

Appendix 1: Infrastructure Deficit

This report presents the findings and recommendations of an engagement conducted by the Business Performance & Advisory Services Branch. It evaluates the city's method for calculating its infrastructure deficit and compares it to best practices from other municipalities. The report reviews the components of the calculation, the prioritization of projects, and how the infrastructure deficit is integrated into decision-making processes. This engagement focuses on the 2023 infrastructure deficit calculation.

The engagement found that while the infrastructure deficit is somewhat effective in meeting its objectives, the following are areas where improvements can be made. The main findings and recommendations are summarized as follows:

FINDING	RECOMMENDATION
The infrastructure deficit is not actively integrated into the city's decision-making.	It is recommended to enhance the understanding of the infrastructure deficit by: <ul style="list-style-type: none">- Adopting a communication strategy to effectively communicate the infrastructure deficit- Ensuring appropriate data collection and analysis to account for sensitivity factors- Selecting a defined time horizon that aligns with a suitable period
The city considers key drivers in infrastructure planning but does not prioritize infrastructure investment based on them.	It is recommended that management: <ul style="list-style-type: none">- Develop documentation detailing criteria and methodologies for identifying and evaluating these drivers.- Establish high-level criteria for prioritizing the drivers, with clear practices for weighting and ranking them in decision-making.
There is a difference between the infrastructure needs and the city's ability to deliver them resulting in a delivery gap.	It is recommended that the delivery and funding gaps be identified within the infrastructure deficit to clarify which is affecting the calculation
The current understanding of infrastructure needs and identification of funding sources could be improved to ensure a more reliable deficit calculation.	It is recommended that the reliability of the infrastructure deficit calculation be enhanced by: <ul style="list-style-type: none">- Consistently applying the key drivers across departments- Considering all relevant funding sources