



An Agency of the Government of Ontario

Ontario Northland Transportation Commission
Business Plan 2021-2022

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Message from CEO

Despite the challenges of COVID-19 Ontario Northland will continue on its path of continuous improvement and support of the Ontario economy. Reliable and efficient transportation services are important for the economic recovery post COVID-19. I am honored to lead such a skilled and compassionate team at Ontario Northland who continue to provide exemplary service and protection during these challenging times.

Intercommunity bus services and freight and passenger rail are critical to a healthy community and prosperous supply chain. During this business planning cycle we will work closely with passenger carriers and freight partners to integrate and align our services, enabling efficient, customer-centric services that promote the safe and trusted transportation of people and goods. For multimodal services to be truly successful, it is important that they be coordinated into a seamless transportation network connecting public and private sector transportation modes. Ontario Northland has the knowledge and experience to lead a centre of excellence for transportation innovation for the portion of the population of Ontario that is outside of the major urban centers and requires unique transportation services, often for the purpose of connecting to services available in urban centers.

There have been incredible changes across every division this past year, including expanding our services and strengthening our bottom line. We are proud to connect more people, reach more communities, and attract more industry to the North through our rail and motor services.

We look forward to the coming business cycle and working with the government and our customers in providing a sustainable transportation network for the North.

Sincerely,
Corina Moore, President & CEO

EXECUTIVE SUMMARY

Ontario Northland is proud to deliver safe and reliable transportation services to people and businesses across Northern Ontario and is well positioned to support the economic recovery of the province. The 2021-2022 Business Plan outlines our upcoming priorities for all of our operating divisions and includes details on our organizational strategic priorities and direction, performance measures, risk assessment, business environment, financial profile, continuous improvement initiatives and planned deliverables.

This business plan is developed in accordance with the requirements of the *Ontario Northland Transportation Commission Act*, the provincial government's Agencies and Appointments Directive and reflects the northern transportation priorities of the Government of Ontario. The COVID-19 pandemic has had a significant impact on all of Ontario Northland's business lines. The 2021-22 Business Plan projects a measured and incremental recovery. The health and safety of our employees, passengers, customers and the communities we serve will be of the utmost importance through this business cycle.

For the 2021-22 business cycle, Rail Services will look to expand their customer base through marketing and expansion of the trans-load facilities across the network and work with Class 1 Railways to improve the efficiency and access to rail freight transportation across North America. Motor Coach Services will focus on expanding the transportation network in the Northwest and connecting Northern Ontario to Southern Ontario. They will be investigating partnerships to improve the connectivity of the parcel delivery.

In 2021-22, Ontario Northland will begin a four-year program to establish an Enterprise Asset Management Program. This program will deliver a set of benefits, both tangible and intangible, to support the corporate objectives and ensure Ontario Northland has the right competencies in place to maximize the value of its assets and continue to deliver excellent service long term. The program scope is comprised of four key initiatives that are rolled out over the course of four years. The program will:

1. establish an Asset Management Office;
2. develop an asset management process and inventory for bus and facilities;
3. develop an asset management process and inventory for Rail, linear assets and all remaining groups; and
4. establish reliability centered maintenance program.

For 2021-22, Ontario Northland will continue to move forward on its capital improvements program. With northern winter conditions and the large distances that the fleet travels, it is critical to ensure all assets and infrastructure are in a state-of-good repair. We will also review and improve our performance management measures to evaluate our progress in meeting our mandate and objectives. The Realty Group will continue to inventory Ontario Northland real estate assets and work with government to divest surplus assets.

Looking forward, Ontario Northland will continue to concentrate on containing/reducing costs while improving customer service, and growing our business in a strategic, responsible manner, taking into account potential risks. Ontario Northland is committed to connecting northern communities and businesses with the rest of Ontario and North America. With Ontario Northland's long-established skills and experience, Ontario Northland is proud to support the Ministry of Transportation (MTO) with input into the Northern Ontario Transportation Plan, begin to deliver key initiatives over the course of this

business cycle, and be an economic enabler for Northern Ontario citizens, passengers, Indigenous communities and businesses.

1.0 Introduction

Ontario Northland is an agency of the Government of Ontario and as of April 1, 2020, reports to the legislature through the Minister of Transportation. The agency is a vital partner in ensuring the delivery of quality transportation services and solutions to Ontarians.

Ontario Northland was created by the Ontario government in 1902 to provide transportation services in Northern Ontario and operates under the authority of the *Ontario Northland Transportation Commission Act*. With a long and storied history, Ontario Northland has helped shape the identity of Northern Ontario and has recently begun motor coach service through northwestern Ontario to Manitoba.

The transportation industry is evolving, and Ontario Northland is responsibly leading and adapting to change, especially in response to the COVID-19 pandemic. The agency is responding to the needs of stakeholders and continuing to move goods and people safely, efficiently and effectively.

While fulfilling its mandate, Ontario Northland is committed to be a driver of continued economic growth and sustainable employment while providing a strong transportation network for passenger, commercial and industrial transportation.

The FY2021-2022 Business Plan builds on the success of the agency's transformation initiatives while using this momentum to further align its service offerings with government and customer expectations. Ontario Northland will continue to proudly support the transportation needs of communities, businesses, industry, and government to ensure its vital services are delivered in a cost-effective and measurable manner.

1.1 Mission, Vision and Values

Our Vision

Our focus is on business and employee excellence, innovation and collaboration. We will establish cost-effective business practices, continue progressing a culture of continuous improvement and operate more efficiently and effectively enabling a sustainable Ontario Northland.

As employees, we will continue to take pride in our work and our workplace. We will promote a culture of open communication, fairness, diversity, and creativity that will move us forward as a secure and valued workforce and agency.

Our Mission

Our motto is: *Moving people. Moving goods. Moving forward.* As a Crown agency, Ontario Northland supports and fosters economic development, job creation and community sustainability across Northern Ontario.

Our vital transportation services promote access to work, health care, education, and the movement of goods and delivery of services within the region and throughout North America.

Ontario Northland is integral to the growth and prosperity of Northern Ontario and provides interconnectivity with other transportation modes across the province, including passenger services (Metrolinx) and rail freight (Class 1 railways) that rely on Ontario Northland as a key component of the supply chain.

Our Values

By choosing to live these values, Ontario Northland employees share accountability for helping achieve efficient and valued transportation solutions for the next 100 years:

- accountability
- customer satisfaction
- positive team/work environment
- safety
- continuous improvement

1.2 Overview and Key 2021-22 Priorities

Ontario Northland motor coach services operate across Northern Ontario typically traveling over 4.8 million km annually; however, due to the COVID-19 pandemic this was much less for FY2020-21. Rail services expects to ensure the safe transport of goods for 14 major clients from 19 locations, and remanufacturing and repair services will deliver high quality repair and rehabilitation services for five major rail companies along with servicing its own fleet. As well, the agency operates the only year-round land link to the First Nation communities of the James Bay area through the Polar Bear Express passenger and freight rail service.

Key priorities for 2021-22 are:

- Supporting economic recovery after COVID-19
- Delivery of efficient, safe and reliable transportation services in Northern Ontario
- Improvements to the efficiency and long-term sustainability of Ontario Northland operations and business lines
- Implementation of the Capital Asset Management Plan
- Support Accountability and Governance Initiatives

Ontario Northland's operational objectives are:

- Identify and pursue opportunities for efficiencies and savings
- Demonstrate commitment to health, safety, and the environment
- Continuously improve and innovate to achieve business and service excellence
- Identify and pursue opportunities for revenue generation, innovative practices, and improved program stability
- Collaborate with employees and communities, including Indigenous communities to improve services

1.3 Support for Northern Transportation Planning

Ontario Northland has been providing vital transportation services for over 119 years and as such is experienced in serving the transportation needs of people and businesses in rural areas of the Province. With significant areas of Ontario comprised of rural or partially rural areas, the expertise that Ontario Northland has in delivering transportation services across vast rural regions will provide the foundation for agency input into MTO's northern transportation planning. This expertise could also support MTO in their planning for the transportation needs of rural areas in southeastern and southwestern Ontario.

In addition to the long and rich history of delivering transportation services, Ontario Northland brings a unique perspective as the only transportation agency in North America that provides rail freight, rail passenger, and motor coach services. This depth of knowledge will be invaluable in supporting the government as it develops and implements a transportation plan for Northern Ontario that includes integrating multi-modes of freight and passenger transportation services.

1.4 Agency Response to Mandate Letter

FY2020-21 was an extremely challenging year globally. Ontario Northland is well-suited to support the Ontario Government with the economic recovery of Northern Ontario. The agency will continue to connect the North and ensure safe transportation options for both freight and people, including access to hospitals, educational institutions and intercommunity connectivity.

Ontario Northland's 2021-22 mandate letter outlines expectations for the agency:

- Support economic recovery after COVID-19
- Deliver efficient, safe and reliable transportation services in Northern Ontario
- Improve the efficiency and long-term sustainability of Ontario Northland operations and business lines
- Implement a Capital Asset Management Plan
- Support Accountability and Governance Initiatives

This Business Plan provides details on how Ontario Northland will fulfill the expectations outlined in its mandate letter. The agency will support economic recovery during and after the COVID-19 pandemic through the safe and efficient provision of freight and passenger services to Northern Ontario. Ontario Northland has implemented a pandemic response and recovery plan that provides for a safe network for its employees and customers. These plans are adjusted as new information becomes available from public health authorities.

Ontario Northland delivers efficient, safe and reliable transportation services in Northern Ontario through an inter-community network of passenger buses and parcel express services, connecting Northern Ontario to Southern Ontario and Western Canada. Its innovative trans-load facilities support Northern businesses in efficiently getting their product from truck to rail, expanding their potential markets. Ontario Northland continues to monitor and improve its on-time movement of people and freight.

The agency continues to improve the efficiency and long-term sustainability of operations and business lines through the implementation of business intelligence tools, third party efficiency reviews and an

employee suggestion program. Ontario Northland continues to expand its trans-load facilities and investigate opportunities for new freight and repair and remanufacturing clients.

Throughout this business cycle Ontario Northland will build on its capital asset management work by developing Enterprise Asset Management practices and a system in accordance with ISO 55000. Ontario Northland will continue to implement and update its ten year capital management plan. This includes the development of state of good repair standards for its capital asset infrastructure.

Through its recently established Commission Governance Committee, Ontario Northland will continue to develop strong accountability and governance policies and practices that demonstrate how the agency is ensuring effective delivery of its mandate, objectives, and value for money in every decision and action.

2.0 Business Context for 2021-22

2.1 Coronavirus (COVID-19) Pandemic Plan

The World Health Organization (WHO) declared the COVID-19 outbreak as a pandemic on March 11, 2020. On the same day, the first case of COVID-19 was reported in Northern Ontario. Ontario Northland subsequently activated its Pandemic Response Plan on March 11, 2020 (see Appendix A). As per the Pandemic Response Plan, a committee was formed, ensuring the alignment of COVID-19 protocols with public health authorities and government recommendations. The purpose of the plan and the committee is to ensure the safety of Ontario Northland employees, passengers and customers, as well as the continuation of critical services in response to the pandemic. This work will continue until the pandemic recovery is complete.

Pandemic Recovery

Ontario Northland's integrated diverse working environments require a site-specific tailored approach to pandemic recovery. Maintaining passenger, customer and employee safety and wellbeing is key as the state of emergency evolves and the Province implements its regional reopening plans. As more goods and people begin to move and utilize Ontario Northland's services, and as more employees transition back into the workplace, the new SOPs and workplace guidelines will remain in effect in order to reduce the risk of transmitting COVID-19. All Ontario Northland employees are required to take the *Coronavirus and COVID-19 Prevention and Management* e-learning module and to acknowledge an understanding of the protocols prescribed therein.

This plan is dynamic and can be ramped up or down in alignment with the Province's staged approach. With the rapidly evolving nature of the COVID-19 pandemic, Ontario Northland will continue to monitor and adjust as required to ensure all activities are aligned with current Public Health guidelines and government recommendations.

2.2 Environmental Scan

Northern Ontario has some unique and challenging transportation needs. The region has 88% of Ontario's land mass yet only about 7% of its population. Approximately 50% of that population resides in five large centers and 50% is rural. Seventeen percent of northern Ontario's population is indigenous and northern Ontario is home 118 First Nation communities. Ontario's Far North is home to 24,000 people, 90% of them First Nations peoples. Most Far North communities are accessible only by air year-round or by ice road in the winter.

Building on its 119-year history in Northern Ontario, Ontario Northland is uniquely positioned to provide valuable transportation solutions and services to government, communities, Indigenous communities, businesses, industry, seniors, students, travelers and other stakeholders. The agency is well-equipped to support MTO in the development of a Northern Ontario Transportation Plan. Ontario Northland is situated in the North and has developed strong relationships with Mayors and First Nation communities.

The transportation industry is currently undergoing structural and technological change. Ontario Northland has adjusted its business model to meet these changes.

Here is a summary of key internal and external factors affecting the agency during this business plan:

Factor	Internal (I) or External (E)	Comment
COVID-19	E	COVID-19 is having a substantial impact on revenues and ridership. Restricted passenger capacity may be in place for the duration of this business plan. Ontario Northland implemented a Pandemic Response and Recovery Plan. The agency will continue to monitor industry practices regarding increasing capacity on buses and will adjust capacity in accordance with public health advice and recommendations.
New and emerging technology	E	Opportunities for the automation of manual processes will accelerate continuous improvement initiatives. New technology in all divisions can help continue to meet the expectations of customers while enabling divisions to reach goals. Corporate IT will continue to evaluate, recommend and enable appropriate IT systems and technology, including evaluation and attention to disruptive technology such as artificial intelligence, machine learning, virtual reality, autonomous vehicles and ride-sharing /crowd-sourcing. During this business planning horizon Corporate IT will begin to implement a new five- year IT Roadmap for the agency.
Social Media	E	Customers and stakeholders of Ontario Northland utilize social media to plan, communicate and evaluate services. Through social medial channels, Ontario Northland will measure and tactfully respond to new and emerging news, trends, communications and comments. Proactively,

		Ontario Northland has used Facebook Live to share PBX activity with the public and has used the Facebook platform to advertise employment opportunities and respond/inform bus and train passengers about delays and other relevant information. Ontario Northland currently utilizes Facebook, Twitter, Instagram and LinkedIn as part of its social media reach, with followers continuing to grow in numbers each year.
Workforce Demographics	I	A growing percentage of the workforce at Ontario Northland is nearing retirement eligibility. In order to continue to provide safe and secure services, effective succession planning is required. As employees are hired to fill retirements or complete new manufacturing work, leadership and technical skills training is imperative to continue to deliver on work programs efficiently and at a high quality.
Recruiting in Northern Ontario	E	Workforce retirement eligibility is increasing and compounds the need to recruit for key trades and leadership positions. Recruiting for specialized trades and professionals in Northern Ontario is a significant issue. Population growth is low; lack of economic growth in areas means fewer workers are entering the region. Timelines to attract the appropriate workforce are extended as a result. In some cases, recruitment has not been possible. To respond, apprenticeships have been started to develop the required skills. Although there are incremental costs to operate the apprenticeship program, Ontario Northland is making this investment to ensure the ongoing safe and sustainable operation of its services. Overall, effective recruiting remains an area of focus for Corporate Services.
Skilled Trades for rail	E	The rail industry is experiencing skilled trades' shortages and challenges across North America. In order to address some of these challenges, Ontario Northland has initiated a two-fold approach: 1) to market and advertise rail-related careers to a younger audience, possibly including school visits and promotions; and, 2) begin discussion with Colleges and Universities, including Canadore College in North Bay, about increasing the program offering for rail-related skilled trades such as railway car technicians, engineers and conductors, machinists and electricians.
CAD/USD Exchange rate fluctuation	E	Exchange rate fluctuations can have a significant impact on Ontario Northland operations in two key areas: <ol style="list-style-type: none"> 1. Customers that use rail freight services closely track the USD to determine the destination and mode of shipment of products. 2. Purchase of capital, e.g. rail (material) or specialized parts in USD results in an increase in costs.

Fuel Price Volatility	E	Fuel costs for rail freight, rail passenger and motor coach services provided by Ontario Northland can have a material impact on agency financial performance. A 10-year review of fuel prices shows large and difficult-to-predict fluctuations which continue to affect the agency's costs.
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2.3 Initiatives Involving Third Parties

Where Ontario Northland recognizes that it does not have the expertise or the workforce to execute an initiative/project, it will issue the appropriate instrument as defined in the Procurement Directive to engage a third party who has the expertise or resources to deliver the initiative/project. Terms and accountabilities of each engagement are outlined in the procurement documents and in the final engagement contract. Each initiative or project has a set of milestones or check points to track progress and hold the third party accountable to quality standards and timelines outlined in the engagement documents.

Third party engagements with Metrolinx are established through Memorandums of Understanding or Memorandums of Agreement. As with procurement documents these documents outline the expectations and timelines to hold both organizations to account.

2.3.1 Strategic Partnership with Metrolinx

There are many synergies between Metrolinx and Ontario Northland that should be explored in order to attain a seamless transportation network across Ontario. A strategic partnership could result in efficiencies and cost reduction through procurement and additional remanufacturing alignment. Ontario Northland and Metrolinx continue to work together as provincial agencies on opportunities to enhance transportation services to their client base and create cost saving and knowledge sharing opportunities for both agencies. Over the course of this business cycle Ontario Northland will work with MTO and Metrolinx to strengthen this relationship. This relationship contributes to job creation, the tax base and GDP, while optimizing Ontario's investment in transportation infrastructure. It also retains and develops specialized skills in Northern Ontario. A long-term partnership between Ontario Northland and Metrolinx provides benefits to both parties.

A few of the opportunities are highlighted below.

Refurbishment of rail assets:

The Ontario trade directive allows agencies to procure goods and services directly from one another. Ontario Northland is currently refurbishing 15 bi-level coaches for Metrolinx. This is a 36 month project that began in FY 2019-20; however it is currently paused due to COVID-19. Coaches will be stripped, repaired and repainted extending their operational life.

Seamless transportation:

Following on the success of both the Muskoka pilot and the Pearson Airport connection service with Metrolinx, Ontario Northland will continue to explore further connectivity opportunities with Metrolinx out of the Vaughan GO Station. These connectivity services allow all clients to purchase tickets through

Ontario Northland that transfer to GO services in Southern Ontario. Ultimately, Ontario Northland would like to see these connectivity services go further to Hamilton, Kitchener, Waterloo, Guelph and Niagara.

Passenger Rail

In October 2020 the government launched a survey to seek the input from people, businesses and Indigenous communities across Ontario in relation to “Transportation opportunities along the rail corridor in Northeastern Ontario”. Ontario Northland, Metrolinx, and MTO are working together to examine track infrastructure and running rights, conduct a station and shelter analysis, examine new schedule options, crewing scenarios, financial, economic and social considerations and a comprehensive ridership study.

Corporate Services

A strategic alliance with Metrolinx would better enable Corporate Services to support delivery of seamless transportation across the province. Corporate Services could utilize similar business processes and models for financial accounting and reporting, allocation methodology, business planning, business case development, human resource business practices, marketing and communications initiatives and technology licensing and procurement. Currently, Ontario Northland and Metrolinx are sharing best practices with respect to; accounting models, risk and insurance, and marketing and communication.

Transit Procurement Initiative (TPI)

Ontario Northland formally joined the TPI in 2018, which is led by Metrolinx. TPI is one of North America’s most innovative transit procurement programs, working with over 44 transit agencies across Ontario since 2006. The program has delivered savings¹ of approximately \$31.5M for program participants. Ontario Northland uses this program for bus and bus equipment purchases, where feasible, and has already joined the TPI program for procuring surveillance systems (cameras and technology) for installation aboard our motor coach fleet.

2.3.2 Continuous Improvement Activity with Third Parties

Passenger and Parcel Transportation:

Current:

Ontario Northland has established a partnership with Maritime Bus lines to support cross-Canada bus travel. Along with moving people, Ontario Northland is establishing third-party synergies with parcel distributors. For instance, the agency is working with PenguinPickUp to distribute parcels in the Toronto area from the Vaughan Depot.

Planned:

Strategic Planning: Ontario Northland plans to utilize a skilled facilitator to help guide the development of its next strategic plan. It is expected this work will begin in 2021-2022 and will include feedback and

¹ <http://www.metrolinx.com/en/projectsandprograms/tpi/tpi.aspx>

input from multiple stakeholder groups as well as strategic initiatives for the agency to fulfil the expectations set through the mandate letter provided by the Minister of Transportation.

Concordia University: Ontario Northland plans to collaborate with Concordia University to host PhD students to evaluate passenger and freight car remanufacturing and repair processes, and make recommendations for efficiencies.

3.0 Overview of Programs

Ontario Northland operates four distinct programs: Rail Services, Passenger Services, Mechanical and Remanufacturing and Corporate Services. The following is a description of the four operating programs.

3.1 Rail Services

The Rail Services division continues to be Ontario Northland's core and primary revenue-generating business. The division's key priorities are sustainability through cost containment and revenue generating initiatives, and continuing to offer efficient, reliable and safe rail transportation services to shippers and industry in northeastern Ontario. This business plan builds on a foundation of continuous improvement.

Ontario Northland operates a significant network of light density rail lines through sparsely populated areas in a climate with severe winters and short summers. The majority of revenue comes from a small number of large customers. Many of the commodities handled can be cyclical in nature and are subject to competition from trucking. Despite these challenges, the Rail Services division has made measured progress in securing new customers and expanding its reach, increasing revenue from trans-load hub customers, containing costs, improving service and processes, and maintaining a safe railway. The drive to improve in all of these areas will continue through a culture of continuous improvement that inspires operational advancements. These new initiatives identified for FY2021-22 may be incremental, the implementation of numerous small improvements will contribute to positive change and continue to ensure a healthy supply chain for customers. Rail Freight plays an important role in "opening the North for business" and economic recovery post-pandemic.

Rail freight provides vital shipping options necessary to stimulate economic development throughout the region, reduce rail and truck congestion in urban areas of the province, and achieve provincial and federal objectives. This will be achieved by:

- Continuing to add rail trans-load hubs necessary to connect off-rail customers to the North American rail network. This will increase revenue and provide cost effective shipping options to off-rail customers. Providing trans-loads is critical for community economic development initiatives and critical industry growth within mining, forestry, and agriculture.
- Exploring operating synergies with other connecting railways and trucking companies to maximize efficiency, strengthen the supply chain, and reduce congestion in major urban centers.

FY2020-21 was an extremely challenging year. For example, mining and forestry industries saw their markets drop with the COVID-19 pandemic. As a result, the division had to adjust passenger and freight service to reflect the changes in demand from customers.

Following the significant initiatives undertaken in previous years including Polar Bear Express passenger train and freight train service plan changes, closure of a running trades home terminal, departmental reorganizations, retirement of numerous experienced employees, implementation of a new drug and alcohol policy, and renegotiation of collective agreements; the emphasis for FY2021-22 will be to continue to stabilize the division and its workforce, pursue more freight business, continue to improve overall safety, and continue to meet budget expectations.

The division has historically partnered with CN to provide a detour route over Ontario Northland tracks during main line outages to ensure goods keep moving. Through this business cycle, Ontario Northland will work to broaden this partnership to introduce scheduled joint service to expedite car loads for Class 1 railways.

3.2 Passenger Services (Motor Coach Services and Polar Bear Express Passenger Train)

Ontario Northland provides transportation services connecting Northern, rural and remote communities, including remote First Nation communities. The Polar Bear Express passenger train connects passengers from Cochrane to Moosonee and the First Nation communities on the James Bay Coast. This is the only year-round land link servicing these communities, providing a regular mail service and supply line. Each year, over 54,000 passenger trips are completed, over a distance of 299 kilometers each way, with the trip taking over five hours in each direction. Onboard the passenger train, daily food specials and other sundry items typically generate over \$500,000 in annual revenue.

The Cochrane Station Inn is a 23-room hotel, conveniently located above the Ontario Northland Cochrane Train and Bus Station. It is the only hotel in Canada located inside a train station. The Station Inn provides an overnight resting place for passengers travelling on the Polar Bear Express and hosts snowmobile enthusiasts every winter. Each year, the hotel typically generates over \$450,000 in revenues and accommodates over 4,200 bookings.

The Ontario Northland bus network operates over 4.9 million kilometers per year, equivalent to 122 trips around the world. Buses transport nearly 310,000 passengers and over 140,000 parcels, connecting to transportation services across Canada. Parcels include time-sensitive items such as eye bank shipments, cremated remains, and water and lab samples, legal documents, in addition to automotive parts, personal shipments, home building supplies, safety supplies, and various other goods. Ontario Northland has a modern coach fleet that includes Wi-Fi, electrical outlets, and audio and visual announcement systems that align with accessibility standards. The fleet of buses features bus camera systems, both interior and exterior, to improve passenger, driver and highway safety.

Ontario Northland's Polar Bear Express Freight service transports 7,000 to 10,000 shipments yearly, containing over 180,000 units between Cochrane and Moosonee. These shipments include parcels, groceries, consumer goods, sporting goods and other equipment.

The agency is poised for continued expansion and integration with other carriers to align with passenger demand and provincial policy. Ontario Northland is well positioned to partner with other private and public carriers to support an integrated transportation network across Ontario and beyond. Ontario Northland will continue with their integration of schedules to connect Ontario Northland passengers to Metrolinx at the Vaughan 407 GO stop connecting to Pearson airport, as well as a summer service

connecting Metrolinx passengers with Ontario Northland services to Muskoka (paused in summer 2020 due to COVID-19).

Continued strategic planning with Metrolinx will ensure efficient services that optimize provincial motor coach assets and ensure services are aligned to transport passengers, while continuing to meet the needs of long-distance travelers from the north to Toronto.

Further expansion would provide opportunities to continue coordination with private bus and rail services, ensuring connectivity across the province and the country.

3.3 Mechanical and Remanufacturing

Rail Mechanical

The Rail Mechanical division ensures the safe operation of Ontario Northland's daily services for passenger and freight. The division provides regular inspections, repairs and certification of on-track equipment and rolling stock to ensure Ontario Northland can maintain a safe railway, its commitments to customers and its regulatory requirements. Rail car mechanics (RCM) perform detailed inspection of cars to identify defects and make necessary repairs. Rail Mechanical division maintains and repairs the Ontario Northland fleet and also repairs private sector rail cars on property on a commercial basis.

RCMs are strategically positioned throughout Ontario Northland's network to provide mechanical support with little disruption to customer's traffic and to control out of cycle miles for equipment. Rail Mechanical division has mobile capabilities to address mechanical needs at all locations of our network and make necessary repairs at these locations.

Car Shop Remanufacturing and Repair

Ontario Northland operates a Remanufacturing and Repair Centre for its own fleet. To enhance sustainability and meet market demand, it offers its skills and services to private sector railway and heavy equipment companies at competitive rates ensuring full cost recovery. The Remanufacturing and Repair Centre has completed extensive passenger, freight, and daily locomotive, freight car and passenger coach maintenance, light repair and major overhaul work for more than 100 years. Modern maintenance facilities and expertise are essential for the safe and efficient operation of the railway. Rail rolling stock and locomotive maintenance is completed at facilities located in North Bay and Cochrane.

The Rail Mechanical division includes the Cochrane shop complex, a 70,000 square-foot maintenance facility dedicated to the maintenance, light repair and inspection of railway rolling stock, which includes the Polar Bear Express (PBX) passenger cars, freight cars and locomotives. By implementing lean manufacturing principles and engaging the workforce with third-party rail mechanical experts, the existing Cochrane facility and workforce has transitioned in recent years to support further locomotive maintenance, inspections and light repairs, in addition to the daily PBX and freight car maintenance.

The Rail Mechanical division also operates several smaller mechanical shops at the endpoints of the railway in Rouyn-Noranda and Hearst as well as a centrally located facility in Englehart.

The North Bay shop complex includes a 150,000 square-foot facility with a car shop that is dedicated to passenger and freight car repair and remanufacturing, a locomotive shop, a wheel shop, and a state-of-the-art paint facility. The division oversees the locomotive and wheel shop and the recent transition of day-to-day locomotive maintenance and inspections from North Bay to Cochrane. This transition created capacity in the North Bay shop to be able to complete a backlog of locomotive capital rehabilitation programs, including large internal locomotive overhauls. The capital locomotive rehabilitation program will continue over the next seven years. External locomotive, freight and passenger car repair contracts are completed when the capacity exists within the North Bay shop complex. External contracts deliver profit that helps to offset fixed costs and reduces the overall operating subsidy.

Experience in mechanical and remanufacturing work on internal rail rolling stock assets means there is a workforce with significant knowledge capable of delivering high-quality repair and refurbishment. External customers benefit from Ontario Northland's unique understanding of railway operations and mechanical expertise, and this knowledge and expertise has been used to gather additional external customers in all shops over the past few years.

3.4 Corporate Services

Corporate Services is a business partner and trusted advisor to the operating divisions of Ontario Northland. Corporate Services will continue to operate efficiently and effectively, delivering a corporate services centre of excellence to assist the operating divisions to achieve their goals, contain and reduce costs, implement efficiencies, and identify and reduce risks.

Corporate Services combines organization-wide support services based on specialized knowledge and subject matter expertise in Finance, Human Resources, Information Technology, Marketing and Communications, Facilities, Business Analysis, Risk Management, Project Management and Continuous Improvement. As the organization moves forward, Corporate Services will focus on supporting the divisions in activity-based costing, digitizing services and optimizing business processes to ensure the focus remains on continuous improvement.

Corporate Services aligns with industry best practice and public sector norms in delivery of services. Embracing modern technology for corporate and transportation solutions, Corporate Services will analyze and utilize appropriate digital tools in its delivery of services and provide technological leadership and stewardship to ensure each division can maximize these shared services to achieve their goals. This is ever more important in the organization as it transforms to meet the needs of today's customers.

Corporate services will lead the development of Ontario Northland's performance measurement strategy and implementation of continuous improvement and lean principles. This will include educating and engaging employees in the development of performance measures and key performance indicators (KPIs), including setting targets, identifying benchmarks and reporting progress. This initiative includes looking at standards and indicators in use at leading railways, intercity bus companies, repair and remanufacturing shops, government, and other transportation agencies in the private sector.

In addition to comparison with industry, Ontario Northland will ensure focus on KPIs in supporting evidence-based decision making and continuous program improvements. The external indicators help to provide context for Ontario Northland decision-makers and cost centre owners; however, the best comparator for Ontario Northland KPIs will be its own year-over-year (or month-over-month) self-

comparison. This year-over-year comparison allows Ontario Northland to track its continuous improvement progress and make the necessary adjustments to ensure program improvement.

4.0 Planned Deliverables FY2021-22 to FY2025-26

Each division of Ontario Northland will be guided by the following principles in order to achieve the goals highlighted within this plan with a focus on ensuring value for money:

- Identify and pursue opportunities for efficiencies and savings
- Ensure efficient, safe, environmentally responsible and reliable transportation services in Northern Ontario
- Continuously improve and innovate to achieve business and service excellence
- Identify and pursue opportunities for revenue generation, innovative practices, and improved program stability
- Collaborate with employees and communities to improve services

FY2021-22 to FY2025-26 Deliverables		Estimated Completion Date
Maintain high quality motor coach and passenger rail services, while continuing to monitor and adjust services to ensure customers receive the service they need while managing costs		
Identify and pursue opportunities for efficiencies and savings	Reduce management travel expenses by 10% by utilizing telecommunications technology for meetings.	On-going
	Investigate and implement innovative solutions and partnership opportunities to enhance transportation services in northern and rural communities.	On-going
	Secure maintenance contracts to service coaches throughout the expanded network.	Summer 2021
Ensure efficient, safe, environmentally responsible and reliable transportation services in Northern Ontario	Use software (Intelex) for all incidents/collisions to understand trends, reduce WSIB claims and collaborate with employees on re-training opportunities.	On-going
	Monitor COVID-19 outbreak and ensure appropriate safety measures and best practices are in place using guidance from public health, industry partners and the government ministries.	On-going
Continuously improve and innovate to achieve business and service excellence	Create new call centre positions within Customer Services Sales Agent (CSSA) group and initiate Live Chat on Ontario Northland website.	May 2021
	Create a new Accessibility and Diversity Coordinator role to improve compliance with accessibility regulations for both federal and provincial laws.	May 2021
	Continue to work with Metrolinx to find schedule efficiencies and make seamless ticket purchases available between Ontario Northland and Metrolinx.	Summer 2021

	Implement print-at-home waybills for parcels.	December 2021
	Create new reporting to better track parcel activity and revenues associated by route.	October 2021
	Work with industry partners to develop a seamless cross-country intercity transportation network.	On-going
	Continue to conduct reviews of passenger ridership and find schedule efficiencies based on highest demand.	On-going
	Continue to deliver the new permanent intercommunity bus service to Thunder Bay and Winnipeg to provide connectivity in Northwestern Ontario while investigating innovative solutions to service communities north and south of the HWY 17 corridor.	Summer 2021
	Continue to optimize bus service by evaluating ridership and parcel activity to assess the need for a bus stop, flag stop or no stop.	On-going
	Use data from reservation and ticket management solution to inform decision making using a repeatable, defensible methodology.	On-going
Identify and pursue opportunities for revenue generation, innovative practices, and improved program stability	Increase parcel service revenues and marketing initiatives for Northwest Ontario, Manitoba, Toronto, and the Greater Toronto Area.	Summer 2021
Collaborate with employees and communities, including Indigenous communities to improve services	Attend community events throughout the network.	On-going
	Organize Employee Community Engagement Events (e.g., Stuff the bus for the Food Bank events (two per year.))	December 2021

FY2021-22 to FY2025-26 Deliverables		Estimated Completion Date
Polar Bear Express (PBX) Services will enhance the quality of passenger and express freight service to/from the James Bay Coast via the Polar Bear Express		
Identify and pursue opportunities for efficiencies and savings	Identify cost-saving measures to offset expense pressures resulting from COVID-19 safety measures. Participate in industry discussions on benchmarking and best practices to increase operational efficiencies and implement ideas that fit within operation.	On-going
	Align hotel operations to meet business needs. Re-evaluate hotel operations to identify slow periods and decrease hours where no demand exists.	Summer 2021
Ensure efficient, safe,	Investigate new technologies to sanitize the interior of the passenger coaches (i.e., electrostatic sprayers, etc.) as they are introduced.	May 2021

environmentally responsible and reliable transportation services in Northern Ontario.	Install controls and checks to identify and process overweight items. Involve all departments in initiative (CSSAs, Motor Coach Service (MCS) Operators, Express Freight and On-Board services).	October 2021
	Continue to participate on Special Task Force to reduce the flow of illegal substances into northern communities.	On-going
	Evaluate and review effectiveness of a third-party security contractor on Polar Bear Express service.	April 2021
Continuously improve and innovate to achieve business and service excellence	Explore alternative food delivery services for the Polar Bear Express (e.g., box lunches, deliver to seat, etc.).	September 2021
Collaborate with employees and communities, including Indigenous communities to improve services	Attend community events throughout the region. Facilitate community engagement sessions for specific items of interest as required.	On-going
	Continued participation as a board member with Cochrane Tourism Association.	On-going

FY2021-22 to FY2025-26 Deliverables		Estimated Completion Date
Rail Services will provide safe, efficient and reliable rail services that support economic prosperity in northern Ontario		
Identify and pursue opportunities for efficiencies and savings	Reduce maintenance costs by identifying fleets that can be disposed of based on condition of gondola and box cars. They have been reviewed and the process has begun to ensure they can be removed from fleets.	July 1, 2021
	Manage train schedule to fit changing demands. Freight service has responded well since COVID-19 caused declines, but Passenger Services still encounters issues related to the pandemic and community demands and concerns.	Ongoing until end of COVID-19
	Continue to have proactive measures in place to prevent COVID-19 contamination and address each reported case of potential symptoms by isolation and testing prior to re-engaging in the work force.	Ongoing until end of COVID-19
	Replacement of train radio consoles and front end (all within Englehart Station).	December 2021
	Grade crossing warning system replacements at Kapuskasing 68.44, Temagami 111.56 and 113.41, Ramore 104.32, and Island Falls 0.64.	October 2021
	Replace existing light units with LEDs at 11 crossings on Temagami sub.	October 2021
	Replace Automatic Equipment Identifier (AEI) reader equipment at Ramore 4.9.	October 2021
	Upgrade hydro service for the warning system at Ramore 104.32.	October 2021

	Ensure Environmental Assessment understanding is rolled out to Front Line Managers and Project Managers to certify that it is incorporated at planning stage.	April 2021
	Continue to upgrade Ontario Northland's grade crossing protection systems. Five crossings were completed in 2020, and we are currently planning for five crossings with flashers and bells to be upgraded each financial year. We have a total of 72 crossings with flashers and bells on the system.	October 2034 for all crossings
	Continue to work on improving the train radio system (due to dead spots).	August 2021
	The Rail Association of Canada has advised that Locomotive Video and Voice Recordings (LVVR) will be mandated effective September 2022. We will begin the process to upgrade our fleet with LVVR, Forward Facing Camera/recorder and Event Recorders as they are packaged by manufacturer. Additionally, we will install GPS monitoring devices.	July 1, 2022
Continuously improve and innovate to achieve business and service excellence	Quarterly review of existing service to ensure our design meets customer commitments and trip plans.	Ongoing each Quarter
	Review potential co-production with other rail roads, particularly Canadian National Railway due to proximity of track and historical achievements.	October 2021
	Will conduct meetings with existing customers to establish their changing business lines and create an opportunity for additional rail services based on volumes, cycle times and pricing. Pursue opportunities with proposed new ventures in the north.	Ongoing
Identify and pursue opportunities for revenue generation, innovative practices, and improved program stability	Review service provided with existing customers to establish a rate increase or additional services.	Ongoing
	Advertise our service and skills to new markets – mills, mines and other rail carriers to provide line haul or new opportunities.	Ongoing
	Examine all sources of revenue for rail car owners, such as switching, haulage, line haul, storage (both long and short term).	Ongoing
	Pursue new customers for the Remanufacturing and Repair Centre from the mining and trucking industries.	Ongoing
Collaborate with employees and communities, including Indigenous	Continue to hold employee town hall type meetings (safety, update, and engagement) to provide each employee an opportunity to attend at least one meeting during the fiscal year.	August 2021

communities to improve services		
	Hold bi-annual union-management meetings with all unions.	Ongoing
	Annual meetings with Mayors and Economic Development Officers in the major northern communities that Ontario Northland serves and bi-annual meetings in Moosonee.	Ongoing

FY2021-22 to FY2025-26 Deliverables		Estimated Completion Date
Corporate Services will provide innovative, efficient and effective services to support the business units		
Identify and pursue opportunities for efficiencies and savings	Reduce costs by further reducing credit card fees and chargebacks and increase electronic processing.	FY2021-22
	Review and evaluate options to reduce Ontario Northland's exposure to fuel price risk.	FY2022-23
	Identify and qualify opportunities to optimize Ontario Northland's balance sheet through capital optimization assessment.	FY2021-22
	Audit long-term disability files to ensure application of all intended offsets.	Q4 FY2021-22
	RFP for Employee Assistance Plan and third-party disability management.	Q2 FY2021-22
	Examine opportunities to introduce paperless employee file system in HR.	FY2023-24
	Complete a detailed cost benefit analysis of current technology applications and consider shifting them to cloud-based service offerings to reduce costs and improve efficiency.	Q4 FY2021-22
	Establish Configuration Management processes to effectively manage IT assets.	Q4 FY2023-24
	Motor Coach passenger Wi-Fi Improvements - audit and investigate opportunities to reduce/consolidate the data expense per motor coach.	Q3 FY2022-23
	Finance - ensure accountability in meeting or exceeding expense (capital and operating) targets within Business Plan/Capital Plan. Where targets exceed variance expectations (% and \$ variance per division), ensure realistic and clear mitigation strategies are outlined and implemented.	On-going
	Monitor Vendor of Record (VOR) and implement any that could benefit Ontario Northland.	On-going
	Review current customs broker costs to ensure Ontario Northland is benefiting from the lowest fee for the level of service required.	FY2021-22
	Using lessons learned during COVID-19 pandemic response, incorporate new/revised business processes, operating procedures and other efficiencies to improve service delivery by Corporate Services.	FY2021-22
Ensure efficient, safe, environmentally	Continued focus on Early & Safe Return to Work following both occupational and non-occupational illness to support staff in their wellness and to contain costs associated with lost time.	On-going

responsible and reliable transportation services in Northern Ontario.	Ensure all buildings and structures are following current labour/building code/legislation and/or there is a plan to comply, achieved through Facility Management building audits and plans.	Continued Audits to include tables for compliance dates 2025
	Complete an energy audit of all major buildings (29) and build an action plan to reduce energy expenses.	2022
	Formalize the Attendance Support Program to support staff to attend work, thereby reducing costs associated with absenteeism.	2022-23
	Focus on incident prevention through the utilization of data in the new incident management software to identify trends and proactively address Health & Safety risks.	On-going
	Ongoing promotion of Safety Culture through Work Safe campaign activities and quarterly Health and Safety Awards.	On-going
	Roll-out of multiyear Health & Safety Culture Action Plan based on Rail Association of Canada Health & Safety Culture Assessment Survey and Focus Group results.	2021-22 On-going
	Respond to changes to COVID-19 related protocols as directed by Public Health.	On-going until restrictions are lifted
	Continue to enhance health and safety protocols to address COVID-19 risks, as well as continue to ensure all PPE requirements for operations are procured.	On-going until restrictions are lifted
	Organization-wide introduction of pre-job hazard assessment policy and tool to ensure risks are identified prior to work being initiated.	FY2021-22 to FY2022-23
	Stores – warehouse redesign in all locations to ensure safety is prioritized.	FY2023-24
Continuously improve and innovate to achieve business and service excellence	Transparency and Accountability	
	<ul style="list-style-type: none"> Establish a new Ontario Northland strategic plan including input from key stakeholders and in the context of a revised/updated mandate from government. 	FY2021-22
	<ul style="list-style-type: none"> Establish Ontario Northland Enterprise Risk Management policy. 	FY2021-22
	<ul style="list-style-type: none"> Increase Ontario Northland maturity level of Enterprise Risk Management (ERM) from “AdHoc” (current) to “Initial” (2022 target). 	FY2021-22
	<ul style="list-style-type: none"> Optimize and expand current auditing procedures to include other shared services, in particular, high risk areas to increase financial governance and control processes. Expand internal audit plan. 	FY2021-22
	<ul style="list-style-type: none"> Continue to implement recommendations from Finance Roadmap including optimization program, technology enablement, training and enablement, as well as report optimization. 	On-going

	<ul style="list-style-type: none"> • Establish a corporate 'green' policy including energy management initiatives to reduce expenses and positively impact climate change and the environment. • Further development of the crisis communications plan (Marketing and Communications). • Audit Staff Portal (SharePoint) content for accuracy and relevance. Establish a governance model and plan to ensure sustainability of content. • Depending on available funding, implement year 1 portion of Ontario Northland's Enterprise Asset Management (EAM) program. Includes people, business processes, technology and policy for best-practice-aligned EAM. • Review current processes for payment of meals to establish a consistent streamlined approach for payment. • Review processes for tracking capital warranty holdbacks and make improvements as necessary. 2022-23 • Centralize certain procurement related tasks: 2021-22 <ul style="list-style-type: none"> ○ Management of Vendor Performance ○ Advising Project Managers on how to proceed with procurement tenders (including operating and capital projects) • Centralize locomotive fuel requirements and return on investment options. • Implement regular scheduled physical inventory counts (change from perpetual count). 2022-23 • Review options for inventory stocking agreements with vendors. 2022-23 • Work with MTO, Metrolinx and other stakeholders to provide decision-making information regarding northern passenger rail. • Development of a performance measurement framework to support evidence-based decision making, continuous improvement, and public accountability including key performance indicators (KPIs) aligned with industry standards. 	<p>Fall 2021</p> <p>September 2021 Q3 FY2021-22</p> <p>2025-26 full program</p> <p>FY2022-23</p> <p>FY2022-23</p> <p>FY2021-22</p> <p>FY2021-22</p> <p>FY2022-23</p> <p>FY2022-23 FY2021-22</p> <p>FY2021-22</p>
	<p>Workforce Management</p> <ul style="list-style-type: none"> • Implement manager-specific new employee orientation and onboarding program as a component of overall leadership development roadmap. • Establish centralized grievance tracking system showing status, updates and resolution for grievances from all bargaining groups. • Provide risk management training for executive team and directors. • Further develop Ontario Northland Workforce Strategy through introduction of e-succession module in existing performance management software to capture certifications, training and provide improved reporting on skills/training gaps. 	<p>FY2021-22</p> <p>FY2021-22</p> <p>FY2021-22</p> <p>FY2022-23 to FY2023-24</p>

	<ul style="list-style-type: none"> • Further develop the Corporate Service Centre to better support employee's access to the services offered by Corporate Services such as payroll and Human Resources services. • Strengthen internal communications channels to ensure employees are well informed of corporate initiatives. Increase outreach and develop channels to reach non-desk workers. • Develop improved on-boarding/off-boarding framework and support processes leveraging technologies and applications currently in use. Establish IT Training and Application Support Program. • Create finance training library/videos for all Ontario Northland personnel to have access to, as well as to be included within on-boarding of new staff, and update library as necessary. 	FY2022-23 to FY2023-24 March 2022 Q2 FY2022-23 Q4 FY2021-22 FY2021-22
	Data Collection <ul style="list-style-type: none"> • Continue to improve data exchange and process alignment between HR and Payroll departments. Eliminate duplicate records and optimize payroll information system/utilization. • Improve payroll processing time by moving to payroll by exception for salaried employees, and other payroll system/process efficiencies. • Streamline processes within Payroll team, including development of quick reference sheets for other departments to minimize required payroll adjustments. Investigate possible solutions to help speed up benefits communication, reducing the need for on-demand payroll cheques. • Continue implementation of findings from Materials Management, Stores/Warehousing and Procurement review: <ul style="list-style-type: none"> ○ Strategic sourcing ○ Continue to review inventory levels ○ Track and monitor key performance indicators <p>Work with HR department to ensure a consistent process for FTE analysis through Infinium and Qwestica.</p>	On-going FY2025-26 FY2021-22 FY2022-23 FY2021-22
	Digital Delivery and Customer Service <ul style="list-style-type: none"> • Migrate Ontario Northland from Microsoft Office (local) to Microsoft Office 365 (cloud based). • IT to work with Motor Coach Division to establish updated digital system and process to pay motor coach drivers (current system is a custom internal program). • Identify and implement data diagnostic business intelligence (BI) tool and related Infrastructure for BI and performance measures program at Ontario Northland (MS Power BI). • Develop and implement improved auto-attendant services for inbound calls to Ontario Northland's main phone lines; more self-service options. 	Q2 FY2021-22 FY2021-22 Q4 FY2021-22 Q1 FY2021-22 Q4 FY2023-24

	<ul style="list-style-type: none"> Assess benefits, needs, and requirements for Ontario Northland's data warehouse and governance to support centralized business intelligence services. Introduce Customer Relationship Management (CRM) for various divisions and departments. Begin to implement a new 5-year IT Strategy & Roadmap. Update and test IT service continuity management plan, including disaster recovery routines for business-critical services. Review/update current Accounts Payable optical recognition software. Review current processes for quoting external customers to ensure consistent practices for efficiency as well as ensuring full cost recovery on external work. Streamline/automate procurement (procure to pay process) and stores processes <ul style="list-style-type: none"> Implement digital packing slips; and, Implement digital shipping requests. Automate year-end Financial Statements. Implement "fast lane" within stores for prompt service. Provide input and execute deliverables in support of Province's Northern Ontario Transportation plan. Evaluate feasibility and develop business case for a 'digital transportation marketplace' to connect passengers to Ontario Northland transportation services and partners. 	Q4 FY2023-24 Q1 FY2021-22 Q4 FY2021-22 FY2021-22 FY2021-22 FY2022-23 FY2021-22 FY2021-22
Identify and pursue opportunities for revenue generation, innovative practices, and improved program stability	Marketing and Communications will support the agency's revenue generating initiatives with advertising and promotional material. Significant focus will be placed on promoting: <ul style="list-style-type: none"> Expanded bus routes Bus Parcel Express Rail Freight Bus transportation to student and senior markets Remanufacturing and Repair Centre services Special campaigns with partners such as Metrolinx 	Ongoing – current campaigns to be completed by March 2022
	Review current process for buying/selling USD to increase return on purchase.	FY2021-22
	Continue to sell surplus/scrap assets through GovDeals to maximize revenue.	FY2021-22
	Ensure any surplus buildings or land are sold or leased to maximize revenue potential from land and buildings portfolio.	On-going
Collaborate with employees and communities, including Indigenous communities to improve services	Establish Information Technology Steering Committee to develop, govern and support ITS strategic roadmap.	Q3 FY2021-22

	Participate in community, regional and industry engagement opportunities, including with Indigenous communities to share knowledge.	On-going
	Establish an energy management strategy and committee to review and prioritize energy usage and upgrades across the organization.	Spring 2020
	Plan the 4th Spike Driving Competition and find opportunities to increase media coverage, customer participation and attendance. Will be dependent on COVID-19 restrictions.	June 2022
	Evaluate all community holiday celebrations where Ontario Northland participated / sponsored in 2019. Evaluate and plan outreach activities for 2021-22.	Dec 2021
	Conduct an employee engagement survey and utilize feedback to establish KPIs. Use feedback to inform the creation of a multi-year Ontario Northland Human Resources Strategy.	Q1 FY2022-23
	Build relationships while establishing or joining a procurement alliance with other short line rail organizations.	FY2022-23
	Provide quarterly technical (IT) notices and/or user education on best practices for use of technology at Ontario Northland.	Quarterly
	Establish or join peer/collaborative ITS network with ITS representatives from other transportation or northern organizations.	Q4 FY2022-23
	Finance - collaborate with ticket agencies on a regular basis to build relationships and improve communication.	On-going
	Participate in industry conferences and events as a speaker/subject-matter expert for topics related to Corporate Services or transportation.	On-going
	Establish a cultural awareness training program for all employees. Plan to adjust/deliver programming/content based on employee role.	Q1-2022-23

5.0 Financial Profile

Ontario Northland at a Glance

Ontario Northland is a consolidated entity to the Province of Ontario.

The FY2021-22 operating budget includes an operating subsidy requirement of \$49.3M, revenues of \$70.7M and expenses of \$119.9M. Ontario Northland was materially impacted in FY2020-21 due to the COVID-19 pandemic with decreased ridership on the Polar Bear Express (PBX) and motor coach services, as well as a decrease in freight carloads, which impacted revenues by over \$14M. Along with the decrease in revenues, Ontario Northland saw an increase in costs to ensure customer and employee safety through increased safety measures during the pandemic. The financial impact of the COVID-19 pandemic is projected throughout the full five-year outlook for Ontario Northland. Over the course of the five-year business plan, the operating subsidy requirement increases from \$49.3M to \$52.9M, a 7% increase, which also includes the operating costs for the implementation of Enterprise Asset Management Program.

Ontario Northland is faced with annual negotiated union rate escalations, plus inflation/consumer price index of approximately 1.5% per year, which increases the costs of materials and services required for

operations. Ontario Northland has implemented several cost saving strategies to reduce the impact of these costs through efficiency improvements, offsetting in part the impact of the forecasted salary and inflationary pressures within the plan.

Out of the overall operating budget, it is important to note that the projected funding requirements for the PBX essential services is \$22.1M (45% of the operating budget). The PBX passenger and freight train are an essential service connecting the communities of Cochrane and Moosonee and is the only land link to the First Nations communities of the James Bay Coast. All remaining Ontario Northland services and supporting departments have a projected funding requirement of \$27.1M. This critical investment in the North directly and positively impacts economic development, climate change, tourism, public access to transportation, reduces road maintenance costs and enhances road safety.

Ontario Northland FY2021-22 to FY2025-26 Fiscal Impact

Ontario Northland at a Glance	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026
Operating Investment:					
Polar Bear Express (PBX)* Essential Services	22,102	21,945	22,946	23,564	24,110
Ontario Northland (excluding PBX)	27,091	26,730	26,409	27,826	28,653
Total Operating Investment	49,193	48,675	49,355	51,390	52,763
Capital Investment:					
Polar Bear Express (PBX) Essential Services	11,742	11,885	12,406	11,152	11,463
Ontario Northland (excluding PBX)	53,119	48,354	42,481	42,554	37,514
Total Capital Investment (Note 1)	64,861	60,240	54,888	53,706	48,977
Total Polar Bear Express (PBX) Essential Services Investment	33,844	33,830	35,352	34,716	35,573
Total Ontario Northland (excluding PBX) Investment	80,211	75,084	68,890	70,380	66,167
Principle payments of long term debt	101	106	111	117	123
	114,156	109,021	104,354	105,213	101,863

* Polar Bear Express Essential Services include all Rail Freight and Rail Passenger services from Cochrane to Moosonee, including Cochrane Station Inn Hotel

Note 1 - Of the \$65M capital, there is a \$9.6M capital lever that the Ministry will request supplementary estimates in support of the Agency's in-year capital requirements, based on the approved 10 year capital plan.

5.1 Operating Budget Summary

Operating Budget Summary

The development of the FY2021-22 to FY2025-26 operating budget is guided by the set of deliverables described in this plan. The budget is presented here at a summary level.

The budget was developed in light of COVID, assuming that there will be no further significant service interruptions causing loss of revenue, no significant service increases/decreases, no significant machinery failures causing loss of service or major changes to the current large mining and forestry customer forecasts that are not already included in the forecast.

Ontario Northland FY2021-22 to FY2025-26 Summary Operating Budget Requirement

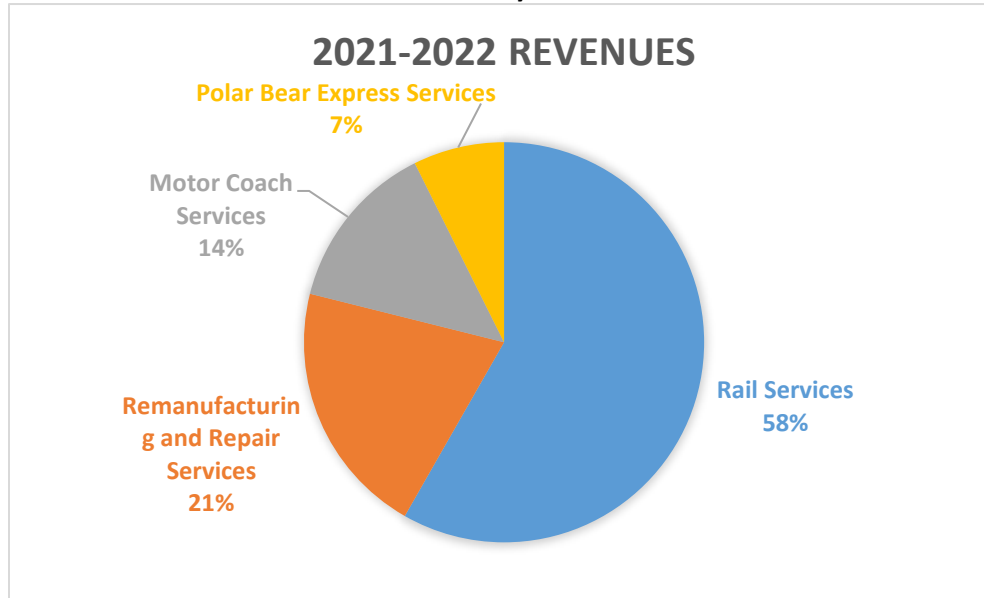
SUMMARY OPERATING BUDGET FY2022 - FY2026

Revenues (\$000's)	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Rail Services	41,219	40,991	42,232	42,872	43,606
Remanufacturing and Repair Services	14,584	7,116	3,245	3,292	3,339
Motor Coach Services	9,706	11,724	11,874	12,076	12,281
Polar Bear Express Services	5,202	5,993	5,591	5,699	5,785
	70,711	65,824	62,941	63,939	65,011
Expenses (\$000's)					
Labour & Benefits	72,001	69,245	67,692	69,507	70,992
Materials & Parts	21,893	19,277	17,661	18,183	18,573
Supplies & Equipment	5,414	5,375	5,355	5,518	5,642
Services	8,584	7,861	7,581	7,794	7,933
Other	12,014	12,741	14,008	14,327	14,633
	119,905	114,499	112,296	115,329	117,774
Total operating loss	(49,193)	(48,675)	(49,355)	(51,390)	(52,763)
Principle payments on loan	101	106	111	117	123
Total Operating Subsidy Requirement	(49,294)	(48,781)	(49,466)	(51,507)	(52,886)
Other expenses:					
Amortization	4,800	4,540	4,439	4,221	3,839
Amortization of deferred capital contribution	16,448	17,738	19,063	19,995	20,938
Write off of assets/inventory	500	500	500	500	-
	21,748	22,778	24,001	24,716	24,777

Revenues

Total projected revenues for FY2021-22 are \$70.7M.

Ontario Northland FY2021-22 Revenues by Division



Rail freight revenues are projected to slightly decrease over next year with the impact of the pandemic then increase over the next few years with businesses returning to regular operations. New growth is forecasted to partially replace the slowdown of current customers. Current focus includes mining, forestry, agriculture, and petroleum industry opportunities.

Remanufacturing and Repair Centre (RRC) includes only external work and has projected external revenues in the locomotive shop, paint shop, freight car work and external passenger car work. RRC will deliver services at full cost recovery, with all profit directly offsetting overall operating subsidy levels. Over the course of the multi-year plan, RRC revenues are expected to decrease as a large customer contract winds down. The impact of this wind down will affect 57 FTEs and decrease revenues by \$7.5M in FY2022-23 with a further decrease of \$3.9M in FY2023-24.

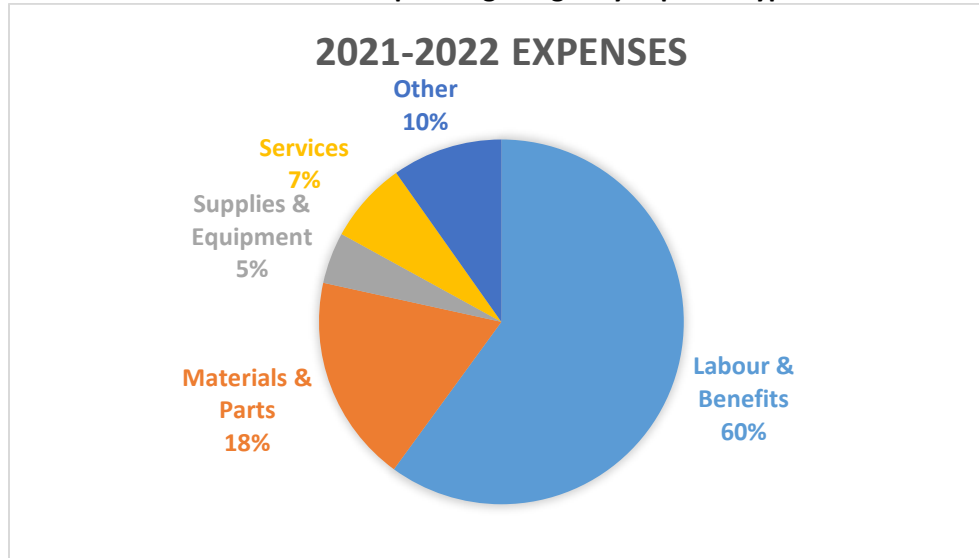
Motor Coach Services has projected revenues increasing in FY2021-22 as FY2020-21 had a large decrease in revenues due to the pandemic and ridership declines. Motor Coach is projecting a gradual increase in ridership over the course of this business plan; however, it is not anticipating a return to pre-pandemic revenues. Note that uncertainty remains regarding the pace of recovery from the pandemic, and the impact of changes to travel patterns and behaviours over the long-term. Motor Coach revenues will see a full year impact in FY2021-22 from expanding to Thunder Bay and Winnipeg throughout FY2020-21.

Polar Bear Express Services has projected revenues as slightly increasing in FY2021-22 as FY2020-21 had a large decrease in revenues due to the pandemic and decline in ridership. FY2021-22 does include full-year impact of revenue management. Polar Bear Express Services is projecting a gradual increase in ridership over the course of this business plan; however, it is not anticipating a return to pre-pandemic revenues.

Expenses

Total operating expenses for FY2021-22 are projected at \$119.9M (including Enterprise Asset Management Program expenses).

Ontario Northland FY2021-22 Operating Budget by Expense Type



The largest expense in the operating budget is labour and benefits which represents 60% of projected expenses for FY2021-22 to support operations. Total labour and benefits decrease over the course of this multi-year plan by 2% due to a decrease in services.

Another large expense in the business plan is fuel, which is included in Materials and Parts making up 18% of expenses. Diesel fuel prices can be unpredictable as it is determined by the market and has been projected to increase by 1.5% each year, as the most recent year prices remained at lower rates than the previous two years. For our Rail and Motor Coach operations, fuel is a crucial input. Due to its nature as a petroleum-based commodity, fuel prices fluctuate with the supply and demand forces of the oil market. This volatility often falls within a normal range but there can be large changes. For example, from 2019 to 2020 average diesel prices decreased from \$0.92/litre to \$0.80/litre (14%) where prices from 2018 to 2019 had increased 11%. Should fuel prices increase by 15% next year, Ontario Northland would be looking at a \$1.4M increase in Motor Coach and Rail expenses.

Other expenses make up 10% and represent insurance, property taxes, freight car rentals, software fees and travel expenses. This is followed by services at 7% which includes rail and track testing, vehicle and equipment repairs, and consulting. Finally, supplies and equipment represents 5% of the budget, which includes utilities and general tools and supplies for operations.

Another expense included in the operating budget is the Enterprise Asset Management Program, in the amount of \$1M for FY2021-22. This program includes an operating and a capital portion and will allow the agency to deliver a single information platform for the effective utilization of physical assets across the organization, which will align with Asset Management and transportation industry best practices.

Other expenses noted in the summary budget include non-cash expenses, including amortization expenses, as well as amortization of deferred capital contribution and assets/inventory write-offs.

5.2 Capital Budget Summary

Ontario Northland Ten-Year Capital Plan: FY2021-22 to FY2030-31

Overview (Snapshot)

Major assets owned by Ontario Northland:

- Motor Coaches: 38 (35 owned, 3 leased)
- Rolling Stock:
 - 24 locomotives
 - 16 Polar Bear Express cars including passenger, diner and baggage cars
 - 367 freight box cars and 154 service cars (gondolas, paper, center beam)
- Track: 1083 kms (673 miles) of track
- Bridges and culverts: 93 bridges and 2100+ culverts
- Major buildings: 100+ buildings with 29 significant buildings

This year's 10-year capital plan remains focused on delivering the rehabilitation of major capital assets to achieve an appropriate state-of-good repair across the agency. Starting with the FY2020-21 approved plan as the basis, adjustments were made to ensure assets reach and maintain state of good repair, any new regulatory requirements are met, and a new 10th year of planning was added.

This 10-year capital plan will layout the capital investment needed to improve asset performance and address the growing state of good repair (SGR) deficit.

Ontario Northland seeks a capital investment by the Province of Ontario of \$559M over the next 10 years, building on the approved 10-year plan that started in FY2017-18. This investment extends and rehabilitates Ontario Northland's aging infrastructure to deliver its mandate for safe and efficient transportation services. This investment further reduces risk and improves the SGR of all capital assets, reducing ongoing maintenance expenses and providing improved safety to passengers, customers, employees, environment and infrastructure.

5.2.1 Recommendations for Asset Management

Ontario Northland has implemented several recommendations for its Asset Management Program (a select list of accomplishments and deliverables can be seen in the 'Capital Program Accomplishments and Deliverables' section below).

Ontario Northland has developed an asset management governance structure to improve capital asset management processes across the organization. This includes monthly executive team capital meetings with Finance to review current capital program plans and results, establishing capital project charters that detail the work to be performed with timelines, risks and cost breakdowns, capital budgets and monthly capital cash flow results and forecasts (which are all documented and stored centrally for capital project managers within a new budgeting and forecasting software implemented in FY2018-19).

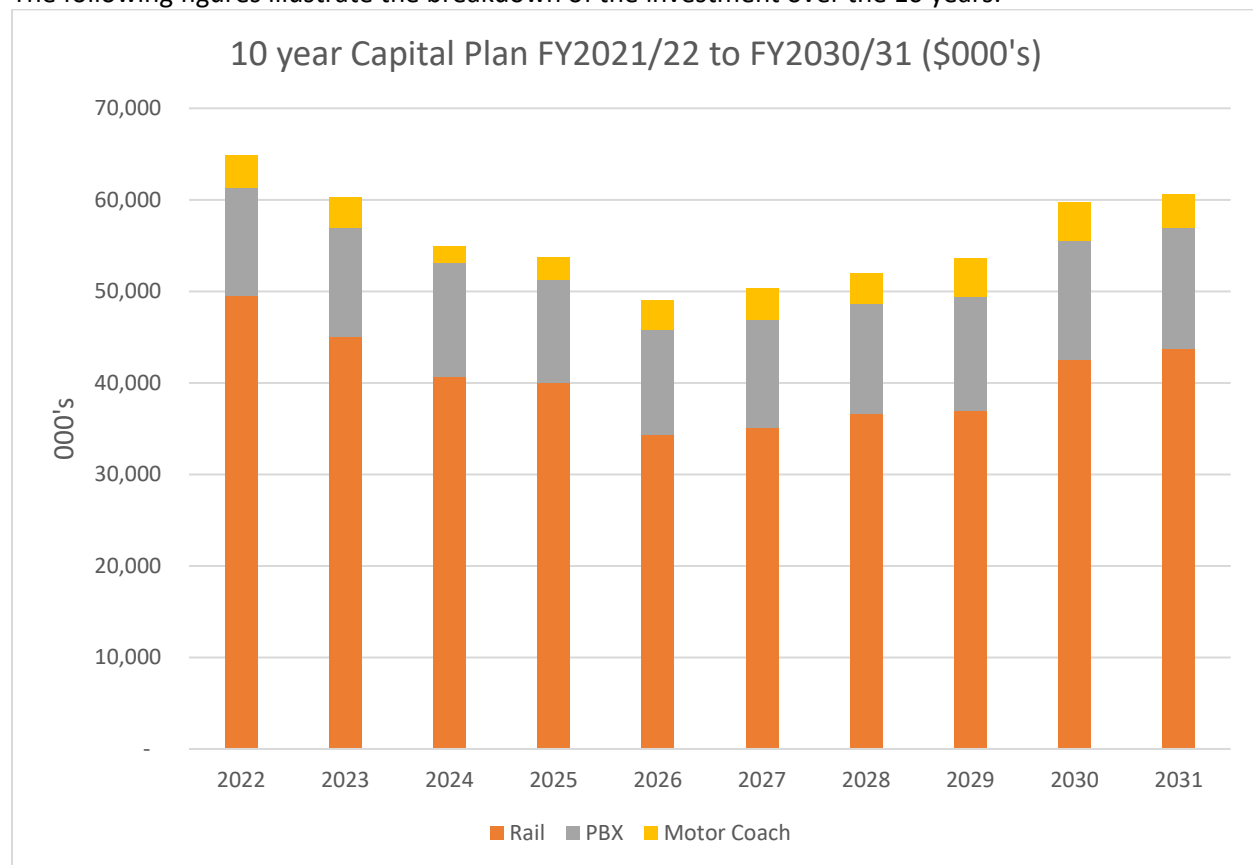
Ontario Northland divides its capital asset program across the divisions of Rail, Polar Bear Express and Motor Coach Services. A capital asset management strategy and plan are in development, taking the needs of all of Ontario Northland into consideration.

Ontario Northland continues to refine operating and maintenance practices to more efficiently balance lifecycle costs against acceptable risk tolerance by implementing its 10-year asset management plan and improving state of good repair in this planning horizon. While some asset categories have reached state of good repair, others have a significant backlog.

During FY2020-21 Ontario Northland has been working with a consultant to develop a plan to implement technology improvements and overall improvements to asset management at Ontario Northland. Over the next four years, subject to funding availability, the implementation of this plan will transform Ontario Northland's asset management program. As an asset heavy organization, having accurate information and shared knowledge across the organization is key.

Financial Overview

The following figures illustrate the breakdown of the investment over the 10 years:



Division	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Rail	49,568	45,034	40,648	40,071	34,286	35,127	36,618	36,947	42,596	43,695	404,592
PBX	11,742	11,885	12,406	11,152	11,463	11,728	12,079	12,517	12,890	13,275	121,137
Motor Coach	3,551	3,320	1,833	2,483	3,228	3,496	3,313	4,201	4,213	3,682	33,321
Total	64,861	60,240	54,888	53,706	48,977	50,351	52,011	53,665	59,699	60,652	559,050

Rail

In FY2016-17 a field audit of Ontario Northland main track was conducted in order to assess overall track conditions relative to the tonnage and traffic levels handled (both passenger and freight). The following recommendations resulted: the installation of 40,000 track ties, and 10 miles of rail installed per year over the 10 years as well as a new grinding program for 40 miles of track grinded annually that extends the life of the rail, removing rail surface defects.

Ontario Northland's bridge and culvert repair and maintenance plans have been established and are updated annually. An annual bridge inspection is completed in order to set priorities for bridge repairs with the assistance of an external engineering firm. The engineering firm inspects, designs and supervises all projects.

Ontario Northland plans to continue rehabilitating the aging rolling stock fleet, including locomotives, boxcars and passenger cars, over the next 10 years. The first round of major locomotive overhauls will be completed by year 5 and will then restart, while freight car rehabilitation is ongoing. This investment in

rolling stock continues to improve the state of good repair while reducing fuel consumption, maintenance costs and emissions outputs. Ontario Northland will be incorporating the purchase of new locomotives in the future years of the 10-year capital plan as recommended by third party consultants based on useful lives of the assets, as the last purchase of a new locomotive occurred in 1999.

In September 2020, Transport Canada introduced the Locomotive Voice and Video Recorder Regulations. Ontario Northland is required to comply with the new regulations by December 2021. As such, \$1.2M is included in the plan to ensure all requirements are met.

A new Enterprise Asset Management Program investment of \$9.7M is included in the plan, this program will deliver a set of benefits, both tangible and intangible, to support the corporate objectives and ensure Ontario Northland has the right competencies in place to maximize the value of our assets and continue to deliver excellent service long term. The program scope is comprised of four key initiatives that are rolled out over the course of four years. Another important factor that supports the importance of this program is alignment with shifting industry standards towards stringent asset management requirements.

Annual investment for Rail averages \$40.5M over the 10-year Capital Plan.

Polar Bear Express

In the FY2016-17 field audit the following was recommended: the installation of 12,500 track ties, and five miles of relay rail installed per year over the 10 years. The rail installed on the Polar Bear Express is relayed from the main system and the actual amount of rail relayed may be reduced if the available rail does not meet safety requirements.

Annual investment level for Polar Bear Express averages \$12.1M over the 10-year Capital Plan.

Motor Coach

Over the past few years, Ontario Northland has invested in motor coaches with initial bus expansion to Sault Ste. Marie and an expansion West to Winnipeg in FY2020-21. Ontario Northland plans to continue to invest in new motor coaches on an annual basis and its overhaul program for existing coaches, including power train and light cosmetic work. This is in line with recommendations from a third-party review to keep our motor coach fleet renewed and reliable. In order to best support the expanded motor coach fleet and deteriorating bus wash bay, the motor coach garage in North Bay requires an expansion, which has been budgeted at \$2.2M over the next two years.

Annual investment level for Motor Coach Services averages \$3.3M over the 10-year capital plan.

5.2.2 Capital Program Deliverables

The following is a list of key deliverables being planned as part of this business plan.

FY2021-22 to FY2025-26 Planned Deliverables

1. Implement Enterprise Asset Management Program, with a target completion within four years (FY2024-25).
2. Completion of models for state of good repair and capital prioritization model to assist in the decision-making process for allocating limited capital funds.
3. Reconcile data gaps between fixed asset register and user group data with target completion within FY2021-22 – completion delayed due to COVID-19 restrictions.
4. Continue to build on current KPIs and develop new indicators and target levels of service for all asset categories.
5. Provide training on Capital Asset Management Strategy and Capital Asset Management Policy.
6. Develop target levels of service for Asset Categories, and develop Capital Asset Management Plans by division or Asset Category.
7. Continue to build on Ontario Northland's 10-year capital plan in alignment with best practices to incorporate two capital groupings, one for state of good repair and another for new assets.
8. Develop long-term (30 year) CAMP for track infrastructure asset category (consider long term CAMP for other asset categories).
9. Continuously evaluate/apply for "non-traditional" funding sources to accelerate asset rehabilitation and renewal (e.g., Transport Canada's Rail Safety Improvement Program).
10. Work with an external party to perform full reviews of all buildings to develop requirements to reach state of good repair and maintenance, to be completed within FY2021-22.

5.3 Key Assumption: Diesel Fuel

For Ontario Northland's rail and motor coach operations, fuel is a crucial input. Due to its nature as a petroleum-based commodity, fuel prices fluctuate with the supply and demand forces of the oil market. This volatility often falls within a normal range but there can be large moves. For example, from FY2018-19 to FY 2019-20 average diesel prices decreased from \$0.92/litre to \$0.80/litre (14% decrease), however the previous year saw an 11% increase in price from \$0.83/litre to \$0.92/litre. Should a 10% increase happen this fiscal year, Ontario Northland would be looking at a \$1M increase in fuel expenses.

The table below highlights the impact of unit price change on Ontario Northland's budget:

Fuel Price Volatility - Impact of Unit Price Change							
Division	Direct Price/Litre	Outsourced Price/Litre	Budgeted Volume (litres in 000's)	Total Budget (\$000's)	5% Increase (\$000's)	10% Increase (\$000's)	15% Increase (\$000's)
Motor Coach	\$0.97	\$1.21	2,281.30	\$1,860	\$93	\$186	\$279
Rail	\$0.80	\$0.82	7,522.50	\$6,765	\$338	\$676	\$1,015
Operations	\$1.21	\$1.21	888.01	\$851	\$43	\$85	\$128
Grand Total			10,692	\$9,476	\$474	\$948	\$1,421
Fuel Price Variance FY2018-19 to FY2019-20							
		Diesel					
FY2019 Average Price/Litre		0.92					
FY2020 Average Price/Litre		0.80					
\$ Change		(0.13)					
% Change		-13.70%					

6.0 Enterprise Risk Management

Ontario Northland will continue to grow its enterprise risk management practice while implementing its Ontario Public Service risk framework-aligned strategy. This will include the development and communication of a risk policy for the organization. The risk profile of the organization has been elevated through the addition of risk to the Audit, Finance and Risk Management Committee of the Commission.

The organization will focus on maturing the risk management process by moving beyond straightforward compliance with agency risk requirements in the Ontario Government's *Agencies & Appointments Directive* to building a plan to integrate risk-based decision making further into operations. The focus will be on rounding out the understanding of risk management through training and then measuring the maturity of the risk program on an annual basis. There will also be an increased focus on capital project risk by applying project management professional (PMP) practices and standardized project planning.

Objectives:

1. Providing training for the executive on risk management.
2. Operationalizing risk management to ensure the identification of risks and corresponding mitigation strategies/tactics.
3. Leading the development of a strategic plan based on the priorities provided through the 2021-2022 Mandate Letter.
4. Expand risk identification to include emerging risks.

The following table summarizes the high-medium to high risks identified by the agency.

Risk identification, assessment and mitigation strategies:

Risk	Description	Mitigation Strategy
Unknown extent of impact that COVID-19 will have on revenues, therefore forecasted budget may not include adequate COVID relief.	COVID-19 has had a significant impact on revenues for all business lines. Due to physical distancing requirements COVID has reduced the potential occupancy for passenger services.	<p>The Pandemic Response Working Group has developed a Pandemic Response plan. The Plan addresses continuation of services, employee and customer health, and communication with staff, customers and agencies.</p> <p>Senior Leadership is in regular communication with the Ministry to obtain direction on essential services and financial impact.</p>
Loss of rail freight revenues due to customer demand.	Key rail freight customers are in the forestry, mining and agriculture sectors which are inherently cyclical. The cyclical loss of customer demand has an impact on rail freight revenues.	Enhance business development efforts to focus on many smaller opportunities including off-rail customers and transload services as a focus area. Offer rail-car storage services to augment revenue.
Public potentially being exposed to hazards at former Cobalt mine sites located on/near Ontario Northland real estate assets.	Some of the real estate in Cobalt, Ontario include former mining hazards and workings which require additional analysis and potential remediation. Portions of this are being used by local historical societies as tourist attractions.	Ontario Northland is assessing each of these properties and ensuring interim safety measures are taken such as signage and fencing, while a longer-term solution is developed. Agency has also informed the Cobalt Historical Society that they are not to access the site due to hazards.
Loss of freight revenue do to the closure of the Kidd Creek Mine in Timmins.	Ontario Northland receives significant revenues from services to the Kidd Creek Mine.	Develop relationships to increase freight from agriculture and other sources. Implement cost reduction initiatives such as fuel savings. Inter-modal facilities are being established to increase access to rail for off-rail small, medium and growing customers. Started offering car storage service to grow revenue.

Gondola fleet has surpassed lifecycle which introduces safety concerns.	Gondolas are low side wall rail cars used for transporting bulk materials such as mine ore, pellets, etc. Ontario Northland has historically leased these cars to its customers.	Glencore has decided not to use a private fleet, as ONTC's fleet is past lifecycle, ONTC is working on business case to update Gondola fleet with newer cars and scrap old fleet to offset costs.
Ability to maintain a highly skilled workforce throughout the organization	Ontario Northland requires many uniquely skilled employees, from carman to bus drivers across the organization that are typically not readily available in Northern Ontario.	To ensure a highly skilled workforce it will maintain internship program and work with local college to continue the Railway Car Technician program. Attend job fairs and actively promote careers with Ontario Northland. Use third-party specialty services where skills do not exist in the organization.
Ability to afford current insurance coverage.	The hardening of insurance market further will likely increase costs to insure property and liability insurances due to higher premiums and deductibles. Also a possibility that the agency will be unable to obtain some insurance at any cost.	Ontario Northland is monitoring rates and looking into the possibility of eliminating or limiting property insurance on certain buildings.
Anticipate increased private sector service competition with revenue generating Motor Coach routes may impact revenue generation	Ontario Northland operates Motor Coach Services to northern and rural communities as well as major centers. Revenue generated on the major centers routes helps to offset the cost of operating the northern and rural routes. It is critical to sustain these northern and rural routes to ensure citizens have access to recreation, tourism and government services including health services and education.	Ontario Northland will continue to provide excellent customer and schedule options, accessible services, connections to government services and long-haul journeys moving people across the province.

7.0 Performance Measurement

Ontario Northland continues to expand and improve its performance measurement program. In an effort to continually improve its performance accountability, monitor business lines and progress to meet organizational objectives, the agency has implemented a process for effective planning and identification of areas of focus. Key steps in the implementation include documenting and confirming the logic model at the organization level with articulated outcomes for each business line and based on the agency's strategic priorities and mandate, identifying the right things to measure including outcome and output measures for all business lines, as well as high level organizational key performance indicators, drafting a performance story, instituting data collection, reporting strategy and program implementation. The critical performance indicators would cover a suite of strategic and operational outcomes covering aspects of effectiveness, efficiency, organizational sustainability, and customer experience. The performance measures will be adjusted and refined by a Performance Measurement Steering Committee.

Over this business cycle the steering committee, made up of representatives from all business lines and corporate services, will work with MTO in the further development of a performance measurement and evaluation framework that defines a suite of high level strategic and program level outcome and output measures covering different themes and effectiveness, efficiency, organizational sustainability and customer satisfaction indicators. The performance results will help Ontario Northland refine its operational plans and monitor its progress with respect to its priorities and objectives.

The assessment of existing and development of new performance outcomes and outputs will be guided by the agency's objective of:

- Identify and pursue opportunities for efficiencies and savings
- Ensure efficient, safe, environmentally responsible and reliable transportation services in Northern Ontario
- Continuously improve and innovate to achieve business and service excellence
- Identify and pursue opportunities for revenue generation, innovative practices, and improved program stability
- Collaborate with employees and communities, including Indigenous communities to improve services

Ontario Northland maintains a myriad of performance measures to support its continuous improvement. Many of the performance measurement targets for 2020-21 and 2021-22 business cycles have not and likely will not be met due to the COVID-19 pandemic. With a slowed economy and reduced travel, Ontario Northland's business lines have been affected. Despite this, Ontario Northland is ensuring its fleet and operations are safe and ready to support the economy as it begins to open up.

The following are select key performance measures that relate to Ontario Northland's mandate.

Support safe operation and economic recovery after COVID-19

Ontario Northland continually adjusts its COVID-19 plan to the evolving recommendations of Public Health Units in Ontario and Manitoba. The agency provides safe and secure inter-community travel and parcel movement. As of the filing of this plan, no employees have tested positive for COVID-19 and there have been no confirmed cases linked back to Passenger Services through contact tracing.

Rail Service maintains high health and safety standards on all of its freight trains and is working with its customer base to assist them in getting their product to market. The health and safety standards are set out in the Rail Safety Management System (RSMS) and include a comprehensive set of safety authorities, responsibilities and accountabilities such as accident and incident reporting and fatigue management planning. With several trans-load facilities along the rail line, Rail Services is ready to assist the trucking industry with the long haul of goods.

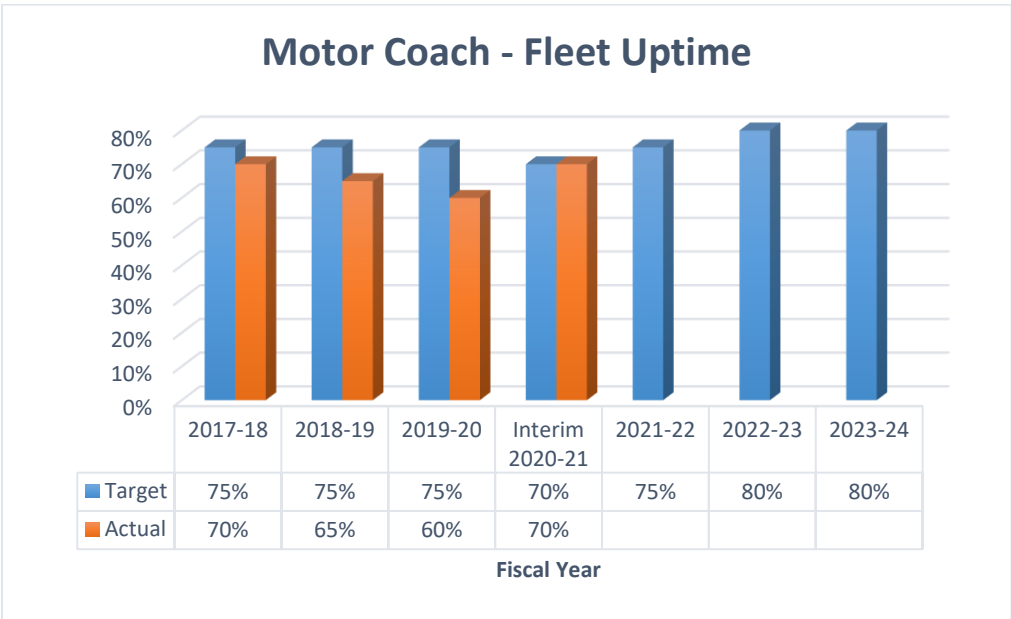
The Remanufacturing and Repair Centre is working with private sector rail and freight companies to ensure their fleets are ready to move as the economy reopens and to continue to provide essential services.

Delivery of efficient, safe and reliable transportation services in Northern Ontario

Ontario Northland provides intercity bus connectivity across Northern Ontario and into Manitoba stopping at most hospitals and educational institutions along its route.

Motor Coach Fleet Uptime

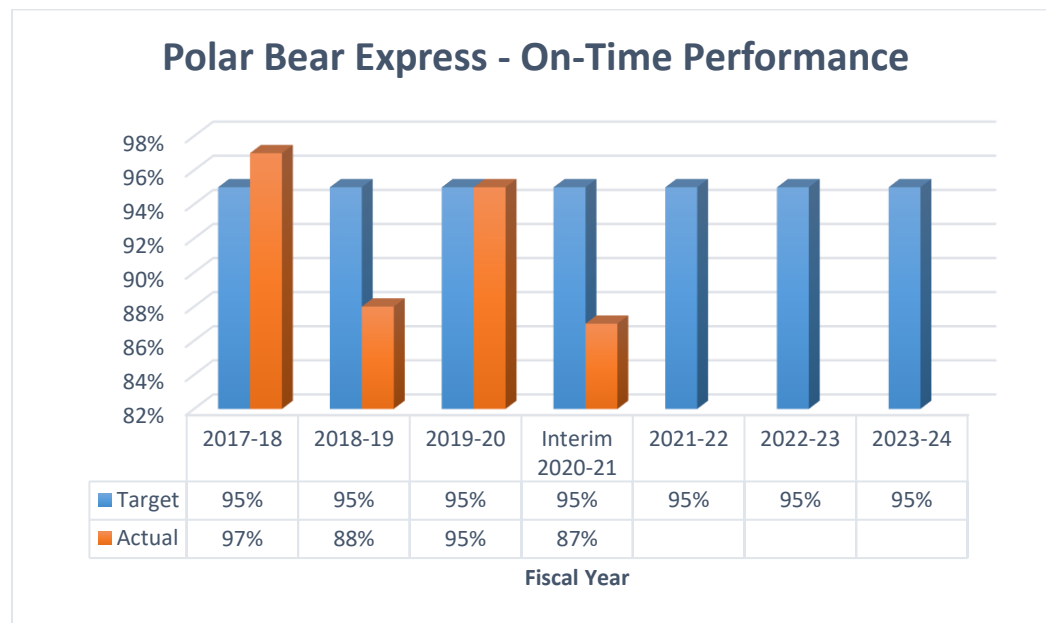
This measure represents the percentage of motor coaches that are available for routes or charters, including motor coaches that are sitting idle ready for active service.



Polar Bear Express On-Time Performance

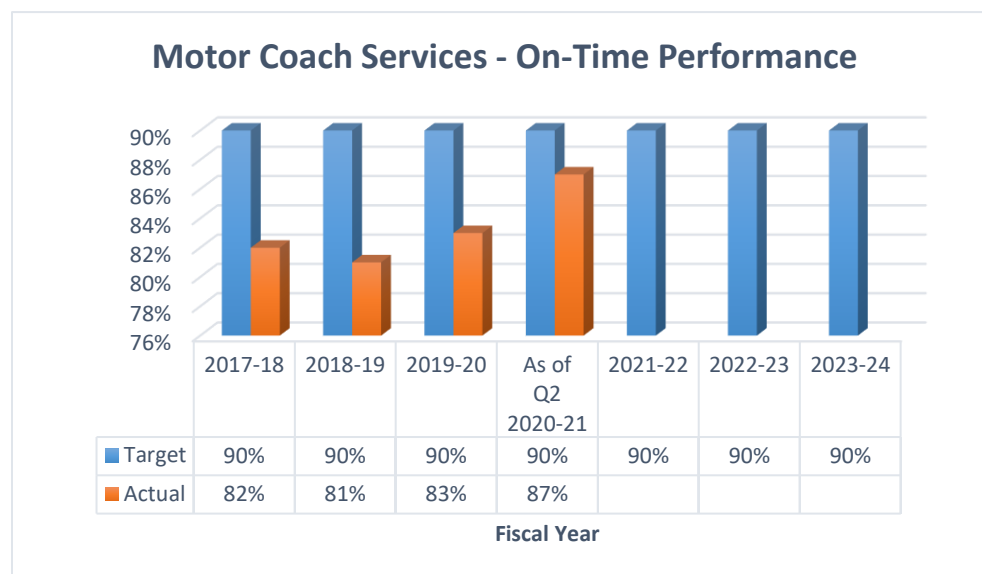
This represents the percentage of time that the Polar Bear Express passenger train arrives on time (within 10 minutes) of scheduled arrival time. On time performance is affected by a variety of factors such as track maintenance and weather conditions. Ontario Northland has an extensive maintenance program to ensure that the fleet and track infrastructure is kept in a state-of-good repair and is safe for its staff and passengers. One of the main variables to the on time performance is the amount of flag stops that may

occur along the route, and also corresponds with any baggage and sports equipment (i.e. all-terrain vehicles, snowmobiles, hunting equipment, canoes, etc.) that may be loaded or unloaded along the route.



Motor Coach On-Time Performance

On-time report is based on departure from all station stop points - within 15 minutes. Similar to GO Transit, the variance allows for the condition of highways and distance traveled as well as traffic in and out of larger centres served.



Rail Division Slow Order Penalty Minutes

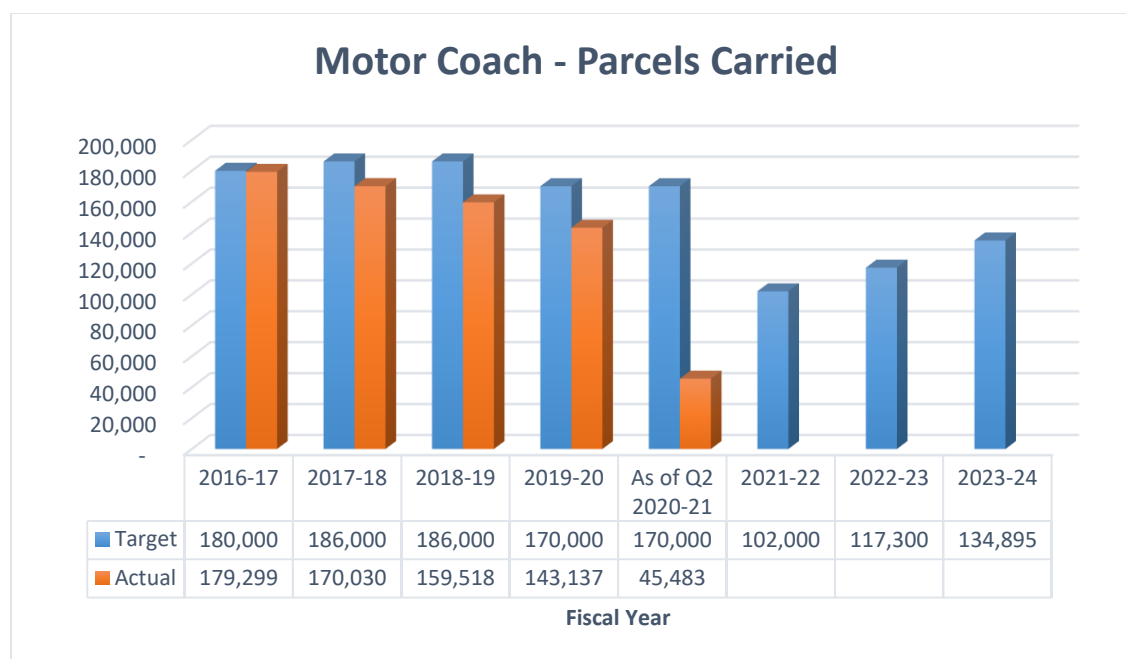
Rail Services tracks the impact of slow orders on performance by determining slow order penalty minutes. Dependent on the grade and curvature of tracks, speed limits are developed. If the condition of the track deteriorates then a slow order is issued for that section of track can be repaired. This performance measure tracks the amount of additional time or 'penalty' time that it takes a train to complete its journey as the result of a slow order. These are tracked monthly for every subdivision across the railway. Slow orders are a good measure of the condition of the track infrastructure and the success of capital investment and help determine where capital investments should be made in the track infrastructure. The lower the penalty minutes the better the state-of-good repair is for the infrastructure.



Motor Coach: Parcels Carried

Parcels carried tracks the number of parcels carried by motor coach each year. The new point of sale system installed in FY2020-21 which will allow Ontario Northland to capture the data more accurately - by waybill and not number of parcel carried by each motor coach driver. With the shutdown of Greyhound in FY2020-21 there has been a large decrease in parcels being shipped because there is no connectivity. Ontario Northland is trying to work with a carrier in the GTA area to help connectivity of parcel service. The agency is also expecting an increase in parcels shipped with the expansion to the west.

Parcel revenue helps to offset the cost of operating motor coach especially to remote locations.



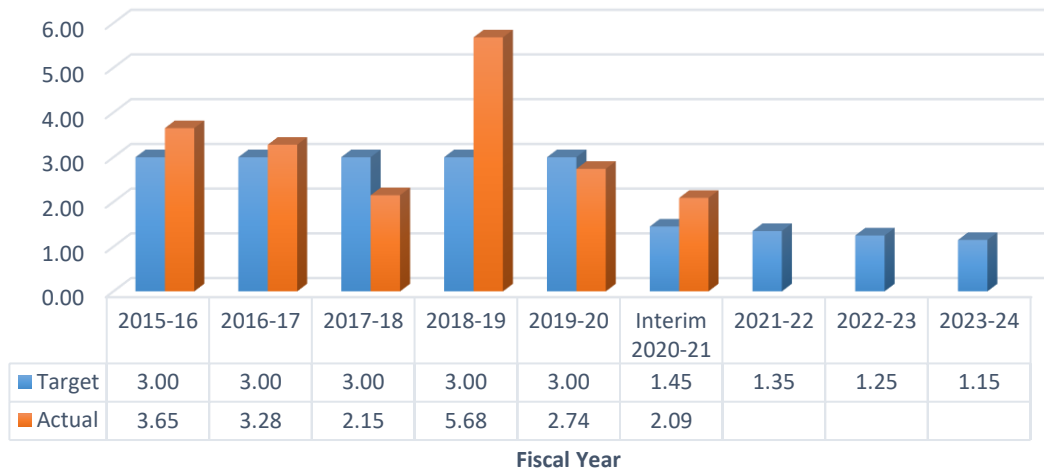
Lost Time Injury Frequency

Lost time injury frequency measures the number of lost time injuries occurring in the workplace per one million hours worked, this measure provides a picture of how safe the workplace is for its workers.

The decrease in Ontario Northland's lost time ratios was achieved through a number of prevention initiatives. The focus for Health & Safety (H&S) work was to increase staff understanding of their roles and responsibilities to ensure accountability. Building the Internal Responsibility System began with strengthening our H&S foundation through the development, review, and revision of our written safety standards. This work included an initial focus on updating the Railway Safety Management System. Education to all Rail employees on the updated Railway Safety Management System marked the beginning of a positive shift in our health and safety culture. Another significant change in our safety culture in FY2018-19 was the introduction of the Drug and Alcohol Policy. The strict adherence to this policy, including zero tolerance for non-compliance, reinforced to staff the agency's commitment to safety in the workplace.

The introduction of the new electronic incident management system has enhanced our ability to monitor hazard control activities and will allow for improvement in identifying high risk areas. This, and the system's capacity for trend analysis, will support Ontario Northland to shift our focus from reactive to proactive and result in continued improvement in its safety statistics.

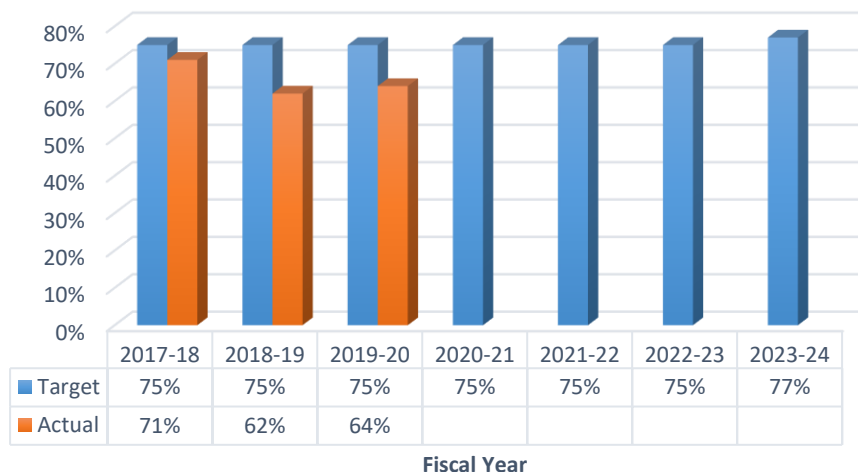
Lost Time Injury Frequency



Polar Bear Express Customer Satisfaction

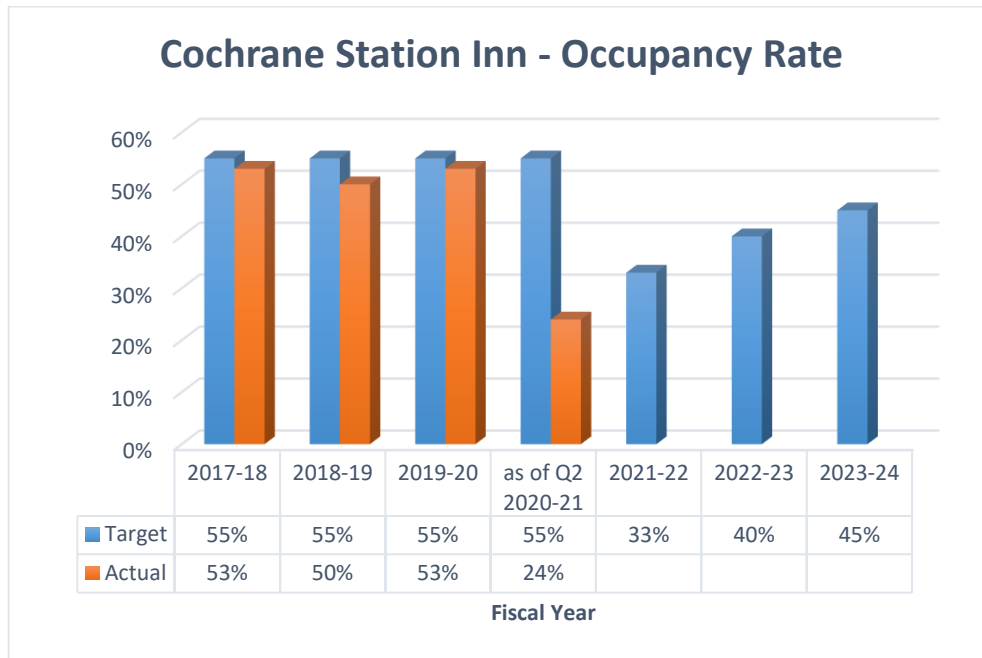
Annual surveys are completed; however, the number of survey respondents is very low. Ontario Northland is working on ways to increase the numbers of respondents for a better understanding of customer satisfaction. Ontario Northland has engaged a third party vendor to create a new survey, and are direct mailing all passengers via email with a survey link from the third party vendor (which may increase participation by being a neutral party).

Polar Bear Express - Customer Satisfaction



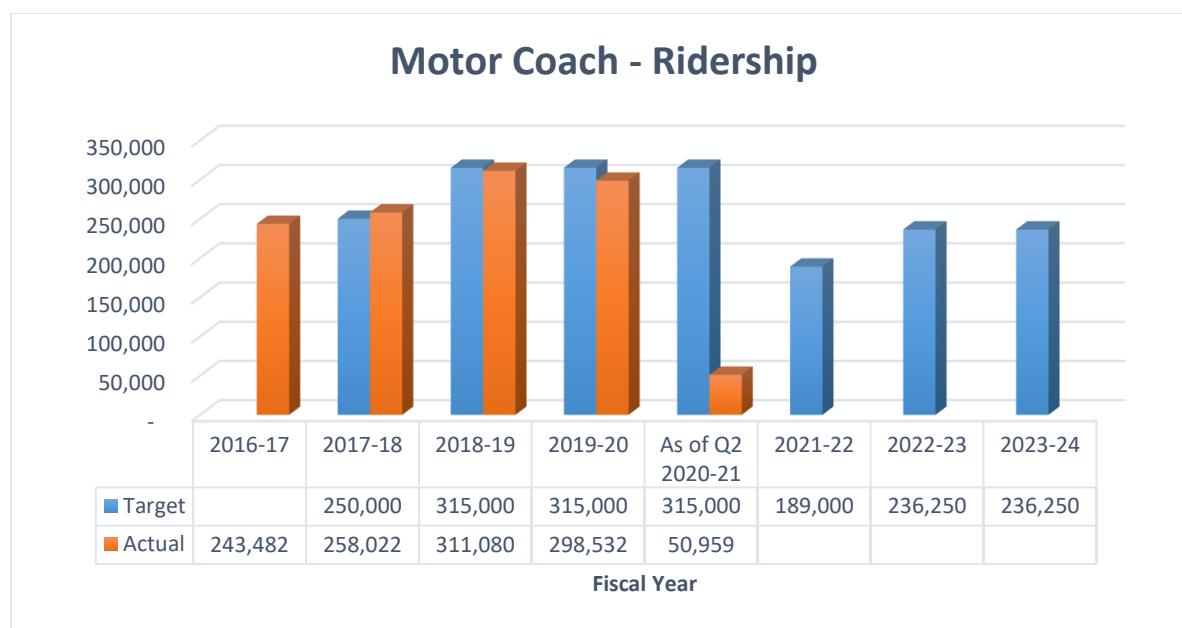
Station Inn Occupancy Rate

Occupancy rate is the number of available rooms that are occupied over a period of time (by month) versus the total amount of rooms that were available for booking in that same time period. Note that uncertainty remains regarding the pace of recovery from the pandemic, and the impact of changes to travel patterns and behaviours over the long-term.



Motor Coach Ridership

Motor Coach ridership track the number of person trips taken on Ontario Northland buses. Due to COVID-19, Ontario Northland expects to see a 40% reduction in revenues in FY2021-22 and 25% reduction in revenues thereafter until the economy normalizes. Note that uncertainty remains regarding the pace of recovery from the pandemic, and the impact of changes to travel patterns and behaviours over the long-term.



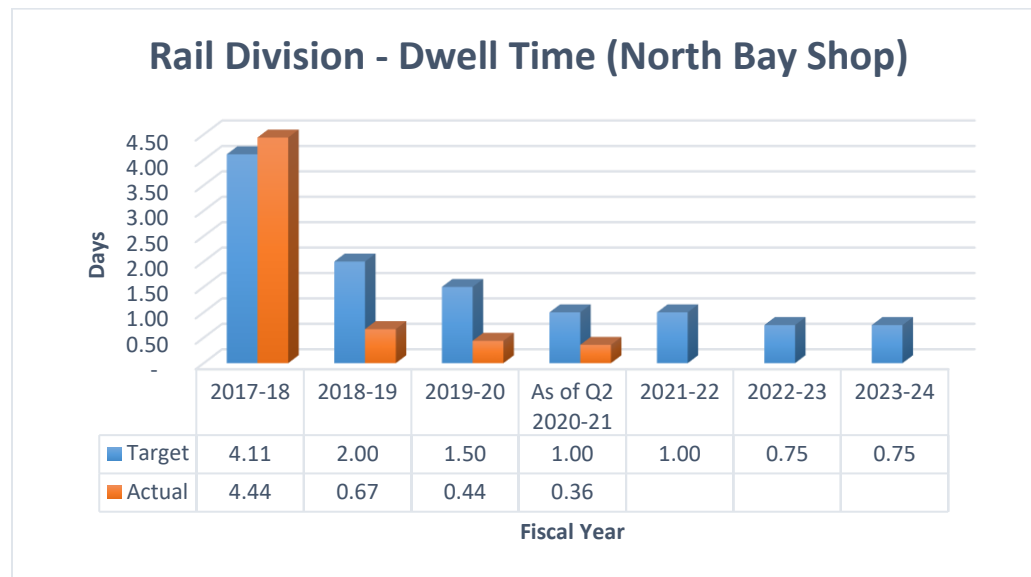
Facilities: Utility Expense per Square Foot

Ontario Northland is investing heavily in upgrading all of its major facilities in an effort to improve working conditions and reduce the cost of operations. Over the course of this business cycle, Ontario Northland will be developing and implementing performance measures and targets for all of its key facilities.

Dwell Times

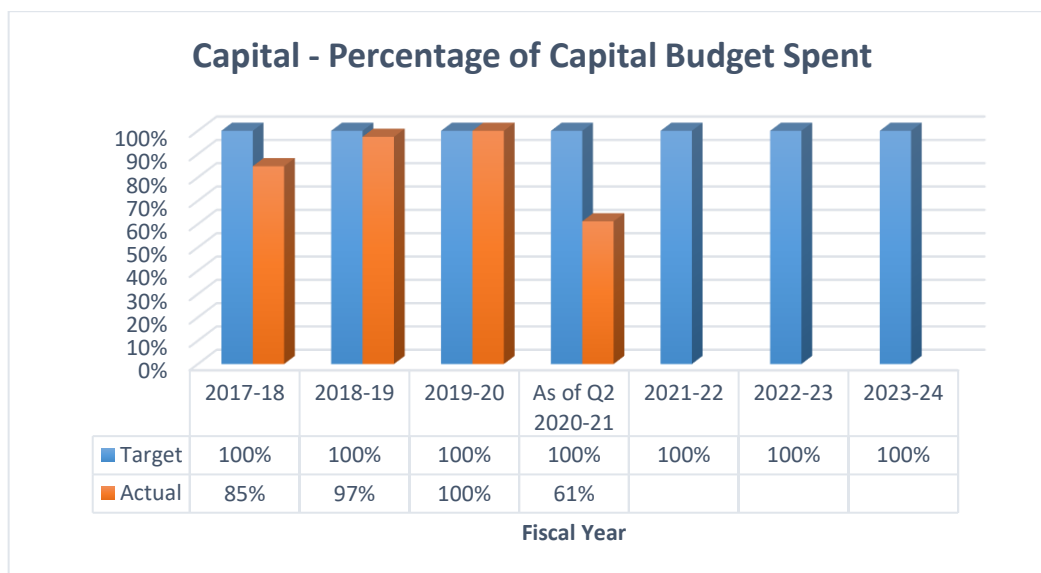
Dwell Times are calculated from the time a car hits the Repair in Place (RIP) track to the time it is released back into service (internal and external cars). All rail cars must be inspected and repaired, if required, before they move from one railway line to another. The RIP track facilitates this practice. Dwell times are a measure of the efficiency of this process.

Remanufacturing and Repair Centre: North Bay Dwell Times



Implementation of Capital Asset Management Plan

Ontario Northland has put forward a business case to implement a full Enterprise Asset Management program over the next four to five years while also expanding its current capital asset management plan by approving a capital asset policy and working on the capital asset management strategy. Furthermore, Corporate Services continues to build on a prioritization model for grading capital projects and continues to reconcile data gaps within a fixed asset register.



Project Delivery Effectiveness

Project Delivery Effectiveness measures how effectively the organization manages its delivery of capital infrastructure projects. Specifically, it measures the percentage of capital expenditure delivered on time and on budget. The organization is in the process of gathering baseline data for how this KPI should be measured.

Cost Recovery Ratio

Cost recovery ratio is the ratio of total revenues (excluding operating subsidies, grants and sale of assets) to total operating costs including corporate allocation (excluding amortization, future employee benefits, derailment expenses, and discontinued operations). Cost recovery ratio is used as a key indicator of financial performance and provides an indicative measure of how efficient and how effective the agency operates. This ratio also represents the extent to which the organization's operations are self-funded. It is most useful to compare cost recovery ratio to Ontario Northland year-over-year results, meanwhile considering industry benchmarks at transportation agency peers, such as Metrolinx² which had an interim cost recovery ratio in FY2019-20 of 64.3% and Translink in Metro Vancouver has reported a cost recovery ratio of 56.6% for budget year 2019 for its scheduled Transit Service³.

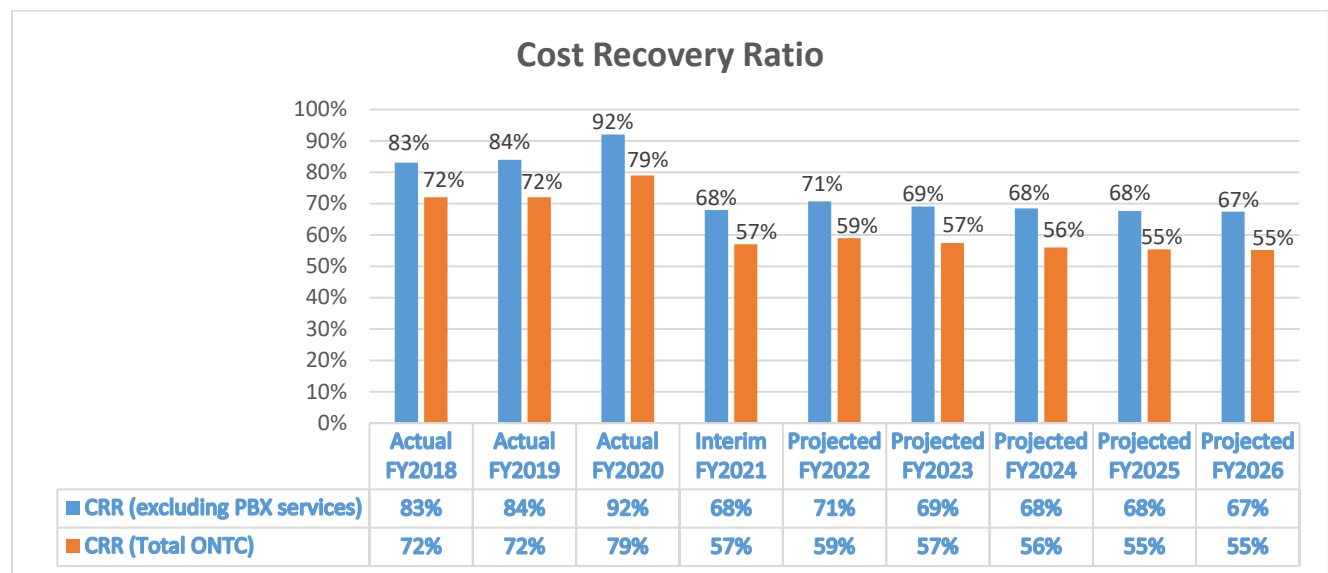
As the base year for this business plan, FY2021-22 forecasted cost recovery ratio is 59% across the entire agency. Ontario Northland has historically had a very high cost recovery ratio when compared year over year and in comparison to other transportation agencies. However with the pandemic, the cost recovery ratio went from an overall 79%, to an interim 57% for FY2020-21. The budgeted 59% for FY2021-22 is projected to slightly decrease to 57% in FY2022-23, with a further decrease to 56% and to 55% for remainder of the business plan. The decrease in cost recovery is mainly due to the wind down and expected closure of a large freight customer as well as the completion of a large external refurbishment contract. Ontario Northland continues to actively seek out replacement revenue projects through the sales funnel.

If the Polar Bear Express services are considered as standalone, the agency would typically recover approximately 25% of expenses each year. However due to the affects of the pandemic, including a decrease in ridership and revenues, cost recovery is forecasted to be 12% in FY2021-22 and then slightly increasing to 15% for remainder of the plan. Under this scenario, the rest of Ontario Northland would achieve cost recovery ratios of 71% in FY2021-22, 69% in FY2022-23 and 68% in FY2023-24.

² http://www.metrolinx.com/en/docs/pdf/board_agenda/20200625/20200625_BoardMtg_2020-2021_Business_Plan.pdf

³ https://www.translink.ca/-/media/Documents/about_translink/corporate_overview/corporate_reports/business_plan/2019_Business_Plan_Operating_and_Capital_Budget_Summary.pdf?la=en&hash=52365BA640E4818BC7CB54A97F9868B3BF142D71

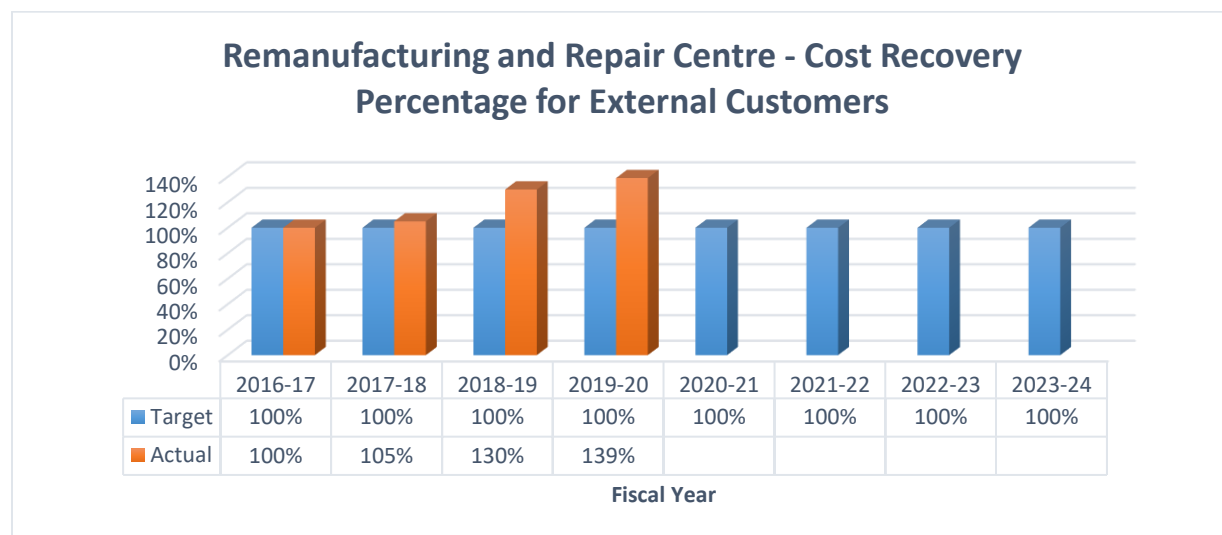
Ontario Northland projects the following cost recovery ratio in this business plan:



Ontario Northland is continually working on improving its cost recovery ratio through business efficiency initiatives, optimizing its use of provincial assets and by having a sustained focus on cost drivers and cost restructuring efforts.

Remanufacturing and Repair Centre: Cost Recovery Percentage for External Customers

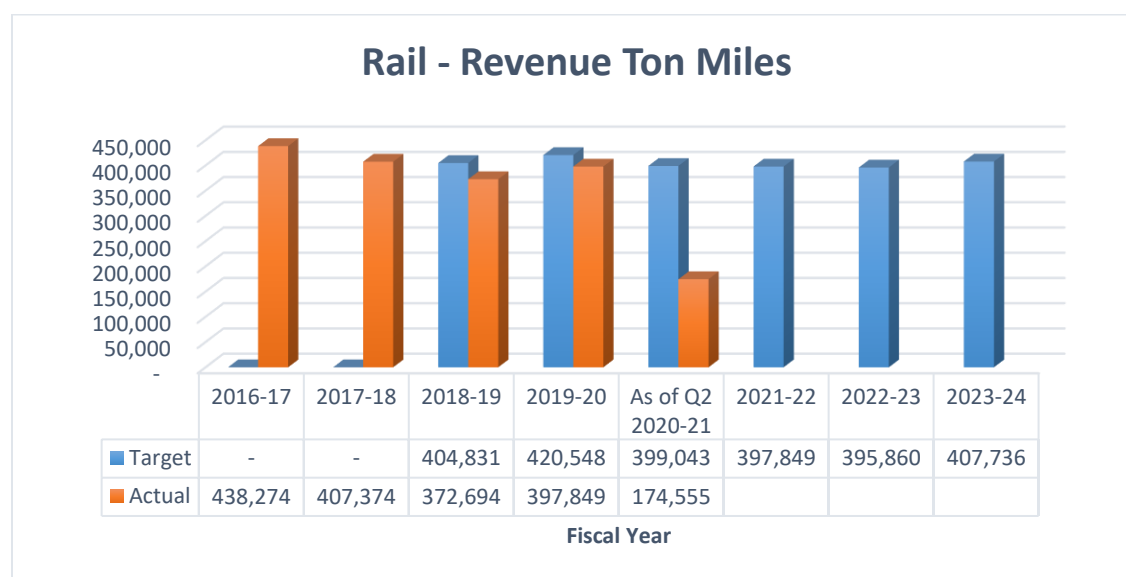
Cost recovery ratio is the ratio of total revenues (excluding operating subsidies, grants and sale of assets) to total operating costs, for RRC this excludes corporate allocation.



Rail Division: Revenue Ton Mile (RTM)

Revenue Ton Mile (RTM) allows Ontario Northland to measure incremental performance. This measure tracks a load versus distance. It's a metric used in the rail industry to measure revenue gained by moving one ton of good the distance of one mile. Freight revenue includes: Carload freight revenue, carload freight USD, Haulage revenue, switching and CN switching in North Bay in order to remain consistent with the cars handled measure.

RTM is a quick reference to measure territory by territory or a time frame. This measures the productivity and indicates where adjustments may be required. Seasonality of traffic and changes in customers or their shipping patterns may be the cause. Adjustment of horsepower required or train frequency should be viewed when large changes occur.



8.0 Human Resources

Ontario Northland continues to focus on human resources best practices to support the organization's goal to identify and pursue opportunities for efficiencies and savings and achieve business and service excellence. Human Resources will do this through initiatives to recruit and retain top talent, improve employee engagement, support individual employee goal setting and achievement, and promote a culture of safety and wellness.

By setting measurable objectives, Human Resources will remain consistently focused on continuous improvement to meet the needs of Ontario Northland operations. The department will focus on the following key priority areas.

Recruitment and Retention of Top Talent

In order to attract top talent from and to Northern Ontario and within the broader transportation industry, Human Resources will focus on initiatives that will strengthen employee engagement, provide

competitive compensation and benefits, and build a reputation as an “Employer of Choice”. Key initiatives we will undertake to achieve this include:

- Conduct employee engagement survey and utilize feedback to inform HR Strategic Plan and validate HR key performance indicators.
- Establish ambitious yearly targets for our HR key performance indicators to ensure we continue to strive for HR excellence.
- Develop a matrix of required organizational-wide human resources and safety training requirements for staff.
- Support a yearly organizational performance management program to create a culture of regular feedback and discussion of individual objectives to support organizational goals.
- Examine additional e-modules for coaching and feedback.
- Ongoing improvement of data exchange and process alignment between HR and Payroll departments. Eliminate duplicate records and optimize payroll information system utilization.
- Create a manager-specific new employee orientation program.
- Further develop an Ontario Northland Workforce Strategy through the introduction of e-succession to capture certifications and training and provide improved reporting on skills/training gaps, demographics, risks, and opportunities.
- Examine opportunity to introduce paperless employee file system in HR.
- Audit HR policies and develop action plan to review and revise in order to ensure legislative compliance and alignment with HR best practices.

Apprenticeship Program - Railway Car Technician (commonly known as the Carman trades)

Ontario Northland maintains an ongoing partnership with the Ministry of Colleges and Trades and Canadore College to establish a formal Railway Car Technician (RCT) Apprenticeship Program. This initiative addresses mid to long-term shortages in RCTs at Ontario Northland due to attrition trends and upcoming retirements. Licensed RCTs are extremely difficult to recruit, in part due to the specialized nature of this trade, as well as having to compete with the major railroads who pay their RCTs a higher rate of pay. Of the 24 RTC Apprentices who joined the most recent recruitment of apprentices, seven have graduated in FY2020-21 and are working as qualified RCTs at Ontario Northland. An additional 12 RTC Apprentices will graduate within FY2021-22, with the remaining apprentices expected to graduate in FY2022-23. With more fully qualified RCTs, Ontario Northland is in a stronger position to attract this type of work to the North.

Removal of systemic barriers for underrepresented groups

Exit interviews are conducted whenever possible with employees who have resigned or have retired from the organization. Information from these interviews provides an opportunity to uncover systemic barriers within the culture of the organization or within specific divisions. These barriers may not always be identified by current employees and may be more willingly identified by employees leaving the organization. Past exit interviews have identified systemic barriers for specific groups, allowing for the organization to address these challenges.

New Employee Orientation includes Accessibility training on the *Accessibility for Ontarians with Disability Act (AODA)*, educating new staff on the meaning of systemic barriers and the rights and responsibilities of employees and management with respect to removing these barriers. New Employee Orientation also

includes training on Ontario Northland's Human Rights and Respectful Workplace policy, highlighting the legislated prohibited grounds for discrimination and harassment.

Ontario Northland is a participant in the "Young Women in Trades" Program organized by the Ontario Youth Apprenticeship Program. This helps to break down barriers allowing young women to feel confident in entering the trades, a historically male dominated field.

Ontario Northland actively participates in job fairs hosted by Indigenous communities to highlight job and career opportunities at the Agency.

Diversity & Inclusion at Ontario Northland

FY2021-22 will see the launch of Ontario Northland's action plan on Diversity & Inclusion. This action plan will build off of similar focus areas as the OPS Anti-Racism Action Plan framework, identifying areas multi-year actions to:

- Build anti-racism competency and capacity
- Diversify the talent pipeline
- Foster and be accountable for an anti-racist and inclusive workplace

The initial priority in this project plan will be the establishment of a Diversity & Inclusion Council to oversee the action plan and drive identified activities.

A key component of our Diversity & Inclusion framework will be a review of workforce demographics data currently captured by Ontario Northland. At present, Ontario Northland captures information on sex, visible minority status, and Indigenous status but will examine which additional diversity demographics should be captured to ensure we have appropriate and accurate data to inform decision making and progress with diversity and inclusion initiatives. Present demographic data show:

Women in the workforce: 21%

Women in trades: 3.2% (5 of 158 trade employees)

Visible Minority staff (including those self-identifying as Indigenous): 6.4%

Indigenous staff: 5.4% have self-identified as Indigenous

Ontario Northland continues to implement initiatives to support a culture of safety. Human Resources actively works with Divisional management to support employee health, safety, and wellness. Elements of this strategy include:

- Providing H&S due diligence training for all supervisors on an on-going basis.
- Continued optimization of incident management software capabilities to track and trend employee H&S incidents.
- Yearly auditing of employee safety policies and processes to ensure that policies and processes are up to date and that there is an ongoing focus on continual improvement.
- Roll-out of organization-wide training in the prevention of workplace violence, harassment, and discrimination.

- Focus on Early & Safe Return to Work following both occupational and non-occupational illness to support our staff in their wellness and to contain costs associated with lost time.
- Formalize Attendance Support Program to support staff to attend work, thereby reducing costs associated with absenteeism.

8.1 Workforce Summary & Planning

Human Resources and Finance have been working together to put in place stricter controls over the workforce planning process to ensure that Ontario Northland's forecasted staffing levels are in-line with annually budgeted labour resource needs. FY2020-21 saw the development of a multi-year Ontario Northland Workforce Strategy project that will roll-out over the course of this Business Plan. This is a four-phase strategy. Phase one is the implementation of an organizational position administration process to assist in vacancy management, knowledge transfer and management training. Phase two is the implementation and upgrading of Ontario Northland's human resource planning software to assist with position control and salary forecasting. The final two phases will focus on the tracking and reporting of employee training and development activities, and the development of career and succession plans.

The first two phases of this process will include consultation with designers of Ontario Northland's existing Infinium software system to explore the capability of this system. Enhanced tracking and reporting of labour resource utilization, alongside the monthly reporting on salary dollar utilization, will provide business unit managers with the position management information they need to better plan and manage their workforce.

As of March 31, 2020, the total headcount of active full time (FT) employees on payroll, both unionized and non-unionized, was 723. In addition to these FT employees, there are five part-time employees and three employees on temporary contract (backfilling vacancies).

The majority of Ontario Northland employees are FT permanent workers. As such, for most of our staff headcount is considered equivalent to FTE. The exception is Extra Gang Labourers in the Rail Infrastructure Group who work on a seasonal basis. For this group, Human Resources has historically considered 1 Headcount equivalent to 0.5 FTE.

The Ontario Northland workforce consists of the following position types:

- Non-union management (includes Supervisors): 73 employees.
- Non-union full-time (includes Professional, Technical and some Office roles): 63 employees.
- Unionized employees: 587.

Approximately 81% of ONTC's current employees are represented by one of five bargaining agents:

- Unifor represents 45% of the total workforce.
- Teamsters Maintenance of Way Division represents 16% of the total workforce.
- United Steelworkers represents 12% of the total workforce.
- Teamsters Motor Coach Division represents 8% of the total workforce.
- International Brotherhood of Electrical Workers represents less than 1% of the total workforce.

For 2021-22, ONTC approved an increase of 16 positions, including permanent full-time and contract positions. This growth supports the increase in safety protocols/requirements in response to the COVID-

19 pandemic as well as support for the delivery of several strategic objectives and Ontario Northland's rapidly evolving business complexities.

The table below forecasts budgeted FTEs from FY2021-22 to FY2023-24 and reflects the cyclical nature of projects underway.

BUDGETED FTEs			
FISCAL YEAR	2021-22	2022-23	2023-24
TOTAL	735	690	684

8.2 Compensation Strategy

Ontario Northland's compensation strategy is designed to ensure that the agency is able to attract, retain, and motivate key qualified, skilled, and committed employees in a manner that is competitive, affordable and aligned with Ontario Northland's business strategy. While the approach in setting compensation differs between our unionized and non-unionized workforce due to the nature of the collective bargaining environment, the following common principles are applied:

Compensation Principles:

1. Compensation must be viewed through a total compensation lens
2. Total Compensation must be competitive to attract and retain talent
3. The Total Compensation program must be sustainable
4. Total Compensation must support both internal and external equity, ensuring competitiveness that is in compliance with legislative requirements, including pay equity
5. For Executives, there should be an element of risk to pay - each year a portion of salary will be re-earnable

Total Compensation at Ontario Northland consists of:

Compensation	Benefits	Learning Opportunities	Work Environment
<ul style="list-style-type: none"> ▪ Base Pay ▪ Pay-at Risk for Executives 	<ul style="list-style-type: none"> ▪ Medical/Dental ▪ Extended Health Care/Wellness (Massage, Chiropractic, Physiotherapy, etc.) ▪ Employee Assistance Program ▪ Life Insurance ▪ Pension 	<ul style="list-style-type: none"> ▪ Career Development ▪ Training ▪ Performance Feedback ▪ Succession Planning 	<ul style="list-style-type: none"> ▪ Values ▪ Leadership ▪ Work Relationships ▪ Work/Life Balance

The objective behind our total compensation program is to support the organization's values of:

- Accountability
- Customer Satisfaction

- Positive Team/Work Environment
- Safety
- Continuous Improvement

Non-Union Employees (Professionals & Management, including Executives)

Ontario Northland targets total salary at the 50th percentile (P50) of the broader public sector peer group. That is the point where half of our comparators pay above, and half pay below. Ontario Northland determines pay ranges based upon job analysis and market data. The agency recently completed the implementation of a revised Ontario Northland non-union compensation strategy to ensure that we are offering competitive remuneration to attract and retain the talent required to drive ongoing organizational transformation.

The development of the strategy included a comparative analysis through job evaluation completed by an independent third party. Utilizing the Hay Method, the third party conducted a market analysis comparing Ontario Northland against 17 other public sector organizations.

Pay-at-risk for Executives

Ontario Northland believes that a component of executive pay should be re-earnable and paid only where established performance commitments are met. This supports our value of continuous improvement and provides accountability to identified outcomes. All roles identified in Executive pay bands are subject to a % of pay-at-risk ranging from 5 to 8% on compensation.

Unionized Employees

Approximately 81% of the Ontario Northland workforce are unionized employees whose wages are determined through the collective bargaining process. In addition to the common compensation principles shared with the non-unionized employee group, Ontario Northland is mindful of achieving negotiated agreements that provide cost containment, cost certainty, and labour stability.

In preparation for the last bargaining cycle, Ontario Northland completed an environmental scan to review trends in broader public sector unionized settlements and identified recruitment issues that might affect the unionized workforce in relation to compensation.

9.0 Information Technology Services

Information Technology Services (ITS) provides centralized enterprise technology services for all divisions. ITS is positioned as a business partner to assist and support Ontario Northland in achieving its goals by providing timely and consistent decision-making tools.

Focused on innovation and continuous improvement, ITS is an integral partner in agency transformation. As more opportunities to improve the organization present themselves, Ontario Northland has been adding to its IT services portfolio. While the growth and expansion in services has allowed Ontario Northland to expand, there was limited integration of IT systems. This lack of integration has resulted in inefficiencies and risks to services, an expanded support portfolio without additional support staff, and ultimately increased costs.

With organizational support, the IT department has decided to create an IT strategy (road map) that considers the current and anticipated needs of the organization, industry trends, current capabilities and regulatory expectations. This five-year road map will provide the IT department with the direction to address urgent technological issues, while also establishing a foundation for organizational growth.

In FY2021-2022, ITS will introduce a number of software solutions aimed at containing expenses, gaining efficiencies and improving productivity, including:

- Microsoft Office 365
- Microsoft Teams
- Microsoft SharePoint 365
- Microsoft Power BI

10.0 Legal Services, Realty & Corporate Governance

The Legal Services and Corporate Governance Department provides services and support to the Commission, senior management, operations and external stakeholders.

The Legal Services and Corporate Governance Department's primary responsibilities are:

- Risk management through the provision of legal advice and contract management;
- Realty services, including the management of leases and licenses and the building and land portfolio;
- Litigation and third-party claims management, including monitoring of the insurance program;
- Information management, including privacy and access to information and open government initiatives; and,
- Corporate Governance, including Commission corporate secretary support and managing the legislative and regulatory regime governing the corporation and the Commission.

Legal Services

Legal Services' primary mandate is identifying risks and assisting with the development of mitigation measures. For the previous four years, Legal Services has proactively commenced the modernization of its processes to reduce risk in procurements and contracts, more effectively manage claims and litigation and the associated insurance portfolio and ensure Ontario Northland is complying with current regulations and requirements. As part of this ongoing initiative, over the next two years Legal Services will be focusing on supporting Ontario Northland acquire the capacity and information required to fulfill its obligations under evolving environmental, accessibility and information management laws and best practices, while continuing its digital modernization strategy for Legal Service records and service delivery.

In order to meet the growing demand for faster and easier access to government information, Ontario Northland will continue to develop its culture of privacy awareness to increase compliance with information access and privacy legislation and to establish a foundation to embed information management and privacy protection into daily practices.

Being a 119-year-old transportation agency, Ontario Northland has amassed a significant real estate portfolio of properties, including over 700 miles of rail right-of-way and property in Quebec through its subsidiary, Nipissing Central Railway Company. As part of the overall objective to modernize the management of its assets, Ontario Northland is updating its inventory of realty assets, including land, buildings and leases. Over the next five years, Ontario Northland will work with MTO to determine a process within the parameters of the government's Realty Directive for maximizing the value of Ontario Northland's realty portfolio.

Corporate Governance

Ontario Northland is focused on using public resources efficiently and effectively to carry out its mandate of delivering transportation services. The agency's Board of Directors (Commission) establishes goals, objectives and strategic direction consistent with this mandate, government policies and Ministry direction.

Ontario Northland was originally constituted under the *Temiskaming and Northern Ontario Railway Act, 1902* to assist with the development of Northeastern Ontario. Ontario Northland at one time or another provided rail, truck, ferry, airline, telecommunications and bus service to Northern Ontario. Over the years the Act was occasionally amended, with the last significant update being in the 1940's when the name was changed to Ontario Northland Transportation Commission. In December 2020, the modernization of the Act was commenced with the passing of administrative and jurisdictional amendments to the Act. Ontario Northland will continue to work with MTO to modernize and improve its enabling legislation and corporate governance structures and practices to effectively support the Commission's role.

To guide and lead the modernization of Ontario Northland's corporate governance, in 2020 the Commission established a Governance Committee with a mandate to assist the Board of Directors in:

- The implementation of appropriate standards of corporate governance for the Corporation, including compliance with applicable OPS governance standards;
- Board ethics;
- Board and committee education and development;
- Board policies;
- Board and committee performance; and
- Competencies and skills requirements of board members and maintenance of a Board competency matrix.

In 2021-2022, Legal Services & Corporate Governance will focus on:

- Increasing the capacity of the corporation to fulfill its obligations under evolving environmental, accessibility and information management laws and best practices;
- Updating the real estate inventory;
- Finalizing land transfers of land owned by Ontario Northland's pension plan to the pension merger with the Ontario Pension Board;
- Implementing contract management software throughout the organization;
- Developing and implementing more effective policies and associated procedures for managing litigation disclosure requirements and Freedom of Information (FOI) requests;

- Developing a process to ensure timely execution and renewal of leases and licenses;
- Developing, implementing, and strictly adhering to enforcement procedures in the event of default by a tenant or licensee;
- Centralizing the digitization of Ontario Northland's realty and rail plans;
- Developing and implementing a Privacy Standard for the agency and reviewing and enhancing the agency's privacy policies;
- Creating a web-based portal where members of the public can access information related to the corporation and the Board;
- Identifying, assessing, and mitigating risk by effectively managing and optimizing the agency's insurance portfolio;
- Developing a plan for knowledge management and succession management for key members of the Legal Services and Corporate Governance team and implement a knowledge management digital solution; and
- Supporting the development of the agency's overall long-term strategy as it relates to the vision, objectives and values of the organization.

2021-22 to 2025-26 Deliverables		Estimated Completion Date
Ensure efficient, safe, environmentally responsible and reliable transportation services in Northern Ontario	Support the transition of oversight and expenses of legacy mining rights lands in Cobalt to the Government of Ontario to minimize risk and ensure appropriate expenditures.	2022-23
	Work with other ministries to develop mitigation plans for the former Ontera tower sites on James Bay and transfer of the lands to the appropriate ministry.	2022-23
	Collaborate with the Ministry of Energy, Northern Development and Mines and the Ministry of Natural Resources and Forestry to develop a plan for the closure or management of the Moose River waste disposal site.	2022-23
	Maintain an inventory of known contaminated properties and develop mitigation strategies in conjunction with the Ministry of the Environment, Conservation and Parks as required.	2022-23
Continuously improve and innovate to achieve business and service excellence	Continue to support the evaluation by the Ministry of Transportation of the return of passenger rail in Northern Ontario exploring integration with bus services, as required.	2022-23
	Collaborate with the Facilities Management Department to modernize building and land records and develop streamlined processes, which will enhance the effectiveness of the agency's delivery of services and support capital projects.	2022-23
	Participate in the development of Ontario Northland's capital asset management program. Assist with the development of criteria for lifecycle of realty, including facilities.	2022-23
	Establish a consistent file structure for realty files, including land files, building files, requests and lease files, to modernize and centralize all records and maximize data collection.	2023-24
	Improve access to corporate records through modernization of record keeping and digitizing older records.	2022-23

	Create an inventory of intellectual property owned or created by Ontario Northland and a process for managing and protecting the intellectual property rights.	2023-24
	Privacy: <ul style="list-style-type: none"> Align business practices by integrating the protection of personal information into existing programs, practices, systems, and policies. Develop and Implement privacy breach mitigation measures into the agency's privacy management program inclusive of a privacy breach response plan. Develop a plan to monitor and evaluate the privacy program to periodically review privacy policies and practices and to commit to ongoing improvements to ensure compliance with legislation. 	2022-23 2022-23 2023-24
	Open Government: <ul style="list-style-type: none"> Expand access to ONTC non-confidential information by creating an inventory of agency's records that can be publicly shared and determine a digital web-based solution for publication. Modernize the agency's records information management program to support: 1) consistent practices related to the collection, organization, use, accessibility, storage, protection and disposition of agency information assets, and 2) support the preservation of corporate memory and organizational history. 	2022-23 2023-24
	Realty Inventory: <ul style="list-style-type: none"> Complete the inventory of rail right of way and excess lands (by subdivision), followed by an inventory of non-rail lands. Develop sub-inventories of mining rights ownership, environmentally sensitive lands, buildings, leases, aggregate permits and crossings to enhance information sharing and reporting. Identify surplus properties during the completion of the inventory and develop a disposal plan. 	2024-25
	Establish a realty webpage to list all available Ontario Northland disposal and lease opportunities to continue to meet and exceed customer expectations.	2025-26

11.0 Marketing and Communications

The Marketing and Communications department provides marketing, communications and creative support to all the business divisions.

The Marketing and Communications team is responsible for:

- Advertising and promotion
- Public relations
- Internal communications

- Brand management
- Corporate events
- Corporate Services Centre
- Community engagement

COMMUNICATIONS

Ontario Northland has a heightened profile in the North which attracts significant media attention. In an effort to create positive relationships, the department drafts corporate communications, prioritizes media and external relations, and promotes the achievements of the organization.

The company's reputation is managed through issues management, planning, and strategic communications and when needed, providing swift responses to issues as they arise. The team works with the Ministry of Transportation and other stakeholders to ensure messaging is accurate and consistent. In FY2021-22 communications focus will be placed on:

- Community engagement
- Issues management planning and emergency preparedness
- Improving internal communications
- Community outreach and promotion of rail safety

The effectiveness of communications efforts will be measured through media sentiment, earned media value, and gathering stakeholder and partner feedback.

MARKETING

The department also supports business growth across the organization by promoting products and services.

In FY2021-22 focus will be placed on:

- Increasing ridership on passenger rail and motor coach service through targeted advertising which includes the continuation of the brand awareness campaign on the Thunder Bay-Winnipeg route
- Growth of the bus parcel express shipping service
- Promoting the benefits of rail transportation
- Supporting Remanufacturing and Repair client retention and outreach
- Enhancing the company's website and digital tools

Research will be another area of focus by evaluating internal client satisfaction with Corporate Services departments via a survey.

12.0 Implementation Plan

Ontario Northland is committed to implementing this business plan within its allocation and revenue projections. The agency has set out a number of new initiatives throughout the plan, as well as their associated timelines as presented in Section 4.0 Planned Deliverables FY2021-22 to FY2025-26. Priorities include:

- Designing and implementing an Enterprise Asset Management process and system,
- Continuing to implement the agencies ten-year capital plan to ensure its infrastructure is maintained in a state-of-good repair,
- Multiple projects, enterprise wide to reduce costs and ensure continuous improvement,
- Upgrade vigilance systems in locomotive fleet and bid on third-party railways work, as federal Locomotive Video and Voice Recordings (LVVR) requirements come into effect September 2022,
- Review potential co-production with other rail roads, particularly Canadian National Railway due to proximity of track and historical achievements, and
- Implementing the new five-year IT strategy.

The agency holds management accountable for their day-to-day operations and specific initiatives through regular management reporting mechanisms. Each initiative is assigned a project manager (PM). The PM works with the business unit to develop a project charter. Each project charter is reviewed and approved by management committee. Once approved, there are monthly project review and update meetings to ensure projects remain on schedule and on budget.

Fiscal year 2021-22 and beyond will be challenging as government responds to the fiscal impact of COVID-19. We will dedicate resources to these deliverables as per Section 5.0 Financial Profile and Section 8.0 Human Resource. Adjustments may be required due to COVID however we are committed to our key operational objectives:

- Identify and pursue opportunities for efficiencies and savings
- Demonstrate commitment to health, safety, and the environment
- Continuously improve and innovate to achieve business and service excellence
- Identify and pursue opportunities for revenue generation, innovative practices, and improved program stability
- Collaborate with employees and communities, including Indigenous communities to improve services

Ontario Northland will work closely with MTO to ensure resources are available before beginning any major project.

Appendix A – High Level Summary of Ontario Northland's Pandemic Response Activity

Initiative	Details
Supporting Employees	<ul style="list-style-type: none"> • Made additional personal leave days available to all employees • Ontario Northland COVID-19 Information Site and COVID-19 Response email (covid@ontarionorthland.ca) • Employee FAQ document and frequent communication updates • Care packs distributed in July 2020 • Re-assigned four Full Time Equivalents (FTE) to directly support the Pandemic Response and Pandemic Recovery
Personal Protective Equipment (PPE) / Supply Chain	<ul style="list-style-type: none"> • COVID-19 Supply Chain Support Team working diligently to assess, budget and manage the use of class 91 inventory items such as masks, gloves, coveralls, or face shields • Detailed supply catalogue and weekly stock status reporting readily accessible to Managers/Supervisors
Cleaning	<ul style="list-style-type: none"> • Rigorous infection control and sanitization protocols in place across the organization • Employees required to ensure workplace tools, equipment and frequently touched surfaces (e.g., doorknobs, counters, desks, telephones, keyboards) are cleaned and disinfected after each shift or when transferred to a new employee
Physical Distancing	<ul style="list-style-type: none"> • 26 Standard Operating Procedures (SOPs) developed to support physical distancing, hygiene and cleaning in shared vehicles, locomotive cabs, motor coach loading, etc. • Workspace safety planning and redesign to increase physical separation (e.g., elevators, offices, meeting rooms)
Visual Management	<ul style="list-style-type: none"> • COVID-19 related signage, posters, decals in place throughout the organization
Reducing # of Employees in the Workplace	<ul style="list-style-type: none"> • Wherever feasible, schedules have been adjusted to reduce social contact, such as: <ul style="list-style-type: none"> ○ Flexible hours ○ Staggering shift start times, lunches and breaks ○ Teleworking arrangements; supporting up to 115 employees remote work • Flexible Work policy under development for pandemic recovery, will include input from Managers via a survey
Passenger/Guest Screening	<ul style="list-style-type: none"> • Implemented Transport Canada directive to screen all passengers before boarding the PBX passenger train and motor coaches • Implemented guest screening protocols at the Cochrane Station Inn according to the COVID-19 Guidelines for the Tourism and Hospitality Sectors provided by Workplace Safety and Prevention Services

Employee Screening	<ul style="list-style-type: none"> • On-site employee standard health screening assessment implemented for On Board Services staff prior to start of shift including contactless temperature checks • Motor Coach and Running Trades employees are provided an At-Home Self-Screening Assessment to be completed prior to every shift
Self-Monitoring	<ul style="list-style-type: none"> • Frequent communications have been released to encourage and facilitate employee self-monitoring
Employee Training	<ul style="list-style-type: none"> • Ontario Northland employees required to acknowledge having taken the mandatory e-learn training module: Coronavirus and COVID-19 Prevention and Management
Audit	<ul style="list-style-type: none"> • Roll-out of Observations module in Intelex SMS and associated Monitoring and Controlling Procedure relevant to infection reduction and control procedures
PBX and James Bay Coastal communities	<ul style="list-style-type: none"> • Weekly calls with community leaders, including the Town of Moosonee, Mushkegowuk First Nations Chiefs, and Moosecree/Mocreebec health directors, WAHA (Weeneebayko Area Hospital) CEO