeg MLAs and city councillors should be held to account.

"Let's Make a Deal!" is a dysfunctional and ultimately "disappointing" way to maintaining public infrastructure.

There will always be need for cost-shared infrastructure agreements between governments – major, multimillion-dollar projects like the Waverley underpass exceed municipal financing capacity.

But an overdependence on the agendas of other levels of government for basic maintenance of streets and roads simply sets the city up for more "new reality" thinking.

This is the monumental frustration: Winnipeg is home to 750,000 people, and more than 54% of Manitoba's registered voters. That should mean something.

As some have said, we should be tired of the "Oliver Twist" scenario playing out every year: Winnipeg cap in hand, on the steps on Broadway.

There's got to be a better way for Manitoba's biggest city, the heart of its economy, to provide the standard of services expected of a major, modern Canadian metropolis.

Crumbling streets hurt economic growth because everything rides on a road, eventually. People to jobs, goods to market.

All citizens, whether they cycle, walk or use a walker or a wheelchair, need their lanes, paths, sidewalks and Active Transportation routes working for them. (The AT budget, too, was cut). Handi-vans should not have to be equipped with an off-road drive train and roll bars.

Winnipeg and all municipalities need a structural change to the way they raise revenues, and to the way cost-shared funding agreements for major infrastructure projects are scoped.

That "new deal" needs to open for municipalities new sources of raising revenues, and to recognize expenses not now reflected in cost-shared agreements, such as the life-cycle maintenance of major projects.

Municipalities draw only 8 cents of every tax dollar raised, but they own 80% of public infrastructure. Provincial and federal governments have more "muscle" to raise revenues. Cost-sharing should recognize that fact.

And it is NOT an option to not fund critical repairs to neighbourhood streets.

Winnipeggers can't continue to be metaphorical casualties in political wars over how we fix our roads. ■■■

6 PRINCIPLES FOR INFRASTRUCTURE INVESTMENT

The path to sustained, strategic investment that works is paved by the MHCA's 6 principles for core infrastructure investment programs:

- 1 A PERMANENT INVESTMENT PLAN -- MUCH LIKE OUR INVESTMENT IN HEALTH CARE AND EDUCATION
- 2 FOCUS ON ECONOMIC GROWTH, WITHOUT IGNORING EXISTING, KEY ASSETS THAT REQUIRE UPGRADING
- 3 EMBRACE INNOVATION IN ALL ASPECTS TO STRETCH THE LIFE (AND CUT THE COST) OF OUR INFRASTRUCTURE
- 4 PARTNER WITH THE PRIVATE SECTOR, THE ENGINE OF INGENUITY.
- 5 DEDICATED, TRANSPARENT REVENUE STREAMS, TO DISENTANGLE INFRASTRUCTURE INVESTMENT FROM ELECTION CYCLES
- 6 REGULAR, PUBLIC REVIEW OF FUNDING PROGRAMS, TO OPENLY ACCOUNT FOR EXPENDITURES

These are the principles that guide all MHCA advocacy and initiatives.

Our economy rides on roads



ROADS MOVE PEOPLE TO JOBS AND GOODS TO MARKET

■■■ NEW TRADE DEALS ARE OPENING GLOBAL MARKETS; MANITOBA MUST SEIZE THESE OPPORTUNITIES

■■■ 53% OF MANITOBA'S ECONOMY COMES FROM TRADE

■■■ \$1 INVESTED IN TRANSPORTATION INFRASTRUCTURE RETURNS ABOUT \$1.30 TO OUR GDP

INVESTING IN OUR HIGHWAYS IS AN ECONOMIC IMPERATIVE

■■■ MANITOBA'S HIGHWAYS NEED \$6 BILLION IN REPAIRS

"There isn't an economist or business owner who doesn't recognize the critical role that good roads and strategic infrastructure investment play in economic growth."