

BUSINESS PLAN

2019/20 - 21/22

OWEN SOUND TRANSPORTATION COMPANY
EST. 1921

Table of Contents

Executive Summary 3

1.0 Introduction 4

1.1 Mandate 4

1.2 About Us 4

1.3 Our Mission, Vision & Values 5

2.0 Environmental Scan 6

2.1 Situational Analysis 6

2.2 Customer Demographics 9

2.3 Operating Environment 10

2.4 External Factors 12

2.5 Internal Factors 14

3.0 Strategic Direction 19

3.1 Strategic Goals 19

4.0 Overview of Current & Future Programs 20

4.1 Current Programs 20

4.2 Future Programs 23

5.0 Resources Needed to Meet Goals & Objectives 28

5.1 Human Resources 28

5.2 Facilities & Ship 28

5.3 Technology 28

6.0 Human Resources 30

6.1 Organizational Structure 30

6.2 Compensation Strategy 30

6.3 Succession Planning 30

7.0 Financial Budget & Staffing 31

8.0 Implementation Plan 32

9.0 Communication & Marketing Plan 33

9.1 Marketing Strategy 33

9.3 Customer Reach 34

9.2 Communication Plan 35

10.0 Risk Identification, Assessment & Mitigation Strategies 36

10.1 Risk Assessment Matrix 36

10.2 Risk Identification 37

10.3 Mitigation Strategies 41
11.0 Performance Measures 42
Appendix A – Chi-Cheemaun Load Factor 43
Appendix B – Organizational Chart 44
Appendix C – OSTC Statement of Revenue and Expense: Chi-Cheemaun 45
Appendix D – OSTC Statement of Revenue and Expense: Niska 1 47
Appendix E – OSTC Capital Plan: Chi-Cheemaun (2019/20 – 2021/22) 48
Appendix F – OSTC Capital Plan: Niska 1 (2019/20 – 2021/22) 49

Executive Summary

The Owen Sound Transportation Company, Limited (OSTC) was incorporated under the Ontario Business Corporations Act in 1921 and conforms to the legal requirements of the Act.

OSTC's three-year plan has been developed in conformation with the requirements of an Operational Enterprise Agency as specified in the February 2015 Agencies and Appointments Directive (AAD) of Management Board of Cabinet, all Provincial Directives to which the agency is accountable, and the Memorandum of Understanding (MOU) between the Ministry of Energy, Northern Development and Mines (ENDM) and the OSTC.

OSTC has developed the 2019/20 through 2021/22 Business Plan, based on the following high-level understanding derived from the MOU between ENDM and OSTC.

1. The ENDM has an interest in the continued operation of the Tobermory – South Baymouth, and Moosonee – Moose Factory Island ferry services.
2. The Province of Ontario does not have a policy regarding how levels of annual operating subsidies are determined for provincially owned ferry services.
3. OSTC's $2M operating line of credit provides cash flow for the ferry service during the non-revenue producing portion of the fiscal year and is paid off annually with operating revenue.
4. OSTC's Accumulated General Surplus provides necessary working capital and as such, should not fall below $1M or 10% of annual operating expenses.
5. The OSTC has no authority to incur debt as a means of financing the ferry service either on its own, or on behalf of the Province of Ontario.
6. OSTC will continue to provide safe, efficient and reliable ferry services in the Province of Ontario.

Operating funding of $2M is required for 2019/20, 2020/21, and 2021/22. To provide the Tobermory – South Baymouth ferry service, OSTC will require annual operating subsidies in the amounts of:

- $2,400,000 for 2019/20
- $2.550,000 for 2020/21
- $2,730,000 for 2021/22

Capital funding for this route will be required as follows for repairs and upgrades:

- $2,780,000 for 2019/20
- $1,575,000 for 2020/21
- $4,598,000 for 2021/22

To provide the Moosonee – Moose Factory Island ferry service, OSTC will require annual operating subsidies in the amounts of $400,000 for 2019/20, 20/2021, and 2021/22.

River dredging may be required in 2019/20 and 2020/21 (2-year project) and may require capital funding in the amount of $8M in each year.

1.0 Introduction

1.1 Mandate

The OSTC contributes to the provision of safe, efficient and reliable ferry transportation in the Province of Ontario primarily through the operation of two seasonal passenger, vehicle and commercial vehicle ferry services: MS Chi-Cheemaun on the Tobermory – South Baymouth route, and MV Niska 1 on the Moosonee – Moose Factory route.

OSTC promotes and contributes to economic development in the Tobermory and South Baymouth regions by supporting a positive business climate, and by enhancing and promoting the tourism sector through partnerships with local communities and regional stakeholders.

1.2 About Us

OSTC was incorporated through the Ontario Business Corporations Act in 1921 under private ownership. Following its purchase from a private company in 1974, OSTC was a solely owned subsidiary of the Ontario Northland Transportation Commission (ONTC) until March 31, 2002. On April 1, 2002, OSTC's sole share was transferred from ONTC to the Minister of Energy, Northern Development and Mines who established OSTC as an Operational Enterprise Agency of the Province of Ontario.

OSTC's administration office is in Owen Sound, Ontario. The company owns and operates MS Chi-Cheemaun, a seasonal passenger, vehicle and commercial truck ferry between the ports of Tobermory and South Baymouth, Manitoulin Island, and MV Niska 1, a passenger, vehicle and commercial truck ferry on the Moose River between Moosonee and Moose Factory Island, at the southern end of James Bay.

OSTC also provides vessel management and operations services for the Ontario Ministry of Transportation (MTO) for three vessels, MV Pelee Islander, MV Pelee Islander II, and the MV Jiimaan, operating between Kingsville, Leamington, Pelee Island, Ontario, and Sandusky, Ohio on Lake Erie.

1.3 Our Mission, Vision & Values

Mission

To provide safe, efficient, and courteous passenger and vehicle transportation.

Vision

A memorable transportation experience that customers choose over any other alternative, regardless of geographic location, origin or destination.

Values



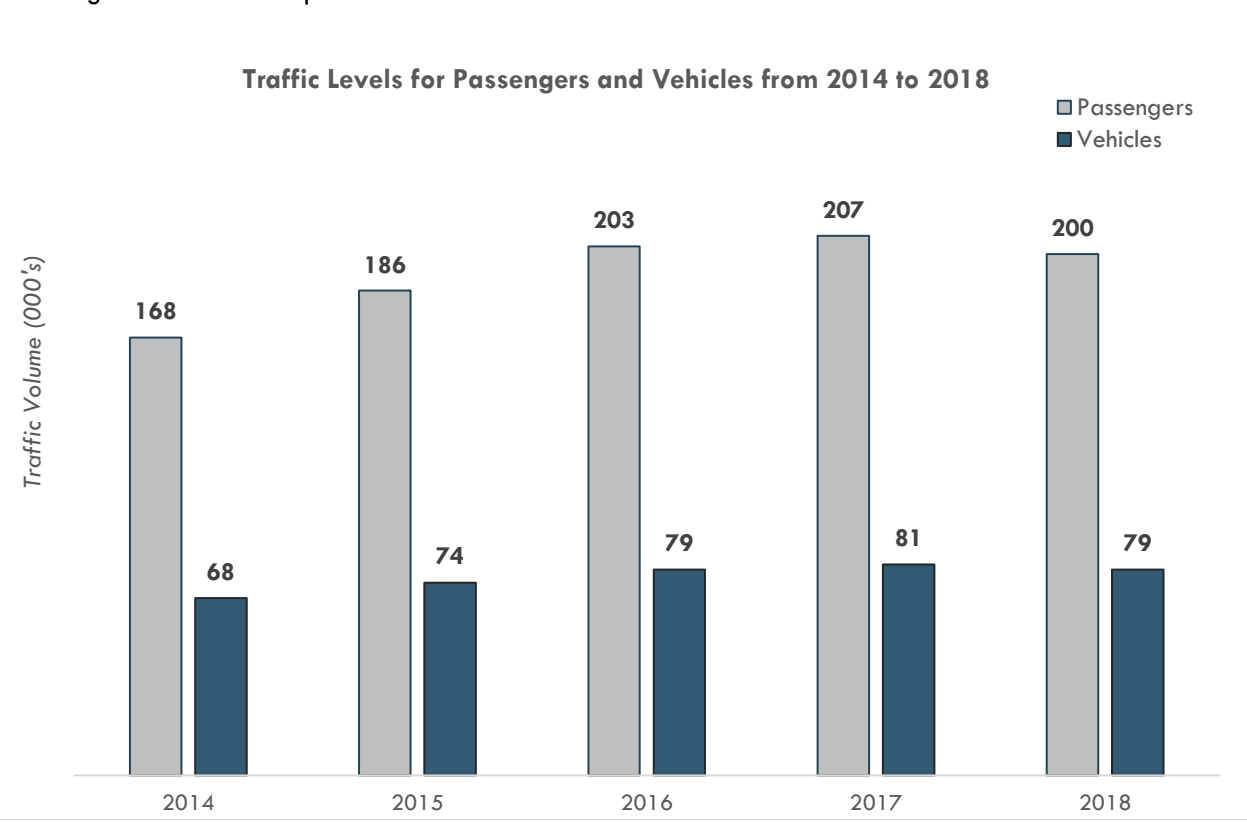
2.0 Environmental Scan

2.1 Situational Analysis

Traffic Demand

Traffic is impacted by a wide variety of factors, including economic and environmental circumstances. The strength of Ontario's tourism sector tends to be correlated with traffic demand. Between 2007 and 2013, the Manitoulin Island ferry service experienced a steady decline in traffic. This was largely attributed to a perfect storm of economic change during the period – the net effect of increased fuel prices, thickening of the US and Canada border, North American economic recession, and OSTC being required to raise fares to support the operating budget. At the same time, the ferry service struggled to remain relevant while competing with improvements to Provincial Highways 400 and 69 on the east side of Georgian Bay. By 2012/13, highway improvements were providing travelers with an attractive transportation alternative to the ferry, potentially saving time and money, and offering unlimited capacity 24 hours per day; a choice more travelers were electing to take.

OSTC undertakes an annual cost and benefit exercise using origin and destination information gathered through the customer survey, to determine whether it is time, cost or distance that influences the ferry customer's choice between taking the ferry and driving around Georgian Bay. Results indicate that for many passengers, the ferry increases both travel time and expense. Evidently, the target consumer is seeking a memorable experience.



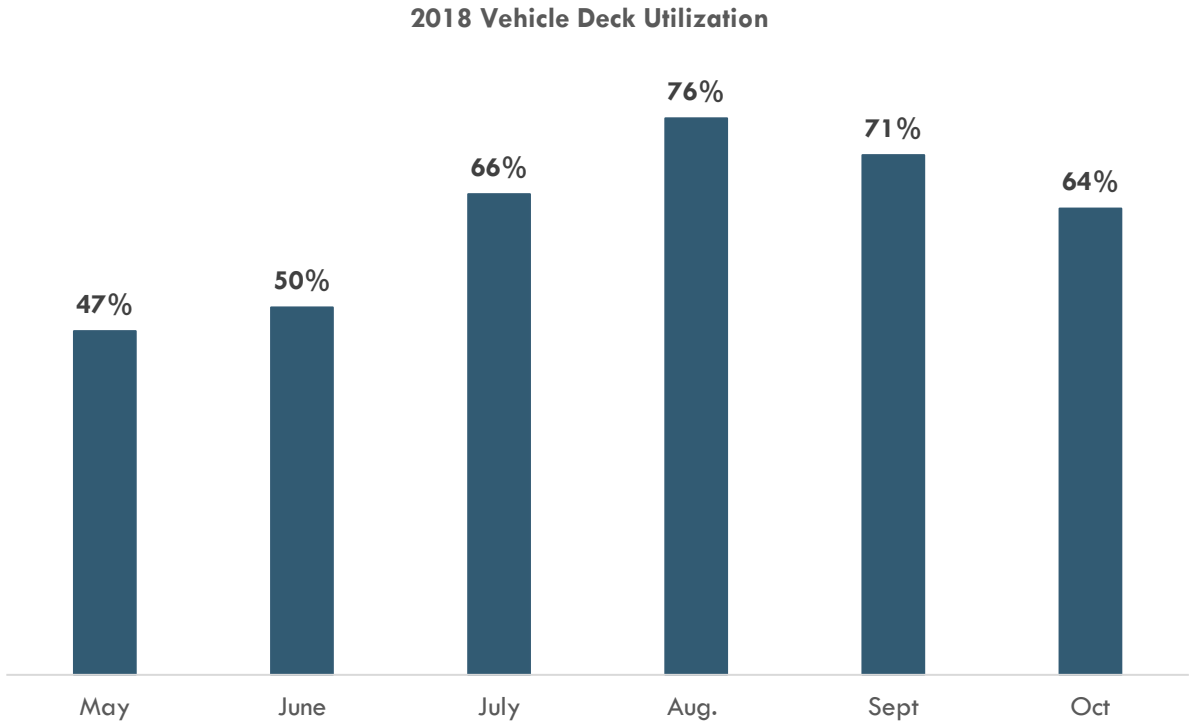
In 2017, the total number of passengers carried was 206,716 and the total number of vehicles was 80,786 – the highest since 2008.

In 2018, strong traffic results were obtained despite a few anomalies during the season. A decline in both passenger and vehicle traffic occurred in September due to a mechanical failure over the Labour Day long weekend. In addition, one of the ramps was not in full operation between July and September, which decreased the number of vehicles per sailing. In the month of October, cancellations occurred due to high winds and inclement weather conditions. Overall vehicle traffic declined 2% from 2017-2018, hovering just under 2016 levels. A significant drop in passenger numbers occurred in the fall, as motor coach groups cancelled trips due to the flooding of the Agawa Canyon.

Vehicle Deck Utilization

Vehicle deck utilization is measured as the percentage of usable vehicle deck space occupied per departure. There are eight vehicle categories which have been assigned average vehicle lengths. Total footage for each load is calculated by multiplying the number of vehicles per category by the assigned average length. Due to the averaging in the calculation and, the variables introduced by overweight pieces, a "full" load can be anywhere in the range between 78% and 85% of total available footage.

OSTC has established the 2005 annual vehicle deck utilization rate of 67.67% as the short-term traffic improvement target for this plan. This target was based on the vessel's capacity and historical trends. Between 2014 and 2017, vehicle deck utilization rates improved by 19.33%. In 2018, the annual load factor was 62.67% (Appendix A). This current rate is 5% below the set target. 2018 vehicle deck utilization rates outline a range between 4% and 76% depending on the month, with August peaking at the highest utilization rate of the season.



Fare Structure

OSTC has not increased fares since 2011. OSTC has taken the following steps to maximize ferry revenues:

- OSTC has modified the fare structure to arrive at prices that maximize the revenue per customer without resulting in unreasonable fees for travelers. In 2014, the organization moved to a "peak" (summer) and "off-peak" (spring and fall) fare structure. Additional strategies include removing reservation fees and introducing a 4-hour excursion fare.

- OSTC continues to offer additional services such as dinner cruises, live entertainment, craft brew tastings, artisan shows and sales, story-telling and interpretation, and vessel charters to improve the overall customer experience on the M.S. Chi-Cheemaun.

Given the 6-year fare freeze, slowing traffic growth and increases to operating expenses, a fare increase is proposed in Section 4.

Operating Schedule

OSTC's 2015/16 Business Plan contemplated a sailing schedule review and capacity analysis should ferry traffic levels plateau and show no further signs of increase. The review would include a cost/benefit analysis on any proposed changes to the schedule. OSTC has deferred the review until after the 2018 operating season. This is the result of significant increases to traffic experienced in the 2015 and 2016 seasons with growth continued at a moderately slower pace through 2017 and 2018.

2.2 Customer Demographics

OSTC tracks M.S. Chi-Cheemaun passenger demographics (age, occupation, origin and destination, purpose of travel, etc.) through the annual customer survey. In the early years, the survey cards were distributed to customers during a two-week period in August. Participation is voluntary, and the response rate has been traditionally low and statistically insignificant at a 2.02% response rate. OSTC stopped conducting customer surveys in 2013 to allow for the business development changes and marketing strategy to take effect. In 2016, a new on-line survey was created and is promoted through OSTC's website, ticket receipts and social media. The survey is on-going, and results are reviewed on an annual basis. In 2019, a new survey question will be added relating to customer feelings regarding current fares.

AGE 	Over the last several years, the ferry service has experienced an increase in middle-aged to older customers. Approximately 67% of customers are 46 years of age and older. This demographic group challenges the ferry to ensure the service is comfortable, accessible and safe.
PRINCIPAL RESIDENCE 	The professional compilation of traveler information collected over 8 years during the market feasibility study showed that 38% of passengers travel to the ferry from Southwestern Ontario (bordered by Toronto on the east and Windsor on the west). Customers from Manitoulin Island, Bruce Peninsula and the Greater Toronto Area (GTA) made up 37% of the respondent base.
PURPOSE OF TRAVEL 	Survey results consistently show that 40 to 50% of travelers take the ferry for recreation and vacation use. 30 to 40% utilize the ferry because it is the shortest route to their destination. These travelers tend to reside within an approximate one-hour perimeter of the terminals (Tobermory and South Baymouth).

2.3 Operating Environment

Market Conditions

OSTC operates in a monopolistic environment. There are no other ferry services and no immediate potential for private operators. Competitors are primarily indirect with high levels of differentiation of travel (i.e. road transportation).

The MS Chi-Cheemaun ferry service is an optional mode of transportation for customers to reach their destination. Persons traveling to Manitoulin Island and northern Ontario, as well as from northern Ontario travelling to southern Ontario, can travel by Provincial Highways 400 & 69, and bypass the ferry entirely. Loss of traffic to Highways 400 & 69 is high risk for the ferry service as a large proportion of customers are not using the ferry service to visit Manitoulin Island, but are using it to reach Northern Ontario beyond Manitoulin Island. Past customer surveys indicate that only 30% of ferry traffic identifies Manitoulin Island as their destination.

Consumers have access to substitute travel paths to reach their destination, high volumes of information to compare alternatives, and no switching costs.

Local tour boat operators in Tobermory are targeting day-tripping tourists, creating competition for the ferry's walk-on return excursion traffic. Many tourists take the glass bottom boat tours for the experience and are not aware that the Chi-Cheemaun can offer comparable opportunities. OSTC is promoting a 4-hour excursion fare to attract travelers looking for a one-day activity to enjoy with their family or friends. This experience is intended to improve the volume of walk-on traffic on the ferry that has slowly been declining.

Ferry Contracts

Fiscal 2019/20 through 2021/22 anticipates that OSTC will generate approximately 6% of its revenue (exclusive of ENDM subsidy) through operating and management contracts with MTO's Pelee Island Transportation Service.

Occupational Safety & Health

Prior to 2007, Marine Occupational Safety and Health (MOSH) inspections were conducted by Transport Canada on OSTC owned or operated ships. In 2007, Human Resources Services Development Canada (HRSDC) made a jurisdiction decision regarding Safety & Health for ships owned by the Province of Ontario. The decision stated that as the Province of Ontario has not abdicated any of its Health and Safety enforcement responsibilities to the Federal Government, provincially owned ships are subject to Provincial Health & Safety Jurisdiction, not Federal. Ontario Occupational Safety & Health regulations do not have a category for ships and as such, ships fall under provincial "Industrial" regulations.

Transport Canada has agreed to work with OSTC and the provincial Health & Safety inspectors to ensure that the ships continue to be appropriately inspected.

Federal Code for Ferry Accessibility & Accessibility for Ontarians with Disabilities Act (AODA)

Subsequent to the Accessibility for Ontarians with Disabilities Act (AODA), regulations were introduced by the Province requiring existing and new public transportation vehicles to become accessible. OSTC had already begun the process of upgrading accessibility on MS Chi-Cheemaun to meet the Federal Code of Accessibility as is in place on the Pelee Island ferry service. The provincial regulations have since adopted the Federal Code as the provincial standard.

OSTC established and implemented policies, practices and procedures for the appropriate provision of goods and services to persons with disabilities effective January 1, 2010. This is referred to as the "Customer Service Standard" and has been closely followed by the Transportation, Employment, and Communications Standards with which the company is also required to comply.

In fiscal 2013/14, OSTC developed and posted its multi-year accessibility plan that the organization will follow to remove accessibility barriers in the organization. This plan details the steps that will be taken to ensure the organization is following AODA requirements up to 2021.

OSTC management is committed to meeting all the required standards and has demonstrated this commitment by attending Accessibility Information Sessions provided by the Ministry of Children, Community and Social Services (MCCSS) to ensure they are up to date on current requirements.

Fuel Consumption Reduction

OSTC's standard operating procedure is to run MS Chi-Cheemaun on only two of the four engines, alternating engine use on a weekly rotation basis. This allows OSTC to optimize fuel consumption and keep the operating hours on the equipment as low as possible to lengthen the service life of the machinery. Fuel consumption reduction targets have been established and should be attainable through adherence to operating procedures, employee training, equipment maintenance and real-time monitoring.

Information Technology/Electronic Service Delivery Plan

OSTC has contracted an outside service provider to supply maintenance, support and security for the IT platform.

2.4 External Factors

Fiscal Environment & Economic Outlook

LABOUR & FUEL COSTS

In 2018/19, labour and fuel costs made up 55% of OSTC annual operating expenses. Fuel costs are expected to increase at an annual rate of 5% between 2019/2020 to 2021/22.

SOCIO-ECONOMIC BENEFIT OF M.S.CHI-CHEEMAUN

In 2012/13, OSTC completed a Benefits Case for the M.S. Chi-Cheemaun to determine the value of economic impact the ferry has on the communities it services. The report estimated that the ferry creates between 159 and 255 full time jobs, between $9.2M and $15.6M in economic activity (as measured by GDP) and between $8.8M and $12.4M in labour income in each year it operates. In addition to these benefits, the ferry service provides riders with benefits conservatively valued at $7M per year. Without the ferry, Manitoulin Island, Algoma District in Northern Ontario and the Bruce Peninsula would suffer a significant economic loss.

SOCIO-ECONOMIC BENEFIT OF MV NISKA 1

The MV Niska 1 ferry is a necessary means of transportation to Moose Factory Island. At present time, no business case is required for operations. Vehicle and passenger traffic have not fluctuated over the past few years. This operation is a necessity and provides immeasurable socio-economic benefits. Without the ferry, residents on Moose Factory Island would have limited access to goods and services on the mainland. The ferry is the only vessel on the river that can transport large commercial vehicles and is certified by Transport Canada for the safe carriage of passengers.

OPERATING SUBSIDY

Prior to 2010/11, OSTC received $800,000 in operating subsidy annually from the ENDM. The subsidy increased to $1M in 2011/12 in response to the sudden spike in fuel prices. From 2012/13 through 2014/15, OSTC requested $1.3M to $2.0M in annual operating subsidy to assist with closing the gap between declining revenues and increasing daily operating costs.

TRAFFIC

In 2014/15, ferry traffic leveled off, and then in 2015/16, increased by 8% and 11% in vehicles and passengers respectively. In 2016/17, traffic again increased by 8% and 10%, the positive results due in part to the additional financial support for the new marketing campaign developed in 2014/15 and implemented in full in 2015/16.

Ferry traffic growth slowed in 2017/18 to 2% and operations were sustained by the $1.6M subsidy. $254K is required to support continued marketing of the service.

2018/19 traffic dropped by 1.5% from 2017/18 levels and will rebound at a rate of 2% per year between 2019/20 to 2021/22.

FUTURE SUBSIDY REQUIREMENTS

The OSTC is requesting that ENDM provide $6M in a ferry service operating subsidy over three years (2019-2022). This will generate $27.6M-$46.8M in spin-off revenues for the region and generate between $26.4M-$37.2M taxable employment income over the same period. Capital subsidies are required to ensure appropriate asset maintenance takes place.

With the request for marketing specific operating subsidies for fiscal 2019/20, OSTC will continue to develop the marketing initiative in support of maintaining and increasing traffic with the goal of returning to traffic levels last experienced in the early 2000's.

Legislative, Regulatory or Policy Changes

PASSENGER SAFETY MANAGEMENT TRAINING

All passenger vessels over 500GRT (Gross Registered Tonnage) are required to have all crew members trained in Passenger Safety Management, and in possession of a Transport Canada issued PSM certificate. All existing OSTC staff were trained in 2011. Each new crew member is required to receive their training within the first 6 months.

MARITIME OCCUPATIONAL HEALTH & SAFETY REGULATIONS

OSTC is continuing to work with ESDC to reduce the gap between the Provincial OSH regulations and the Federal Maritime Occupational Health and Safety Regulations (MOSH) regulations, to ensure that the OSTC employees on ships are as well protected as their counterparts on all other Canadian ships.

ENVIRONMENTAL EMISSIONS

OSTC ferry operations are in full compliance with applicable environmental regulations, including impending emission standards. Following an expected change in emissions regulations during the life of this plan, OSTC will be required to provide an emissions monitoring plan to Transport Canada, which necessitates the purchase and installation of emissions monitoring equipment. The cost of this is included in the operating budget.

BALLAST WATER

OSTC will be required to comply with Canadian Ballast Water regulations for domestic transportation, as well as those imposed by individual US states for any operation in US waters. Cost cannot be determined at this time. OSTC operates under a Vessel General Permit (VGP) on the few occasions where MS Chi-Cheemaun is required to sail in US territorial waters.

ACCESSIBILITY

OSTC is periodically reviewed by the Accessibility Directorate of Ontario to ensure the organization complies with the Accessibility for Ontarians with Disabilities Act, 2005. In fiscal 2012/13, OSTC underwent a review and identified minor capital upgrades that would be required to be in conformance with all the AODA requirements. The upgrades were made, and the file review was completed. In fiscal 2013/14, OSTC developed and posted a multi-year accessibility plan and filed the required accessibility report indicating that the organization was onside all regulatory requirements. Improvements continue to be made to ensure the company website and information available to the public, including documents posted to the OSTC website, are accessible and available in various formats.

SECURITY

There have been no changes to OSTC's obligations relative to the International Ship and Port Security Code, nor to the Domestic Vessel Security Regulations.

2.5 Internal Factors

Workforce Demographics & Labour Relations

COLLECTIVE AGREEMENTS

OSTC has three collective agreements, expiring on December 13, 2018:

- Seafarers' International Union of Canada with the OSTC – Pelee Island Division, Unlicensed employees (M.V. Jiimaan, M.V. Pelee Islander, dock, reservations and ticket agents).
- Seafarers' International Union of Canada with the OSTC – Dock Workers (Tobermory and South Baymouth).
- Seafarers' International Union of Canada with the OSTC – Unlicensed employees (M.S. Chi-Cheemaun).

Moose River ferry crew are employees of Complex RE Limited Partnership owned by the Moose Cree Group of Companies Limited Partnership. OSTC subcontracts with Complex RE (previously Moose Band Development Corporation) for operations of the M.V. Niska 1.

MANAGEMENT COMPENSATION

OSTC management employees have not received a salary or benefit increase since 2009, in accordance with the Public Sector Compensation Restraint to Protect Public Services Act, 2010. Unionized employees have received annual increases to both wages and benefit contributions of between 1.5 and 2% through arbitrated settlements during collective bargaining over the same period. On a compounded basis, unionized employees have seen their wages increase by 13% since 2010.

COMPENSATION REVIEW

In 2017/18, OSTC began undertaking a three-part total compensation review to:

1. Determine appropriate salary ranges for all management positions in the company;
2. Propose a compensation management and performance management plan; and,
3. Develop a succession management plan for the corporation.

To complete this review, $400K is included in the salary and wages budget to cover anticipated wage corrections after it is reviewed and accepted by ENDM. In advance of the review, the board approved increased wages for certified officers to enable 2018 operations. Additional compensation is required as wages remain uncompetitive. In addition, the compression of the wage gap between management and unionized employees makes it challenging to fill these roles.

ADMINISTRATIVE WORKFORCE CHANGES

Administrative functions for OSTC have increased over the last five years due to the increased reporting because of Open Government Directives. The company has hired additional administrative staff to ensure OSTC meets the requirements of the directives in accordance with the timelines.

Ships

MS CHI-CHEEMAUN

The MS Chi-Cheemaun was built in 1974 and is 105.61 meters long, 18.99 meters wide, and 6990.65 gross register tons. The steel ferry has two passenger levels containing a dining room, gift shop, tourism information centre and two seating lounges. The ship can accommodate up to 138 standard size automobiles in the multi-ramped vehicle deck, and 638 passengers per trip. The ferry was built by the Province of Ontario and the Government of Canada to replace the smaller ferries, S.S. Norisle and M.V. Norgoma, both operating on the route between Tobermory and South Baymouth, Manitoulin Island.

MS Chi-Cheemaun underwent a machinery mid-life refit in 2006 and 2007. The ship's fire-fighting and evacuation systems were replaced with newer technology and equipment in 2012/13 and 2013/14. OSTC's capital plan contains a multi-year interior renovation of MS Chi-Cheemaun that began in 2014/15. In 2017/18, the Aft Lounge renovation was completed and in 2018/19, all remaining interior hallways and stairwells will be renovated. The Crew Quarters will be renovated in two phases, starting in 2019/2020 with completion is 2021/21.

The life expectancy for the ship is 30 years, or 2035, but the functionality of the ship due to its configuration has reduced its effective life expectancy to approximately 2025-2030. Unique programs such as dinner and concert cruises position the MS Chi-Cheemaun as an experience, however, as popularity has grown, customer expectations have put additional pressure on the vessel to perform beyond its capabilities. The limited configurability of the ship reduces the organization's ability to keep pace with new accessibility requirements, increased safety standards, and technological innovations. A cost-benefit analysis is in development to determine the timelines for a new vessel that will serve the needs of future clientele.



MS Chi-Cheemaun

MV NISKA 1

MV Niska 1 was built in 2010 and is 27 meters long, 10.5 meters wide and 153.09 gross register tons. It is an open deck ferry with no interior passenger accommodation. There is a weather protected outdoor seating area for foot passengers. The ferry can carry up to 10 standard automobiles and 47 passengers, or up to two full length transport trucks per 20-minute crossing.

MV Niska 1 was built by the Province of Ontario to replace MV Manitou Island 2, the converted landing craft ferry which had been in service since 1956. MV Niska 1 operates the route between Moosonee and Moose Factory Island, Ontario.

MV Niska 1



Terminal Buildings

The Tobermory and South Baymouth Ferry Terminal Buildings are of stone and brick construction with a combination of flat and peaked roofs. Originally built in 1973, the buildings have only required roof and window repairs over the last 30 years. Both buildings have had their interiors renovated (South Baymouth in 2014/15, and Tobermory in 2016/17) and now conform to AODA requirements for persons with disabilities. Loading lot ticket booths for both facilities were replaced in 2016/17 with new structures whose exterior cladding mirrors the stone and glass facades of the main buildings.

Resurfacing of parking and loading lots will be completed by December 2018.

OSTC Office Building

OSTC's office is located at the intersection of Ontario Provincial Highways 6 and 21 in Owen Sound. The property is owned by the Ontario Ministry of Natural Resources, controlled by the Niagara Escarpment Commission and Grey Sauble Conservation Authority, and is leased to OSTC until 2052. OSTC owns the office building. The building houses the administration offices, reservations centre, and tourism information centre for the Bruce Peninsula and Manitoulin Island. The building meets the requirements of the *Accessibility of Ontarians with Disabilities Act*.

The building will need to be enlarged to accommodate additional staff. This includes a $600K-$1.2M capital project for reconstruction, which will add a new wing to accommodate present and future needs. Construction is expected to begin in spring 2019, contingent on the determination of permits required.

Wharf Facilities

Transport Canada is the owner of the Tobermory and South Baymouth dock walls, and the Owen Sound harbour wall used exclusively by OSTC, all adjacent to OSTC properties. In 2007, Transport Canada and OSTC entered a Memorandum of Understanding that specifies the terms of OSTC's occupation as well as the responsibilities of each party for maintenance and upkeep on the walls and ferry ramp facilities at Tobermory and South Baymouth. OSTC owns a small piece of riverfront property and water lot on the west wall of the Owen Sound inner harbour where the M.S. Chi-Cheemaun is berthed in the winter months. At present, the City of Owen Sound provides landscaping services and the property is considered a green space open for public use. Transport Canada owns the harbour wall. The wharfs (Tobermory, South Baymouth, and Owen Sound) are on Transport Canada's list for divestiture. Future discussions regarding the transfer of facility ownership will be conducted between ENDM and Transport Canada.

Moosonee Winter Storage Haul-Out Facility

In 2011, Ontario Northland Transportation Commission (ONTC) began construction of a marine railway at the MV Niska 1 loading ramp. Construction was stopped when excavation of the piece of land revealed that it was predominantly clay and unsuitable to provide the stability required for the railway. As an interim measure while alternatives were investigated, M.V. Niska 1 was hauled out on the Moosonee Transportation Limited (MTL) marine railway on an adjacent property. The vessel has wintered on the MTL marine railway from 2011 through 2017. Plans for a permanent solution are under investigation. The preferred solution is to purchase and upgrade the existing marine railway and section of land from MTL.

Navigable Route/Dredging

OSTC follows and reviews weather patterns, ice formation and break-up, and water levels as the start of each sailing season approaches. Water level readings are observed and recorded by all Captains on all ships prior to taking a ship away from the dock on every crossing, to ensure safe passage.

SOUTH BAYMOUTH CHANNEL

In 2013, low water levels threatened to reduce the safe navigational channel for MS Chi-Cheemaun's approach into the South Baymouth dock. Water levels rebounded in 2014, but with no certainty of sustained higher water levels over the long term, discussion with Transport Canada must begin to plan for a probable deepening and widening of the South Baymouth channel in the next 10 years. As the bottom is bedrock, deepening may not be permitted as blasting would be required.

MOOSE RIVER

Lower than normal water levels have reduced the safe navigational route for the M.V. Niska 1 to Moose Factory Island. With no apparent increase in water levels forecast in the foreseeable future, investigation into the possibility of dredging needs to be done. Currently, sailings are dependent on the tide and higher water levels as OSTC continues to monitor the navigable route situation.

OWEN SOUND HARBOUR

Owned by Transport Canada, the Owen Sound Harbour has been identified as an asset for divestment. To date, Transport Canada has had divestiture discussions with several parties. To OSTC's knowledge, discussions have not progressed. Any divestment will have an impact on OSTC operations as this is the MS Chi-Cheemaun's winter berth. Further, OSTC owns property that would require expropriation by Transport Canada before any divestment could proceed.

3.0 Strategic Direction

3.1 Strategic Goals

OSTC's strategic goals are developed to support and carry out the mandate of the company as established by the Province of Ontario. The strategic goals set the parameters for the organization's business plan by ensuring a deliberate range of focus. These are OSTC's desired endpoints and are linked to all activities, programs, partnerships, and events planned over the course of the encompassing business plan.

OSTC's *Strategic Goals*:

	SAFETY	Provide safe, secure, regulatory compliant, accessible, reliable, and environmentally responsible marine transportation services to the public.
	COMMUNITY	Build and maintain strong, mutually beneficial relationships with our local communities and regions.
	PEOPLE	Attract, grow and develop our people to ensure a highly functioning team that champions our mission, vision and values.
	CUSTOMERS	Achieve and maintain an outstanding customer experience.
	ENVIRONMENT	Embrace environmental conscious business practices.

4.0 Overview of Current & Future Programs

4.1 Current Programs

Customer Experiences & Events

Renovations to the M.S. Chi-Cheemaun's dining and food service areas were completed in 2015/16. The new design optimizes food service, improves accessibility and ambience within the dining room, and increases food sales. OSTC continues to update menu choices and monitor food service wait times to ensure continuous improvement in the quality of food and beverage services provided.

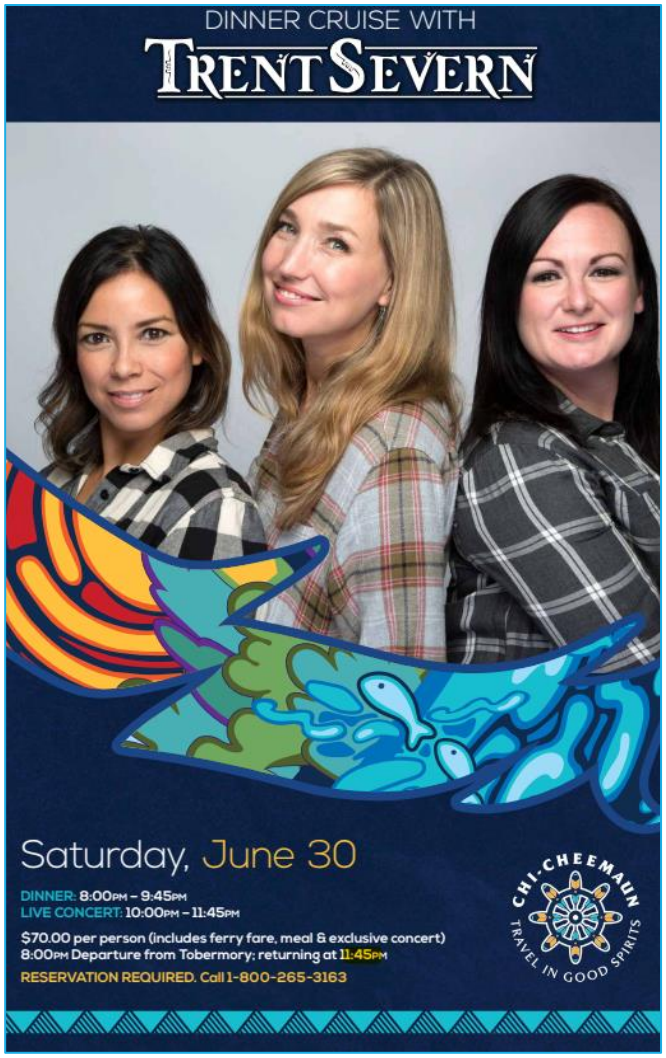
OSTC is committed to creating unique experience that promote the cultural and artistic attributes of our community, province and country, while creating long lasting memories for each of our customers.

SUNSET DINING CRUSES

To ensure customers are provided with unique experiences aboard the M.S. Chi-Cheemaun, a variety of entertainment options have been created. The weekly Sunset Dinner Cruise is a one-of-a kind dining experience during the sailing season (May to October). The vessel can also charter up to four dinner cruises from the Owen Sound harbour during the month of April, weather permitting. Vessel charters can be provided during the sailing season at a premium rate and are operated outside the regular sailing schedule. Shoreside events on the ship during the winter months cannot be licensed and are limited to events where alcohol is not served.

DINING AND LIVE PERFORMANCE EVENINGS

Dining and live performance evenings have been offered on select ferry departures since 2014, featuring award winning Canadian musicians. These events are well attended and attract a broad following through OSTC's social media campaigns. In 2018, 5 Dinner & Concert Cruises were offered with performances from Shakura S'Aida, Trent Severn, Danny Michel & Emm Gryner, The Harpoonist & The Axe Murderer, and the R4O Benefit Dinner Cruise & Concert with the Trevor MacKenzie Band. Craft Brews Cruise with samplings of locally crafted beer while sailing Georgian Bay.



Advertisement for 2018 Dinner Cruise with Live Performance by Trent Severn

STARGAZING TOUR

In 2018, the OSTC partnered with the Royal Astronomical Society of Canada to bring passengers the *Stargazer's Delight Tour*. The tour was offered free of charge during the peak nights of the celestial phenomenon, the Perseid Meteor Shower (August 10 to 13, 2018).

SCENIC ORDER OF GOOD CHEER

Each year, the *Scenic City Order of Good Cheer* hold an annual spring fundraising cruise onboard the M.S. Chi-Cheemaun. Proceeds from this event have funded community development projects in Owen Sound, such as the accessible washroom and water pad at Kelso Beach and the Harrison Park Ice pad. This cruise is held in April, just prior to the beginning of the M.S. Chi-Cheemaun's sailing season. Historically, this event is viewed as the launch of much of the anticipated onboard events and programming for the season.

"A MONTH OF SUNDAYS" WORDS ON WATER EVENT SERIES

"A Month of Sundays" Words on Water Event Series, brought together 3 authors, 3 songwriters and 1 common experience. Their stories and songs met while the authors and musicians performed together for 3 afternoons aboard the MS Chi-Cheemaun. July 8: Alysha Brilla and Karen Connelly, July 15: Ian Bell & Richard Thomas and July 22: Tom Wilson.



Advertisement for 2018 "A Month of Sundays" Words on Water Event Series

ANNUAL CRAFT BREWS CRUISE

Passengers can enjoy local craft beers, tapas, and live entertainment while sailing across Georgian Bay. In 2018, beer samples included the Tobermory Brewing Company, Split Rail Brewing Company, Manitoulin Brewing Company, Side Launch Brewing Company, and Steam Whistle.

TRADITIONAL WIKWEMIKONG INTERPRETATIONS

Given the organization's focus on providing travelers with cultural relevant experiences, the M.S. Chi-Cheemaun partnered with Wikwemikong Tourism to offer passengers cultural and traditional interpretations free with ferry fares. In 2018, weekly presentations including the Dewegan drum and song and *The Seven Grandfathers* painting experience, immersed travelers in a cultural activity guided by the Seven Grandfathers Teachings.

FATHOM FIVE INTERPRETATION PROGRAM

The Fathom Five, Canada's first National Marine Park, consists of 20 islands to the north and east of the Bruce Peninsula. It encompasses 130 square kilometres of surface water, a diverse ecosystem reaching 200 metres, 22 shipwrecks, unique flower pot rock formations, and an ancient submerged waterfall. The *Fathom Five Interpretation Program* is hosted by Bruce Peninsula National Park employees, free with ferry fares, and regularly scheduled throughout the season.

Retail Sales

In 2016/17, OSTC changed the type, variety and quality of retail items in the Gift Shop ("Boatique") to ensure that products sold on the ferry reflect the region of operation, are manufactured in Canada as much as is reasonably possible and commercialize components of the new marketing campaign to add value and recognition of the new brand. Current product offerings include clothing (sweaters, t-shirts, jackets), jewelry, books, and brand-relevant merchandise. The OSTC is in the process of reviewing the viability of an e-commerce solution.



Merchandise Available for Purchase on the M.S. Chi-Cheemaun's "Boutique"

4.2 Future Programs

Fare Structure

Given the fare freeze for the last 5 years, OSTC is proposing a 2% increase, in line with the rise of cost of living expenses, in fares beginning in the 2019 season, resulting in the following changes for vehicle fares:

FARE CATEGORY	2018 FARE		2019 FARE	
	PEAK	*OFF-PEAK*	*PEAK*	*OFF-PEAK*
Less than 16 ft long and under 5.5 high	$36.95	$37.75	$37.70	$38.30
Between 16 ft and 20 ft long and under 5.5 high	$44.95	$35.50	$45.85	$36.20
Over 20 ft in length	$3.25	$2.70	$2.30	$1.80
Over 8.5 ft in width	$22.48	$17.75	$22.95	$18.10
Over 12 ft in width	$44.95	$35.50	$45.85	$36.20
High vehicle between 14 - 20 ft long and over 8.5 ft	$90.95	$75.95	$92.75	$77.45
High vehicle over 20 ft in length	$6.30	$5.25	$4.60	$3.60
Motorcycle with no trailer or side-car	$23.50	$18.50	$23.95	$18.85
Motorcycle with trailer or side-car	$36.95	$27.75	$37.70	$28.30
Bicycle	$6.95	$6.95	$7.10	$7.10

Walk-on passenger rates will be adjusted as follows:

FARE CATEGORY	2018 FARE			2019 FARE		
	One Way	Same Day Walk On	4-Hr Excursion	One Way	Same Day Walk On	4-Hr Excursion
Adult	$16.50	$28.00	$25.00	$16.85	$28.55	$25.50
Child	$8.25	$14.00	$12.50	$8.40	$14.30	$12.75
Senior	$14.25	$23.25	$20.75	$14.55	$23.70	$21.15
Family Plan	$54.75	$94.25	$82.00	$55.85	$96.15	$83.65

Environmental Sustainability

The OSTC is committed to reducing its environmental footprint. A series of action items have been developed, including fuel reduction strategies, minimizing waste, and improving recycling practices. The organization will begin processes in FY 2019/20, focusing first on internal behavioural changes, with dollars allocated for environment projects between 2020-2022.

SINGLE-USE PLASTIC

One of the key areas of focus is eliminating the organization's reliance of single-use plastic. OSTC will move towards installing water bottle filled stations on the ship and in terminals, eliminating the sale of plastic beverages, and reducing plastic cutlery, straws, and packaging.

COMPOSTING

OSTC will provide separate compostable and non-compostable items at waste stations aboard the ship. The organization will also work towards finding a community partner who will take the compostable materials.

PAPER

To reduce the organization's reliance on paper, a paperless tourism area will be developed onboard the ship. Kiosks will replace traditional stands. These devices can send information to mobile devices.

RECYCLING

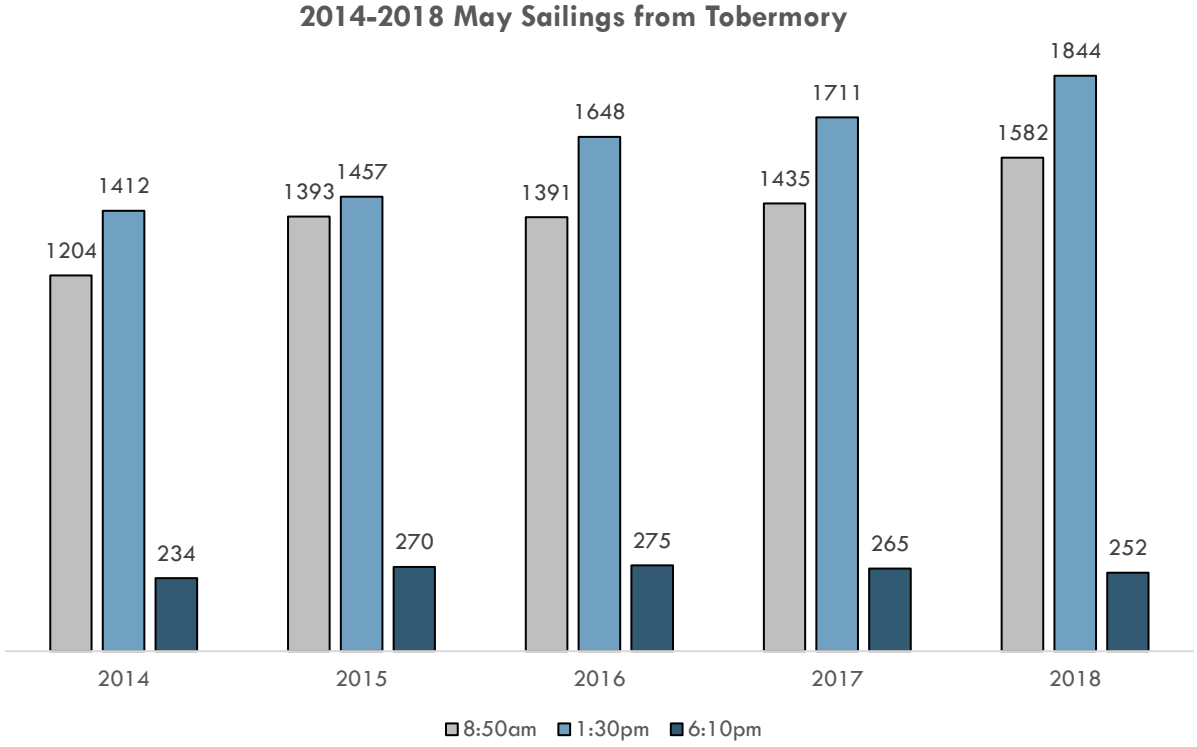
The recycling area on the ship will be improved to ensure items are properly sorted. In addition, the crew will be educated on the importance of recycling to ensure consistent practices are followed by each employee.

RV Traffic Strategy

A 5-year review of vehicle traffic from the Tobermory terminal was conducted to:

1. Examine which sailing times were utilized the most frequently by travelers; and,
2. Determine if the earliest sailing (7AM) demonstrated consistent availability.

From 2014 to 2018, there is consistent demand for the 8:50AM and 1:30PM sailing times in May. As per the below chart, there is an upward trend for both sailings and a slightly downward trend for the 6:10PM.



The 11:20AM was the most popular sailing time in June, followed by the 8:50AM, 1:30PM, and 3:40PM. July and August produced similar numbers, with the 11:20AM and 3:40PM sailings consistently carrying the highest number of passengers. Trends in August year-over-year also suggest that 7AM sailing is gaining in popularity.

Overall, this information outlines consistent demand for the mid-morning to lake afternoon timeslots. The early morning and late evening sailings tend to be less popular choices among travelers. This presents an opportunity to shift certain traffic to less popular sailing routes to free up space on high demand timeslots.

A review of the 2017 and 2018 sailings from Tobermory terminal was conducted, focusing specifically on the RV classifications of motor homes and house trailers. The most popular sailing time for RVs in May in 2017 was the 1:30PM trip, while in the 2018 season it shifted to the 8:50AM sailing. In both 2017 and 2018, the most popular sailings were the 8:50AM, 11:20AM and 1:30PM, while in July the 11:20AM and 3:40PM routes were frequently utilized by RV travelers.

While the 11:20AM and 3:40PM sailing remain popular across 2017 and 2018 in August, additional RVs shifted to the earlier sailing time of 7AM. This suggests these travelers might find the earlier sailing an appealing option later in the season, perhaps after multiple trips throughout the summer.

Trends suggest there is a propensity for RVs to sail during peak times, with some interest later in the season in the earlier 7AM timeslot. The goal is to increase RV traffic on the 7AM trip departing Tobermory by utilizing a discounted fare and offering overnight parking in the loading lot. By offloading motor home traffic to the earliest trip of the day, additional vehicle traffic would fill peak departure times.

A sensitivity analysis was conducted to determine revenue generation. The number of RVs departing from Tobermory in the 2017[1] sailing season are outlined as follows:

	May	June	July	Aug.	Sept.	Oct.
RVs	92	256	430	454	298	62

An increase in RV traffic (10%, 15%, or 20%), which would translate to the below revenue:

Month	Pessimistic (10%)	Most Likely (15%)	Optimistic (20%)
May	9	14	18
June	26	38	51
July	43	65	86
Aug.	45	68	91
Sept.	30	45	60
Oct.	6	9	12
RVs	**159**	**239**	**318**
Revenue	**$12,871.85**	**$19,332.05**	**$25,776.07**

If a 10% discount is applied to the current fare of $90.95 at peak season (applicable to high vehicles traveling one way between 14 ft and 20 ft long and above 8.5 ft), the fare cost per each RV traveling would be $80.96. Potential revenue for a 10% increase in RV traffic would translate to $12,871.85, while a 20% increase in traffic would be $25,776.07.

Additional revenue would also be captured by additional vehicles able to travel at peak times. The following assumptions are made:

- An RV takes up a medium space with an average length of 45 feet
- 45 feet translates to approximately 2 vehicles (pick-up, SUV, van or crossover)

These assumptions result in the following analysis:

Month	Pessimistic (5%)	Most Likely (10%)	Optimistic (15%)
May	5	9	14
June	13	26	38
July	22	43	65
Aug.	23	45	68
Sept.	15	30	45
Oct.	3	6	9
RVs	**80**	**159**	**239**
# of vehicles	**160**	**318**	**478**
Revenue	**$7,192.00**	**$14,294.00**	**$21,486.00**

[1] 2017 numbers were utilized as a baseline. An average number using both 2017 and 2018 data can be used for this upon completion of the 2018 season.

If a vehicle fare of $44.95 at peak season (applicable to vehicles between 16 ft and 20 ft in length) is utilized, this would translate to revenue of $7,192.00 if 5% of RV traffic shifts to the 7AM sailing. Revenue of $21,486.00 is attainable in an optimistic scenario if 15% of RV traffic shifts.

A trial is proposed for the 2019 summer season to examine the above theory. To increase the appeal of the 7AM trip, the Tobermory parking lot will be open overnight for dry camping after the departure of the last sailing. Approval will need to be obtained from the municipality, as there is currently a bylaw in place that does not allow overnight parking.

OSTC has an established marketing presence in the Good Sam RV travel guide – the RV owner's guide to accommodation, routes, and services – which would be leveraged to promote the use of the 7AM sailing through discounts and free overnight parking on the loading lot.

5.0 Resources Needed to Meet Goals & Objectives

5.1 Human Resources

OSTC has a complement of 37 full-time (Administration and Ships' Officers) and 166 seasonal and part-time employees (OSTC + Pelee Island Transportation Service)[2]. Part-time employees are hourly workers who work between 6 and 9 months of the year on board the ships, or on shore at the terminals while the ships are in operation. Part-time employees also include the additional crews hired for summer sailing schedules only.

Moose River ferry crew are employees of Complex RE Limited Partnership, owned by the Moose Cree Group of Companies Limited Partnership.

5.2 Facilities & Ship

No new facilities are required in the life of this plan for the Tobermory to South Baymouth ferry route. AODA compliant ticket booths were installed at both Tobermory and South Baymouth terminal lots in 2016/17. The South Baymouth Terminal building was renovated and made to be AODA compliant in 2015/16, and the Tobermory Terminal followed suit in 2016/17. The M.S. Chi-Cheemaun has been in service for 44 years will need to be replaced in 2025-2030.

While already compliant with AODA standards, OSTC's Administration office in Owen Sound will be renovated and enlarged to accommodate two additional full-time employees in 2019/20.

The Moose River ferry service will require the acquisition of a suitable, permanent winter haul-out and maintenance area within the life of this plan.

Pelee Island Transportation Service facilities and ships are owned by the Ontario Ministry of Transportation and are not included in this plan.

5.3 Technology

IT Hardware, Software & Security

OSTC reviews its Information Technology Policies, Systems and Equipment on an annual basis. Hardware and software are maintained, upgraded or replaced when the existing technology becomes unreliable, or more efficient technology becomes available. In 2018/19, the OSTC Administration Office's internet service was connected to fibre optic lines.

OSTC contracts an external IT firm to provide IT support and security to OSTC's systems. The external firm provides OSTC with 24-hour support coverage and a broader range of skills and specialties than could have been found with a single internal employee.

[2] Appendix A provides an organizational chart outlining administrative staff, updated as of October 2018.

Website Development

OSTC's website was re-designed in 2015/16 and is now accessible and WCAG 2.0 Level AA compliant. OSTC continues to monitor web traffic trends and makes site improvements on an on-going basis in response to customer's changing needs.

Reservation System

OSTC will be implementing a new reservation and flex fare system for 2019/20, replacing the in-house computerized (circa 1995) reservations system. OSTC recognizes this as an opportunity to better meet customer needs, as well as obtain a software solution that supports operational efficiencies. Limitations of the current system include:

- Difficulty producing accurate reports for decision-making;
- Reservation process requires manual calculations, such as determining total footage booked for each sailing trip, as well as the number of motorcycles;
- Back-end and front-end functionality is not comprehensive and user-friendly;
- Inability for customers to view real-time, live information such as which sailing times are fully booked;
- Customer frustration with online system, as well as wait times for phone bookings (has reached 45 minutes at peak times);
- Multiple user profiles due to periodic system glitches with recognition of repeat customers;
- High risk of data entry errors on back and front end due to open-ended questions, limited drop-down selections; and,
- Lack of automated system, which leads to additional work for reservations agents (i.e. e-mails are not generated through a booking and a result, these are manually sent for each passenger that books over the phone with an agent).

A new system will provide customers with improved information and reservation accessibility, and the opportunity to capitalize on a wider range of promotional and discount fares on underutilized ferry departures. The system will also have the capacity to permit on-line reservations for Pelee Island Transportation Service customers, a commitment made by the Ministry of Transportation.

As an alternative to OSTC's existing call center, the OSTC is also exploring the idea of out-sourcing to a 24/7 call center. This is currently in the exploratory stage. A cost-comparison will be completed to determine the viability of this option. Preference will be given to the solution that provides the highest improvement in customer service and operational efficiency. Customers expect 24/7 access to reservations and information. OSTC is currently only about to provide telephone and e-mail coverage 10 hours per day in the summer and 8 hours per day in the spring and fall.

6.0 Human Resources

6.1 Organizational Structure

OSTC's organizational structure was revised in 2012 (Appendix B) with the re-structuring of key management positions to ensure all employees have clear lines of authority identified. The structure was further refined in 2014 to ensure that the company maintains compliance with all existing and future Provincial and Ministry Directives, and to provide OSTC with the human resources necessary to pursue additional outside contracts to increase revenue.

OSTC has outsourced the IT function to a professional firm able to provide 24-hour support. This has eliminated the requirement for an internal IT position.

Guiding Principles respecting the authorities of the Organizational Structure:

- The hierarchical nature of the Marine Industry forces the operation to be plan driven;
- All employees make decisions commensurate with their positions; most operating decisions are made in accordance with Policies & Procedures established in the International Safety Management (ISM) Manuals developed and certified for each ship and shore terminal;
- Distribution of duties and responsibilities are established in the ISM Manuals;
- Two crews are utilized on board the M.S. Chi-Cheemaun to accommodate an 18-hour day and 7 days a week operating schedule during the peak summer season;
- Seasonal employment and a high level of turnover limits the full application of performance management and training and development opportunities for the majority of employees.

6.2 Compensation Strategy

OSTC is completing an overall compensation structure review and future strategy in 2018/19. From 2009 through 2018, the corporation has been compliant with the Province's directive to freeze compensation for all management employees including ships' officers. The officers received an interim salary increase in 2018 to relieve pressure from officers to seek more lucrative employment with more wage competitive shipping companies.

OSTC Management employees continue to be members of the ONTC group health benefit plan. OSTC pays ONTC the actual cost of health benefits used by its employees on a monthly basis.

6.3 Succession Planning

The Board of Directors is concerned that the organization does not have a clear path of succession in the event of the retirement or loss of its CEO.

The operating budgets for the life of this plan anticipate the cost of management leadership assessment to determine potential internal candidates, as well as provides funds for development training to ensure those candidates have the skills and ability to progress into more senior roles.

Further, the budgets include funds to fill the vacant position of VP Finance; the position should not be restricted to finance – rather it should encompass a larger corporate role which will also include Human Resources. It should be noted this is not an addition to staff, only the filling of an existing vacancy.

7.0 Financial Budget & Staffing

Budgets are outlined in Appendices C – F.

8.0 Implementation Plan

OSTC's strategic goals shape the implementation plan, which articles how the organization proposes to implement the strategies and associated timelines.

1.0	**Provide safe, secure, regulatory compliant, accessible, reliable, and environmentally responsible marine transportation services to the public.**
1.1	Monitoring and auditing of International Safety Management System
1.2	Monitoring and auditing of International Ship and Port Security Code where applicable
1.3	Monitoring and auditing of Company Security Plan
1.4	Navigation Officer and Engineer Officer upgrading training, including Bridge Resource and Engine Room Resource Management training
1.5	Participation in joint security exercises with TC, CCG and law enforcement
1.6	Participation in CMAC meetings, Canadian Ferry Operator Association membership, Interferry membership
2.0	**Build and maintain strong, mutually beneficial relationships with our local communities and regions.**
2.1	Work with regional partners to provide packaged marketing offerings which are part of an integrated experiential value chain
2.2	Provide services that will attract new Canadians, including day-trip cruises and cuisines catered to various cultures
3.0	**Attract, grow and develop our people to ensure a highly functioning team that champions our mission, vision and values.**
3.1	Employee training programs (OSH, Violence in the Workplace, Confined Space, Fall Arrest, Fork Lift Operation, Transportation of Dangerous Goods and WHMIS)
3.2	Develop and monitor employee training plans for all management positions
3.3	Complete evaluation of compensation scale for all positions
3.4	Maintain visibility in secondary school programs
3.5	Provide co-op opportunities for GLIMTC cadets (Georgian College Marine Program)
4.0	**Achieve and maintain an outstanding customer experience.**
4.1	Provide more on-board entertainment and develop new initiatives to attract and retain passengers
4.2	Effective marketing to individuals travelling to Tobermory but not taking the ferry
4.3	Improve on-board spending with updated gift shop items
4.4	Remove identified weaknesses in the current operations that are deterring current customers
4.5	Improve cafeteria food variety
5.0	**Embrace environmental conscious business practices.**
5.1	Develop and environmental management plan for the M.S. Chi-Cheemaun
5.2	Monitor and audit vessel discharge plans and records
5.3	Continue Oil Spill Response training for all ship and terminal facility employees
5.4	Evaluate cost benefit of installing wheelhouse fuel monitoring system
5.5	Achieve Green Marine status

9.0 Communication & Marketing Plan

9.1 Marketing Strategy

In 2012, OSTC undertook a professional market assessment study, the results of which provided the company and the Board of Directors with accurate and up-to-date information needed to make good decisions about the future of the ferry service, including but not limited to decisions about service levels, fare structures, reservations systems, subsidy levels, and the need for a major sales and marketing campaign.

OSTC's 2014/15 and 2015/16 Business Plans included increased marketing funds for the creation of a targeted marketing campaign designed to reach new customers, while the company continued to develop and implement enhanced on-board experiences. OSTC's marketing implementation plan anticipated a two to three year ramp up period before the overall project would begin to generate new traffic for the ferry service. Traffic carried in 2015 was 8% and 11% higher than traffic carried in 2014 for vehicles and passengers respectively.



"Feather Wake" Advertisement in the *Travel in Good Spirits* Marketing Campaign

In 2016, traffic levels increased by 8% and 10% for vehicles and passengers respectively, clearly demonstrating that the *Travel in Good Spirits* marketing campaign (sample imagery indicated above) was successful. In 2017, a 2% increase was noted, outlining a slowed rate.

The 2019/20 through 2021/22 Business Plan maintains increased marketing funds to continue to refine the *Travel in Good Spirits* (also known as the "Feather Wake") marketing campaign.

9.3 Customer Reach

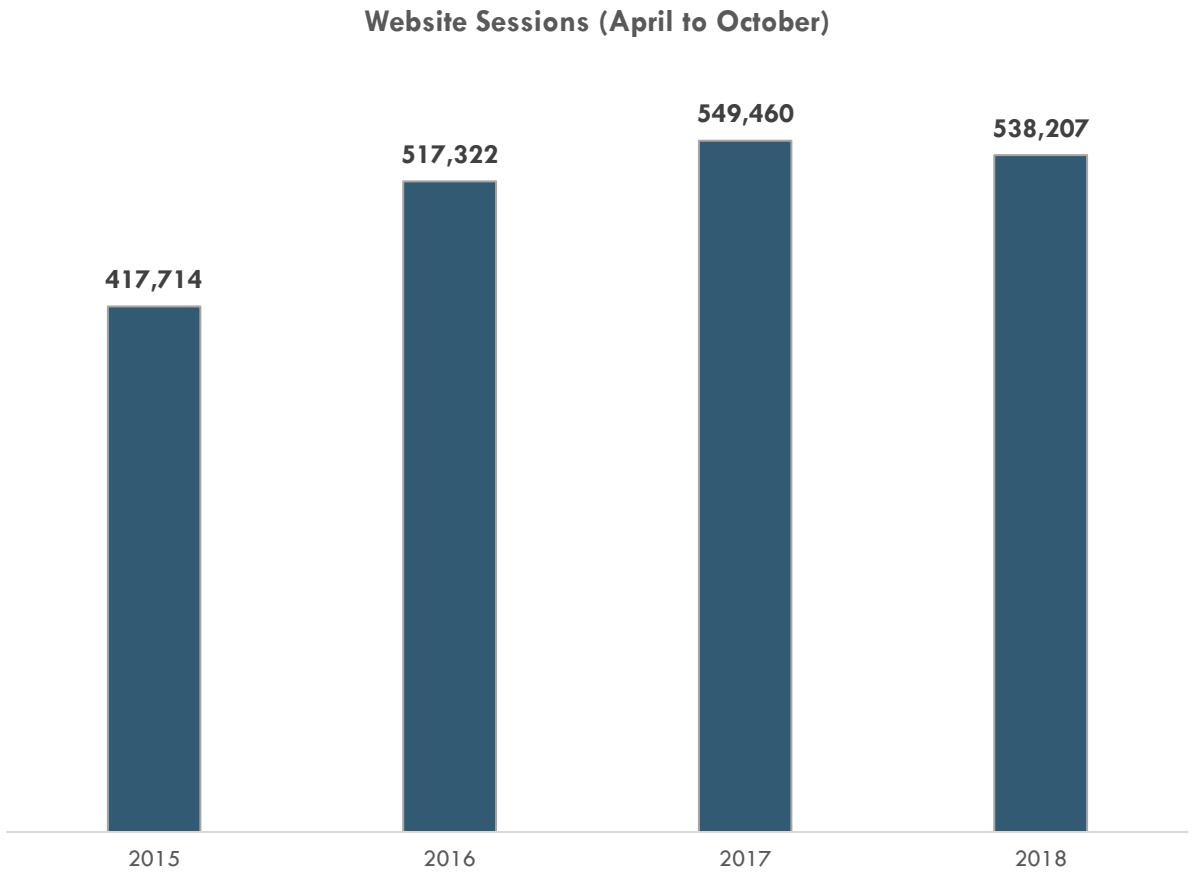
Customer reach on social media accounts are outlined with the highest level of customer engagement on Instagram:

- 8K Facebook followers
- 2.4K Twitter followers
- 1.1K Instagram followers

In 2018, the following three regions have the highest number of website visits (www.ontarioferries.com):

- Toronto, ON (131,427)
- Kitchener, ON (28,877)
- London, ON (21,624)

Over the last several of years, while residents from the city of Toronto have made up most site visits, the conversion rate (translation of site visits to reservations) has remained relatively low (between approximately 3-6% between 2014 and 2017). This presents an area of opportunity to increase bookings. The total number of website sessions during the sailing season (April to October) has increased since 2015. Web visits peaked in 2017, dropping slightly in 2018.



9.2 Communication Plan

For 2019/2020, internal communication is an area of focus. There is a need to improve corporate messaging from the OSTC administrative office to front-line operational employees. Potential areas to explore include:

- Developing an internal Intranet page (central location) that could include required training information, monthly newsletters, upcoming events and pertinent information; and,
- Sending employee e-blasts to all OSTC staff (administrative and on-board employees). Templated e-mails can be developed through Meltwater, an existing subscription software, to provide all employees with updates relevant to day-to-day operations and during critical events).

E-blasts could also be utilized improve connectivity with existing customers. Customers can subscribe to receive e-mails following the competition of a voluntary survey on the OSTC website. Information that can be provided to these customers includes:

- Upcoming events;
- Cancellations; and,
- Updates or modifications to ferry schedules.

10.0 Risk Identification, Assessment & Mitigation Strategies

10.1 Risk Assessment Matrix

OSTC's primary focus while transporting people and goods on the ferry is to ensure a safe, secure, environmentally responsible, reliable, and regulatory compliant operation.

OSTC does not have access to replacement vessels for either the Manitoulin Island or the Moose Factory Island ferry services; therefore, all probable failure scenarios have been assessed, and procedures established to mitigate the negative operational and/or safety effects of any type of failure to the system. Contingency planning is crucial to the smooth and uninterrupted operation of the ferry service. In accordance with the *Guide to Developing Business Plans for Classified Agencies MGS,* July 2011, OSTC has adopted a standard Risk Assessment Matrix to assess Risk and develop mediation measures where required and are practicable (Table 1).

Likelihood			**Impact**	
Score	**Description**	**Approximate probabilities**	**Score**	**Description**
1	Improbable	0% to 4%	1	Insignificant – *Negligible effects*
2	Unlikely	5% to 24%	2	Minor – *Normal operational difficulties*
3	Possible	25% to 54%	3	Significant – *Delay in accomplishing operational objectives*
4	Likely	55% to 89%	4	Major – *Fundamental work required before objective can be met*
5	Certain	90% to 100%	5	Catastrophic – *Program irrevocably finished; objective will not be met*

TABLE 1: Risk Assessment Matrix

The total risk score is calculated as follows:

Overall Score	**Likelihood x Impact**
0-5	Low
6-11	Medium
12-19	High
20-25	Extreme

Further, the OSTC works regularly with the ENDM Transportation and Infrastructure Unit to ensure all risk categories are well understood by the ministry. This ensures an open and transparent communications process for outlining and discussing risks and mitigation strategies. The OSTC and the ministry work extensively on various sections of the ministry's comprehensive risk assessment which is monitored regularly.

10.2 Risk Identification

Risk	Type of Risk	Likelihood	Impact	Total Score	Mitigation	Owner
Total mechanical failure or loss of M.S. Chi-Cheemaun.	Ship & Facilities	1	4	4 (LOW)	Re-powering of the M.S. Chi-Cheemaun in 2006/07 includes redundancies in the engine room that enable the ship to continue to operate in a mechanical breakdown. Annual maintenance and development of a critical parts inventory ensure the ferry experiences little to no down-time. OSTC is upgrading remaining systems that have no back-up, are original (40+ years old), and have potential to stop operations. This includes the hydraulic openings systems for bow and stern doors, the stabilizer system, and the steering system.	OSTC
Complete power or mechanical failure at dock, terminal and office facilities.	Technology	3	2	6 (MEDIUM)	Manual technologies are in place in the event of power or mechanical failures. OSTC utilized shore-based manual technologies during a 2003 power grid failure. The M.S. Chi-Cheemaun operation was not disrupted. Power was restored prior to the ship requiring a fuel delivery that would not have been possible if the fuel truck could not be	OSTC

					filled at the fueling station. There are back-up computer servers at the OSTC and Tobermory locations and electricity back-up at the OSTC office through a Natural Gas generator. Gas powered generators provide back-up to the Tobermory terminal and warehouse (where perishable food items are stored).	
Management succession planning is not clearly defined.	Human Resources	3	3	9 (MEDIUM)	Two potential options are in the process of review. One includes creating another position, while an alternative is budgeting for an executive head hunter. Both options are outlined in the budget as potential options.	OSTC
Damage to the ramp making it unusable for loading/unloading the M.S Chi-Cheemaun.	Ship & Facilities	3	3	9 (MEDIUM)	There are no alternate facilities with ramps suitable for the ship. OSTC has the ramp systems professionally inspected and serviced annually.	OSTC
Failed labour negotiations resulting in a strike or lock-out during the operating season.	Human Resources	3	3	9 (MEDIUM)	OSTC maintains productive working relationships with the Collective Bargaining Agents and works to conduct negotiations in a timely manner. A labour disruption with the Seafarer's International Union (SIU) would interrupt service as they represent 80% of workers on board. The loss of:	OSTC

					• *Less than 10 people from a crew:* The TC Minimum Safe Manning Document(s) allows for a "graduated" crew schedule. The ship can carry a limited number of passengers based on the number of crew members. The ship would operate at reduced passenger capacity. *More than 10 people from a crew:* The probable result of a labour related work stoppage. Operations would discontinue until the dispute is resolved.	
Transport Canada (TC) is divesting their interest for the Tobermory & South Baymouth wharf facilities. Should OSTC become the future owner of the dock walls, OSTC will be responsible for the maintenance of pilings, fenders and all structural components on the face of the wharfs.	Ship & Facilities	*5*	2	10 (MEDIUM)	The current contract with TC outlines that if OSTC operates the ferry service, TC must own and maintain the docks. Should TC divest the docks, the new owner will be responsible unless the parties agree to different terms. Fender modifications in 2013/14 reduced the probability of the docks becoming unusable due to fluctuating water levels.	TC
There is an international and domestic shortage of licensed marine officers (Captains,	Human Resources	3	4	12 (HIGH)	OSTC is competitive on an "hours worked" basis, offers superior working conditions in consideration of time	OSTC

Mates & Engineers). If OSTC is unable to attract and retain certified Officers, the Chi-Cheemaun will not operate, or may have operating hours significantly reduced.					off the vessel, and has a competitive pension plan. OSTC's salary and wage scale remains non-competitive. A compensation review study is in progress. Recommendations will be made which, if viable and are implemented, will resolve this disadvantage.	
Inability to dock due to low water levels.	Ships & Facilities	4	4	16 (HIGH)	OSTC monitors channel depth. Maintaining the channel at the dredged depth from 1974 is the responsibility of Transport Canada under the terms of the occupation agreement. If lake water levels decrease, safe under keel clearances will be compromised, particularly in higher sea states resulting in unsafe entry conditions to the South Baymouth dock.	TC

10.3 Mitigation Strategies

Preventive Measures

OSTC is highly regulated for assessing and managing risks. Transport Canada Marine Safety's policy is that there is no price too high to save one life. While regulations are written in accordance with that principle, it is the responsibility of the individual Classification Society surveyor (on behalf of Transport Canada) to determine if a company is applying regulation properly and operating its vessels within the regulations.

OSTC reviews all new legislation and regulations and implements changes as required by law. Those regulations include but are not exclusive to safety equipment, operating manuals, crew certification, fire protection, emergency evacuation and training requirements.

OSTC operates all vessels in accordance with the Canada Shipping Act and ancillary regulations, as well as relevant Provincial and Federal regulations including Pollution Prevention and Control, Workplace Health and Safety and Marine Transportation of Dangerous Goods.

OSTC independently assesses safety, security and environmental risks that may not be managed within regulation and incorporates appropriate procedures and training in OSTC's Safety Management Systems.

Insurance

OSTC carries insurance policies for Marine Hull, Marine P&L, Property, CGL, Auto, Boiler and Machinery, D&O, Fiduciary, Crime, EPL, Business Practices, Internet Security, and General Liability insurance coverage. Insurance coverage is reviewed annually to ensure there is adequate coverage in all areas of the organization.

11.0 Performance Measures

Performance Measures and Targets have been established only for those areas on which the company and its personnel can have an influence. The company cannot influence the weather however the weather can have an influence on the company's performance.

Area	Goal	Method of Measurement	Long-term Target
Customer Satisfaction	Customers are satisfied with the quality of service provided on the ship and dock.	Annual customer survey	95% minimum satisfaction level.
Customer Complaint Resolution	Respond to customer complaints in writing within 5 working days.	Average response time for complaint resolution.	Average response time of no more than 5 working days.
Mechanical Downtime	No lost operating time from preventable mechanical failures.	Vessel Log Sheets	Zero lost days from preventable mechanical problems.
Employee Training[3]	Employees are provided with training to enhance their ability to perform current duties and/or upgrade certification levels for future advancement.	Performance Management & Development Plans	100% of employees receive mandatory training. 25% of permanent employees receive additional (non-mandatory) training each year.
Workplace Safety	All employees are ensured a safe and injury-free workplace.	Accident/Incident Reports	Below or equal to Industry employee accident rates.
Operational Safety	Ferry services will operate safely.	ISM audits and accident statistics	100% compliance with Safety Management System.
Financial[4]	OSTC will achieve or exceed budgeted revenues and will not exceed budgeted expenditures barring unforeseeable circumstances (weather, major mechanical, highway closure, etc.).	Monthly Profit/Loss Statements, Quarterly Financial Reports, Capital Budget Reports	Actual revenues are expected to meet or exceed budget and not more than a 2% negative variance from budget. Expenditures will not exceed approved amounts.
Load Factor	68%	Annual traffic data	68%

[3] Management employees will complete and have reviewed Performance Management Plans in accordance the goals and objectives established for the operation, no less than once per year.

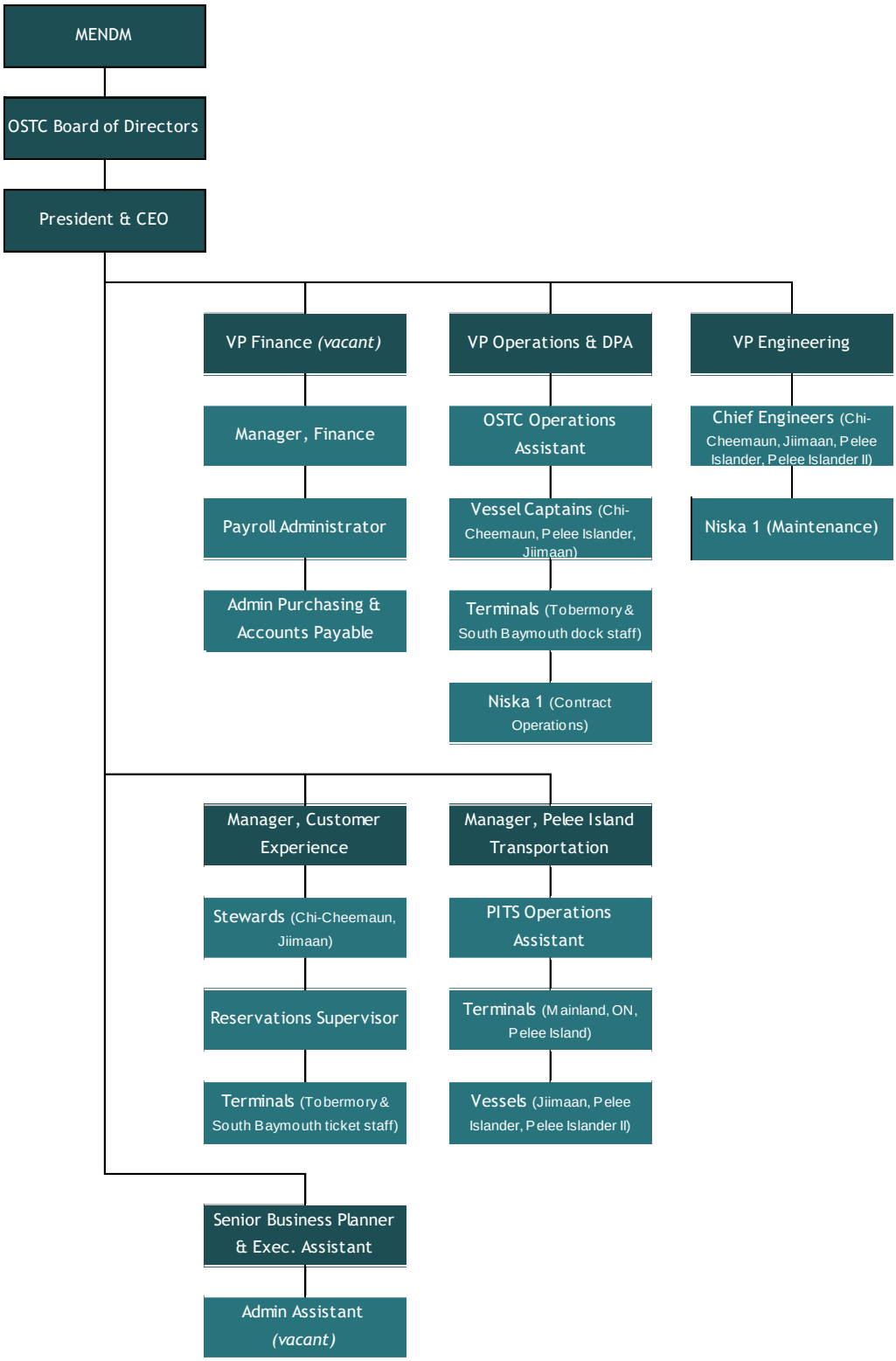
[4] OSTC's financial target is to strike budgets that minimize the subsidy required from the Province to support normal operations, consistent with the company's mandate and Board direction, in line with economic indicators such as CPI. Special or extraordinary costs, such as periodic refurbishing costs, dry dock work, inspections, upgrades and maintenance required by regulation, will be included in the appropriate operating or capital budgets and will be accompanied by a thorough explanation and justification of the expense.

Appendix A – Chi-Cheemaun Load Factor

	May	June	July	Aug	Sept	Oct	Total
2018	47.20%	50.45%	66.01%	71.17%	71.37%	64.40%	62.67%
2017	48.11%	50.84%	66.19%	71.71%	73.78%	68.89%	63.34%
2016	46.75%	47.05%	66.69%	68.04%	71.80%	62.81%	61.71%
2015	42.13%	45.47%	60.53%	64.78%	63.07%	58.06%	57.15%
2014	36.16%	46.95%	54.94%	62.84%	59.11%	35.00%	51.65%
2013	40.38%	45.23%	55.17%	64.01%	58.77%	49.37%	55.00%
2012	44.23%	46.97%	59.87%	66.11%	62.19%	55.81%	57.00%
2011	40.00%	47.00%	64.00%	64.00%	62.00%	55.00%	55.33%
2010	47.00%	52.00%	65.00%	69.00%	61.00%	55.00%	58.16%
2009	42.00%	57.00%	65.00%	69.00%	64.00%	54.00%	58.50%
2008	46.00%	55.00%	66.00%	74.00%	68.00%	60.00%	61.50%
2007	49.00%	59.00%	73.00%	79.00%	74.00%	65.00%	66.50%
2006	48.00%	55.00%	71.00%	80.00%	70.00%	62.00%	64.33%
2005[5]	49.00%	60.00%	80.00%	79.00%	72.00%	66.00%	67.67%
2004	48.00%	60.00%	75.00%	78.00%	71.00%	66.00%	66.33%
2003	43.00%	55.00%	75.00%	84.00%	72.00%	60.00%	64.83%

[5] OSTC has established the 2005 annual vehicle deck utilization rate of 67.67% as the short-term traffic improvement target for this plan. This target was based on the vessel's capacity and historical trends.

Appendix B – Organizational Chart



Appendix C – OSTC Statement of Revenue and Expense: Chi-Cheemaun

(in thousands of dollars)	Actual 2015/16	Actual 2016/17	Actual 2017/18	*Plan 2018/19*	Actual to Sept 30/18	YE Forecast 2018/19	*Plan 2019/20*	*Plan 2020/21*	*Plan 2021/22*	
Revenue:				*+2%*			*+2%+2%*	*+2%*	*+2%*	
Chi-Cheemaun	*7,211*	*7,867*	8,218	*7,965*	*7,431*	*7,850*	*8,128*	*8,291*	*8,456*	***1***
Ontario Tourism Marketing Partnership		50	0	*0*	0	*0*	*0*	*0*	*0*	
PITS Capital Mgmt Fee				*0*	0	*40*	*10*	*10*	*10*	***13***
Pelee Island Transportation Mgmt Fee	466	460	466	*479*	234	*479*	*480*	*480*	*480*	***3***
Revenue Total	***7,677***	**8,377**	**8,684**	***8,444***	***7,665***	***8,369***	***8,618***	***8,781***	***8,946***	
Expenses:										
Salaries and Wages	3,844	3,756	3,866	*4,359*	3,045	*4,065*	*4,572*	*4,639*	*4,707*	***4&2***
Benefits	992	915	897	*936*	*654*	*874*	*983*	*997*	*1,012*	***5***
Repair and Maintenance	800	826	683	*773*	*455*	*800*	*523*	*543*	*433*	***6***
Utilities	265	265	229	*242*	129	*242*	*266*	*293*	*322*	***7***
Fuel	1,141	1,025	1,022	*1,114*	1,233	*1,473*	*1,547*	*1,624*	*1,705*	***8***
Tools and Operating Supplies	131	131	138	*156*	110	*120*	*148*	*150*	*152*	
Services	684	*752*	823	*902*	*778*	*900*	*1,150*	*1,150*	*1,150*	***9***
General and Administrative	1,301	1,364	1,407	*1,630*	*847*	*1,150*	*1,500*	*1,500*	*1,500*	***10***
Expense Total	**9,158**	**9,034**	**9,065**	***10,112***	***7,251***	***9,624***	***10,689***	***10,896***	***10,981***	
Net Income (Loss) before Extraordinary and MENDM Subsidy	**-1,481**	**-657**	**-381**	***-1,668***	**414**	***-1,255***	***-2,071***	***-2,116***	***-2,035***	
Extraordinary Items:										
OSTC Strategic & Succession Plan	0	0	0	*0*	0	*0*	*0*	*-150*	*-150*	***11***
Marketing Study & Plan Implementation	*-503*	*-507*	*-384*	*-350*	*-219*	*-350*	*-400*	*-400*	*-500*	***10A***
Bow & Stack Vinyl wrap	*-69*	0	0	*0*	0	*0*	*0*	*0*	*-80*	***10B***
Ontario Tourism Marketing Partnership		*-63*	0	*0*	0	*0*	*0*	*0*	*0*	
MTO Capital Building Project - Mgmt Fee	0	0	0	*50*	0	*40*	*0*	*0*	*0*	***12***
Extraordinary Items Total	**-572**	**-570**	**-384**	***-300***	**-219**	***-310***	***-400***	***-550***	***-730***	
Net Income(Loss) before MENDM Subsidy	**-2,053**	**-1,227**	**-765**	***-1,968***	**195**	***-1,565***	***-2,471***	***-2,666***	***-2,765***	
ENDM Subsidy:										
ENDM Operating Subsidy	1,628	1,475	1,591	*1,625*	*770*	*1,625*	*2,000*	*2,000*	*2,000*	***14***
ENDM Marketing Subsidy	*500*	*500*	384	*350*	219	*350*	*400*	*400*	*500*	***10A***
ENDM Subsidy for OSTC Succession Plan		0	0	*0*	0	*0*	*0*	*150*	*150*	***11***
ENDM Vinyl Wrap Subsidy	69	0	0	*0*	0	*0*	*0*	*0*	*80*	***10B***
MNDM Subsidy Total	**2,197**	**1,975**	**1,975**	***1,975***	**989**	***1,975***	***2,400***	***2,550***	***2,730***	
Net Income(Loss) after ENDM Subsidy	**144**	***748***	**1,210**	***7***	**1,184**	***410***	***-71***	***-116***	***-35***	

Appendix C Notes

1. Chi-Cheemaun Revenue is based on the below listed increases in traffic and fare structure: 2019/20 - 2021/22.
   - 2019/20: 2% fare + 2% traffic
   - 2020/21: +2% traffic
   - 2021/22: +2% traffic

2. OSTC allocates $80K/year in salary expense to Niska 1 operation following ownership transfer from ONTC to OSTC in 2013/14; shown as reduction in OSTC salaries and appears as OSTC salaries and expense on Niska 1 operating budget. This amount has increased to $100K/year beginning in 2019/20 because of additional time/person being spent on this service.

3. Management Fee from Pelee Island Ferry Service to increase at CPI to a max of 3% per year for years 2014/15 – 2017/18 to a cap of $480K. The agreement has automatically renewed for 5 years (April 1, 2018 – March 31, 2023) with the payment cap terms TBD. For budget purposes, this amount reflects the $480K cap until a new cap is agreed upon.

4. 2019/20 anticipates a $500K+/- annual increase to cover: mgmt salary correction resulting from 2018/19 consulting + 1.5% increase in union wages, and 2 additional admin staff (hired 2018/19)
   - 2020/21 anticipates COLA increases for mgmt of 1.5%, & 1.5% increase in union wages
   - 2021/22 anticipates COLA increases for mgmt of 1.5%, & 1.5% increase in union wages
   - Benefits cost at avg of 21.5% of total salaries and wages.

5. Repair & Maintenance Costs are based on best information available per maintenance schedules. Does not include contingency for unknowns or major break-downs.

6. Utilities have been budgeted to increase in cost at a rate of approximately 9-10% per year.

7. Fuel costs jumped by 22-25% between fiscal 2017/18 and 2018/19. Fuel costs have been budgeted to increase by 5% over 2018/19 actual in 2019/20, and then 5% per year thereafter.

8. Includes new fee of $150K - $250K per year for Point-of-Sale (POS) and Reservations system off-site support and maintenance fees.

9. Land rental fee for Springmount office and taxes increased from $15K/yr to $25K/yr effective 2018/19.

10. A: Marketing and Advertising are included, though marketing funds have been removed and are shown as a one-line subsidized item at $400K in 19/20 and 20/21. Costs increase to $500K in 2021/22 and 2022/23 in anticipation of a new campaign.

    B: $80K for vinyl wrap in 2021/22 (to replace wrap of 2015/16) and $160K in 2022/23 (to replace bow wrap installed 2016/17)

11. Succession strategy costs are budgeted in 2020/21 and 2021/22.

12. OSTC's management fee for services provided to MTO during project to construct and deliver new ferry to Pelee Island Ferry Service. This will only occur in the 2018/19 fiscal year.

13. OSTC's annual capital management fee which varies dependent on the amount of capital work undertaken by OSTC on behalf of MTO for the Pelee Island Ferry Service. Payment is calculated as a percentage of project costs and is negotiated between OSTC and MTO at YE. Fiscal 2018/19 amount of $40K is for fiscal 2016/17, 2017/18 and 2018/19. There were no significant capital projects in 2015/16.

14. ENDM annual operating subsidy (exclusive of extraordinary items: marketing, dry-dock, vinyl ship wraps).

Appendix D – OSTC Statement of Revenue and Expense: Niska 1

(in $0s)	Actual 2015/16	Actual 2016/17	Actual 2017/18	*Plan 2018/19*	YE Forecast 2018/19	*Plan 2019/20*	*Plan 2020/21*	*Plan 2021/22*	
Revenue:									
Passsenger	22,632	19,853	**21,584**	*15,000*	14,015	*18,000*	*18,000*	*18,000*	***1***
Charters	2,687	1,265	**1,687**	*5,000*	843	*5,000*	*5,000*	*5,000*	***1***
Vehicles/Freight	189,104	175,284	**201,847**	*150,000*	153,081	*165,000*	*165,000*	*165,000*	***1***
Misc Revenue (dock fees)	1,000	3,000	**3,300**	*3,000*	3,300	*3,000*	*3,000*	*3,000*	
ENDM Subsidy	375,366	387,500	**387,500**	*387,500*	387,500	*400,000*	*400,000*	*400,000*	
ENDM Subsidy to dispose of Manitou		250,000							***3***
Revenue Total:	$590,789	$836,902	**$615,918**	$560,500	$558,739	$591,000	$591,000	$591,000	
Expenses:									
OSTC Salary Allocation	89,419	101,365	**88,019**	*82,000*	85,000	*100,000*	*100,000*	*100,000*	***5***
Repairs & Maintenance	177,898	156,590	**95,315**	*102,470*	220,000	*85,000*	*90,000*	*85,000*	***4***
Utilities	3,768	3,777	**2,995**	*3,280*	3,280	*4,000*	*4,000*	*4,000*	
Fuel	27,729	23,825	**30,854**	*28,500*	31,000	*35,000*	*36,750*	*38,588*	
Tool & Operating Supplies	9,376	4,974	**1,319**	*2,000*	4,500	*7,500*	*7,500*	*7,500*	
Contract Services	231,144	213,037	**226,204**	*215,000*	218,000	*204,000*	*207,000*	*210,000*	***2***
General & Administrative	141,997	129,122	**119,707**	*116,438*	117,000	*150,000*	*150,000*	*150,000*	
Expenses Total:	$681,331	$632,690	**$564,413**	*$549,688*	$678,780	*$585,500*	*$595,250*	*$595,088*	
Net earnings (loss) for period	**-$90,542**	**$204,212**	**$51,505**	**$10,812**	**-$120,041**	**$5,500**	**-$4,250**	**-$4,088**	

Appendix D Notes

1. Revenue from ferry.
2. Contracted Operator.
3. Retired vessel disposal.
4. Mandatory Main Engine Overhauls.
5. Percentage OSTC management salary allocation.

Appendix E – OSTC Capital Plan: Chi-Cheemaun (2019/20 – 2021/22)

shown in 000's			Plan	Forecast	Plan	Plan	Plan
Location	**Department**	**Description**	**2018/19**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
SOUTH BAYMOUTH							
	Terminal	Interior Lobby Lighting	20	20			
	Terminal	Computer Hardware			50	50	
	Lot	Loading Lot resurfacing	250	250			
	Dock	Psgr ramp landings & transfer bridge					100
	Dock	Dolphin light & catwalk timbers					67
TOBERMORY							
	Terminal	Computer Hardware			50	50	
	Terminal	Interior Lobby Lighting	20	20			
	Dock	Dolphin Walk-way timbers	30	30			
	Dock	Psgr ramp transfer bridge/landings					70
	Dock	Passenger Ramp Repairs/Painting					180
	Dock	Dolphin light & catwalk timbers					67
	Dock	Mooring area fence					50
	Lot	Loading Lot resurfacing	200	200			
	Lot	Commuter Lot expansion					400
	Lot	New concrete sidewalk to ship					14
CHI-CHEEMAUN							
	Crew's Mess	Wall Linings	50	120			
	Crew's Mess	Furniture	50	50			
	Crew's Mess	Equipment	25	25			
	Galley	Equipment replacement	20	20	20	20	20
	Stairwells & Halls	Renovate (2yr project)	550	470	250		
	Crew Quarters	Renovate & Furnish (2 yr project)			1350	1200	
	Deck	Remove Davits/Install Crane					600
	Deck	Replace bridge equipment	45	45	30	30	30
	Engine	Replace Electrical Breakers	100	100			
	Engine	Steering System partial replacement	500	500			
	Engine	Bowthruster (rebuild spare)			120		
		Computer Hardware			100	100	
		Dry Dock		550			3000
OSTC OFFICE IN OWEN SOUND							
	Office	Building Expansion	500	100	700		
	Office	Office floor coverings			60		
	Office	Computer Hardware			50	125	
		TOTAL	**2360**	**2500**	**2780**	**1575**	**4598**

Appendix F – OSTC Capital Plan: Niska 1 (2019/20 – 2021/22)

shown in 000's		Plan	Forecast		Plan	Plan	Plan
Location	Description	2018/19	2018/19		2019/20	2020/21	2021/22
MOOSONEE							
*	Marine Railway & Aggregate & Prepwork	1000	293		600	100	
	Replace Niska railway cradle	50	0		50		
	Dredging of Navigation Route				8000	8000	
	Biological Impact Study (pre-dredge)	250	250				
	Sounding Survey				25		25
	Drydock expense					200	
	Sandblast & Paint hull	175	0		525		
	Generator Replacement	81	81				
	TOTAL	1556	624		9200	8300	25

Appendix F Notes

1. Revenue from ferry.
2. Contracted Operator.
3. Retired vessel disposal.
4. Mandatory Main Engine Overhauls.
5. Percentage OSTC management salary allocation.


OWEN SOUND
TRANSPORTATION COMPANY
EST. 1921