

**Ministry of
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April 29, 2025

James Colliver
Chair of the Board of Directors
Owen Sound Transportation Company, Limited
717875 Highway 6
Owen Sound, ON N4K 5N7

2025-26 Annual Letter of Direction

Dear Mr. Colliver:

I am pleased to share our government's 2025-26 priorities for the Owen Sound Transportation Company, Limited (OSTC).

As Chair, you play a vital role in ensuring OSTC continues collaborating with the ministry to fulfil its mandate of providing safe, efficient, and reliable ferry transportation aligned with government priorities.

OSTC's top priority must be customer, community, and employee safety, achieved through continuous improvement, best practices, and full compliance with health, safety, and environmental regulations.

These are the 2025-26 transportation-specific priorities for OSTC:

Capital Assets

1. Continue to enhance the capital asset management plan in collaboration with the ministry or third-party expertise, as needed for all OSTC-owned assets that was developed in response to last year's annual letter of direction. As the plan is intended to support a state of good repair, it should be updated on an annual basis and drawn upon during the business planning cycle. The plan should be submitted to the ministry by September 1, 2025, and should include the following aspects:

- Asset Inventory (e.g. vessels, terminals, wharfs, ramps, realty etc.).
 - Asset Condition Assessment (e.g., current condition, assessment methodology, etc.).
 - Asset Lifecycle Management (e.g., maintenance strategies; asset renewal, refurbishment, and replacement plans, including timelines).
 - Capital Forecasting and Budgeting.
2. Support the ministry in the development of a capital asset management plan for all ministry-owned assets, including the support necessary to ensure a state of good repair.
 3. Collaborate with the ministry to initiate a service level assessment and options analysis to support planning for the Manitoulin Island service. The agency should submit a workplan to the ministry by September 1, 2025, detailing the steps and timelines for preparing and issuing a request for proposal, selecting a consultant, and defining the scope of work. The service level assessment should evaluate:
 - Current ridership volumes, patterns of demand and user demographics.
 - Anticipated future ridership volumes.
 - Economic impact of tourism traffic on the surrounding communities.
 - Alternative options (e.g., refurbishment, leasing, and new vessel) and cost-benefit analysis of each option.

Operational Excellence

4. Strengthen ferry channel monitoring to ensure the early identification of challenges and regularly communicate with the ministry regarding any potential service disruptions. Build internal capacity related to dredging activities and develop a written strategic dredging plan to ensure effective dredging activities and sustained long-term success. The plan should be submitted to the ministry by December 1, 2025.

Community and Partner Engagement

5. Meaningfully engage diverse populations and equity-deserving groups within your service areas to ensure that community needs are understood to better deliver safe, affordable, accessible and equitable access to transportation services. This includes engaging Indigenous communities and organizations and fulfilling duty to consult obligations, ensuring consistency with provincial policies and direction for Indigenous relations. OSTC must share Indigenous engagement and consultation plans with the ministry and seek the ministry's advice before entering into any significant commitments or agreements with Indigenous communities.

I ask that you provide progress updates for the transportation-specific priorities on a quarterly basis.

Agencies are a part of government and are expected to act in the best interests of the people of Ontario and ensure that they provide value for money to taxpayers. Agencies are also required to adhere to government policies and directives.

As such, this letter sets out government-wide commitments for board-governed provincial agencies as follows:

Innovative

6. Simplify client/customer interactions.
7. Expand and optimize digital service offerings.
8. Improve Client/ customer satisfaction.
9. Share data with Supply Ontario, when requested, regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

Sustainable

10. Strengthen public service delivery by optimizing organizational capacity and directing existing resources to priority areas.
11. Use Public Resources efficiently and
 - a. Operate within agency's financial allocations.
 - b. Prudently and responsibly manage workforce size. Where an agency requires a material increase in workforce size, the agency must provide the Minister with an HR plan for approval that provides the rationale based on government priorities and/or agency mandate.

Accountable

12. Develop and report on outcome-focused performance measures to effectively monitor and measure performance.
13. Protect individual, business or organization data by actively managing data and cybersecurity and reporting Artificial Intelligence uses.
14. Report all high risks including effective mitigation plans.
15. Align hybrid work policies with the OPS and identify and assess office optimization opportunities to reduce office realty footprint and find cost reductions.
 - c. Collaborate with MOI to identify office space opportunities.
 - d. Align with the MBC Realty Directive and the OPS Modern Office Space (OMOS) Standards.
16. Develop and encourage diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
17. Increase non-government, non-fare, non-fee revenue in alignment with a target set through discussions with the ministry and reflected in the corresponding business plan.

Please see the attached **Government Priorities 2025-26 Chart** for further details of each priority and the accompanying performance measures that can be utilised if measurements are not currently in place.

Per the requirements of the Agencies and Appointments Directive, agencies are required to align goals, objectives and strategic direction with our government's priorities and direction. As Chair, you must ensure that OSTC's business plan demonstrates the agency's plans in fulfilling the expectations and government priorities and that progress and achievements are reported through your annual report. Compliance with these requirements is reported to Treasury Board/Management Board of Cabinet annually.

Thank you and your fellow board members for your continued commitment to OSTC. Your work and ongoing support is invaluable to our government and the people of Ontario.

Should you have any questions, please feel free to contact my chief of staff, Megan Skinner (megan.skinner2@ontario.ca).

Sincerely,



Prabmeet Singh Sarkaria
Minister of Transportation

- c. Mike St. Amant, Interim Chief Financial Officer, Owen Sound Transportation Company, Limited
- Megan Skinner, Chief of Staff, Ministry of Transportation
- Doug Jones, Deputy Minister of Transportation
- Melissa Djurakov, Assistant Deputy Minister, Oversight and Agency Governance Division, Ministry of Transportation
- Jasan Boparai, Assistant Deputy Minister, Operations Division, Ministry of Transportation
- Virginia McKimm, Assistant Deputy Minister, Corporate Services Division and Chief Administrative Officer, Ministry of Transportation

Attachment: Government Priorities 2025-26 Chart