Time for a new, fair deal on infrastructure, ***Winnipeg Free Press, Friday, May 6, 2021***

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WE'VE all seen the meme – in Britain they drive on the left side of the road; in Winnipeg we drive on what's left of the road.

So funny. I almost laughed. This has been an extremely painful spring for everyone travelling on our cratered streets. Motorists have blown tires and bent rims; vehicles have been abandoned at the sides of our higher- speed regional roads.

For cyclists, however, the curbside potholes and crevices — sometimes lurking beneath pools of water — are downright dangerous. At this point, our pocked streets have become a tourist spectacle. Enough is enough.

The damage done to streets from the winter that never ended and the spring that wouldn't let up is extreme. But it is also the very predictable outcome of a decades-long problem. This hot mess can't be solved by a quick, cold-mix fix. The solution lies in proper asset management and a sustainable, multi-year financing plan.

City council often cites its road-repair budget as hitting "historic" levels. But that obscures the truth of the matter.

In the early 2000s, city hall adopted a road-renewal program designed to get roads in good shape and keep them there (asset management) with a sustainable revenue source (multi-year financing plan).

In 2013 and 2014, Winnipeggers accepted an annual two per cent tax hike because, they were told, those revenues, combined with other identified funding pots, would be dedicated to fixing streets and building the new roads required.

By 2022-23, the new local and regional street renewal reserve was to reach a sufficient level to keep city streets well maintained. That was the plan. But the other funding sources have shifted, and the revenues from the annual tax hike are no longer funding just streets.

Further, city councillors are increasingly calling for the reserve to fund a variety of other priorities. Undermined in this way, the policy/ financing plan cannot hit its goal, and our streets continue to deteriorate. Each spring, the plentiful potholes expose a growing problem.

Road maintenance has been so neglected that stretches of our regional routes, many of which were built post-1960s, require expensive reconstruction. (It is generally accepted that one dollar in maintenance delays spending $6-$10 on rehabilitation or reconstruction.)

But potholes don't stop at the Perimeter Highway. Municipalities across Manitoba (and Canada, actually) simply do not have the money or the taxing flexibility to adequately fund road renewal, because they're forced to work with revenue streams drawn from an antiquated system of taxation and revenue sharing.

Provincial and federal governments collect 90 per cent of tax revenues; they transfer revenues, based on their own priorities, to municipalities for a variety of purposes. And those transfers are volatile, rising and falling unpredictably.

In contrast, south of the 49th parallel, states and local governments benefit from meaningful revenue sharing and dedication. You notice the difference in the roads as soon as you enter North Dakota, which has similar weather and soil conditions.

The U.S. federal government raises a lot of revenue for transportation infrastructure primarily via excise and fuel taxes. Its transfers are predictable, dedicated and augmented by state and local government taxes for roads. The U.S. system of revenue sharing and taxing authority strikes a fairer deal, recognizing the outsized pressures on municipalities for services.

In Canada, municipalities are trying to deliver modern services while financially strapped. When the original fiscal structures were set down post-Confederation, cities and towns owned far less infrastructure. Today, they own more than 50 per cent of total public infrastructure. Yet they collect just 10 per cent of every tax dollar.

Infrastructure agreements typically are equally split among the levels of government, and the cost-sharing does not contemplate life-cycle costs — the tens of millions of dollars required to maintain and renew our roads.

Winnipeg's "investment deficit" for its roads and streets is $1.9 billion (what it would cost over 10 years to repair streets and build new roads). Puts the "historic" $165-million roads budget for 2022 in perspective, doesn't it?

Municipalities need a fairer deal, and the ability to source new revenues, along with multi-year infrastructure agreements with provinces and Ottawa that acknowledge life-cycle costs.

Winnipeggers should call on city council to lead the campaign for a new fiscal deal. But we should also all call our provincial and federal elected representatives — and tell them to fix our roads, with a new deal worthy of the 21st century.

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