

Toronto Ferry Service Operational Review

Date: March 5, 2025
To: Executive Committee
From: Deputy City Manager, Corporate Services
Wards: All

SUMMARY

This report responds to City Council's directive on October 9 and 10, 2024 ([EX17.3](#)), to conduct a review to determine the organizational structure best suited to address the asset planning, management and maintenance, operations and user experience of the City of Toronto's ferry system, the Jack Layton Ferry Terminal and the Island ferry docks, and to report back to Executive Committee in the first quarter of 2025. This review comes at a pivotal time, recognizing the crucial role Toronto's Ferry service plays for Torontonians, visitors, and the broader ferry network, new safety regulations coming into force in 2025, the introduction of two state-of-the-art electric ferries in 2026 and 2027, and related shoreside infrastructure and terminal improvements underway.

The City of Toronto engaged Greenline Marine Inc. ("the Consultant") to support its operational review of the ferry system. The objective was to assess the service's practises relative to industry standards and benchmarks and provide recommendations to staff to ensure the City's ferry operation is aligned with those standards and can respond to the evolving ferry industry landscape in Canada. An executive summary of the Consultant's report is attached.

The review first established that Toronto's Ferry Service is an essential transportation link for both residents and visitors to the Toronto Islands, and the Toronto Islands Residential Community Stewardship Act, 1993 mandates that municipal services be provided to the island, including ferry services. Further, Toronto's ferry service handles one of the highest passenger volumes in Canada. According to 2023 ridership data, Toronto's Ferry System ranks seventh amongst Canada's busiest ferry routes who collectively carry more than 66 percent of the country's passenger ferry volumes, and is among the top four routes during the height of the summer season, with over 18,000 daily passengers at peak times. It is a busy, high-volume service that has generally performed well and operated consistently and safely.

The review, informed by leadership and staff interviews, review of data and documentation, and stakeholder meetings, ultimately found that Toronto's ferry service is compliant with all regulatory requirements and meets broad policy expectations.

However, it is not fully consistent with ferry industry norms in key areas such as asset management, safety management, organizational structure and workforce development. Additionally, enhanced stakeholder engagement and public communication strategies would benefit the service and those who use and rely on it.

The Consultant provided seven recommendations to enhance the service. Staff have accepted these recommendations and are taking and will continue to take a variety of actions, including establishing a structured asset management plan for the City's existing and incoming ferry fleet, developing a robust Safety Management System aligned with Transport Canada's new regulations, continued and enhanced targeted recruitment and retention strategies for specialized marine staff, allocating resources to support a greater focus on areas like customer experience and safety management, and elevating ferry operations within a City division's structure.

Finally, the Consultant identified key principles to guide the City's decision-making on the appropriate organizational position for the service, outlined in this report. On this basis, the City will reposition the ferry operation within the Fleet Services Division, which has attributes aligned with the guiding principles, including experience and capability in the opportunity areas identified by the Consultant. There will be no loss of ferry operations Full Time Equivalent positions (FTEs) resulting from this transition, and the City anticipates allocating additional resources over time to support the operation. For example, the City will ensure Fleet Services is equipped with the necessary customer experience expertise and focus to lead this important public-facing service.

Staff will formally transition the authority of the ferry operation from Parks & Recreation to Fleet Services by Q4 2025. In the interim, the Deputy City Manager, Corporate Services will oversee all aspects of implementation, including communications, resourcing and asset management, in partnership with the Deputy City Manager, Community and Social Services. Staff will also continue to implement the Consultant's recommendations outlined in this report over time.

RECOMMENDATIONS

The Deputy City Manager, Corporate Services recommends that:

1. City Council direct the Deputy City Manager, Corporate Services to report back to Executive Committee by Q4 2025 on implementation progress.

FINANCIAL IMPACT

There are no financial impacts resulting from the recommendations in this report in the current budget year. Any financial impacts for 2025 associated with the Consultant's recommendations can be accommodated within the existing Council approved 2025 operating budgets. Any future funding requirements will be submitted for consideration in future budget processes.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of October 9 and 10, 2024, City Council adopted report EX17.3 entitled "Electric Ferries Shoreside Infrastructure Work Plan" and directed the City Manager to conduct a review of the organizational structure best suited to address the asset planning, management and maintenance, and operations and user experience of the City's ferries, the Jack Layton Ferry Terminal and the Island ferry docks and to report back to the Executive Committee in the first quarter of 2025.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX17.3>

COMMENTS

Currently managed by the City's Parks and Recreation Division, Toronto's ferry service plays a crucial role in both transportation and community life, carrying cultural and historical significance while serving as a major resident and tourist transportation line, including to Toronto Island Park, a major destination in our city. The broader Canadian ferry service landscape is undergoing significant transformation, including changes affecting multiple sectors, such as digital transformation, climate change, demographic shifts and inflation.

More specifically and uniquely, the City's ferry service will need to adapt to the following sector developments and City priorities:

- **Regulatory Evolution:** The ferry industry in Canada is federally regulated, through Transport Canada and under the Canada Shipping Act, 2001. New federal Marine Safety Management System Regulations are coming into effect on July 30, 2025, and introduce new safety requirements that Toronto's service will have to comply with.
- **Workforce Development:** Ferry operations require highly specialized talent, and the industry is facing a global shortage of seafarers (or marine personnel). Now more than ever, it is important that ferry services prioritize recruitment and retention strategies to build and maintain a skilled and diverse maritime workforce.
- **Fleet Renewal:** With a focus on environmental sustainability, ferry operators are undertaking significant fleet renewal projects aimed at reducing emissions. The City is advancing large-scale fleet renewal through the purchase of two new electric ferries arriving in 2026 and 2027, with increased vessel capacity and a strong emphasis on reducing greenhouse gas emissions and other environmental impacts. Ferries 3 and 4 are also now included in the Council-approved 10 year capital budget. The introduction of new, larger and electric vessels will transform how the service is operated and staffed.

Review Scope and Approach

The City retained Greenline Marine Inc. to assist with this review. The Consultant brought deep and specialized experience in the marine and ferry industries, including ferry operations and business and organizational reviews. The work was organized in three areas:

Current State Assessment:

- Assess approaches and priorities related to ferry asset planning, management, and maintenance.
- Review organizational structure, including roles, functions and resources for ferry and terminal management.
- Review strategic objectives, budget, safety plans and regulatory compliance.

Recommendations to Support Safe, Efficient and Reliable Operations:

- Benchmark against industry best practices and explore organizational options.
- Optimize approaches to asset management and fleet operations and ensure strong focus on safety and public communication.
- Ensure alignment with Transport Canada regulations.
- Ensure recommendations can support sustained growth and evolving service needs.

High-Level Implementation Plan:

- Create a phased roadmap to implement recommendations.

The Consultant employed a mixed methods approach, combining quantitative analysis and qualitative insights. Quantitative data, including fleet size, ridership and costs, provided a basis for comparison across ferry systems. In addition, data from various sources, including operational, financial and strategic documents was analyzed. Qualitative methods involved document reviews, external audits and interviews and engagement meetings with City staff and leadership, the local Councillor, and key stakeholders, including community groups and organizations representing residents who are dependent on ferry access, recreational ferry users and local businesses.

The review was also performed under the leadership and guidance of the City's Ferry Operations Working Group, comprising of senior City leadership to ensure coordination among various City ferry-related initiatives.

Current State Assessment

The Consultant found that, according to 2023 ridership data, Toronto's Ferry System ranks seventh amongst Canada's busiest ferry routes who collectively carry more than 66 percent of the country's passenger ferry volumes, and is among the top four routes during the height of the summer season, with over 18,000 daily passengers at peak times.

The Consultant assessed the service's performance in the following categories:

- Safety Management

- Organizational Structure
- Strategic Guidance
- Career Development
- Stakeholder Engagement
- Internal/External Communications

The Consultant determined that the City of Toronto's Ferry Service is a busy, high-volume service that has generally performed well and operated consistently and safely. Further, the service meets all regulatory requirements and broad policy expectations. However, the service is not fully consistent with ferry industry norms, which the Consultant recommends the City benchmark to.

Consultant's Recommendations to Support Safe, Efficient and Reliable Operations

The Consultant delivered seven recommendations to enhance the City's ferry service and align it with industry norms. An Executive Summary of the Consultant's report is attached to this report as Attachment 1, and provides further details. Staff have accepted these recommendations and have already begun implementing these recommendations and will continue to do so over the coming months, while working to minimize disruption to the active service.

The Consultant's recommendations are summarized below:

Recommendation 1: *Develop an asset management plan specific to the City's ferry system, including the vessels, shore side infrastructure and terminal that reflects the nature, functionality, and life cycle of marine sector assets and incorporate the work of the vessel integration/acquisition for the new electric vessels.*

Recommendation 2: *Deploy the necessary resources required to create a robust Safety Management System per upcoming new requirements from Transport Canada, driving enhanced procedural review, training standards, and safety reporting.*

Note: The City has already been leading work to meet the new federal safety requirements coming into force this year, and so implementation of this recommendation is underway.

Recommendation 3: *Elevate the Marine Operations Unit, establish a marine chain of command, and assign accountabilities for City executives.*

Recommendation 4: *Institute a clear mission and vision that is consistent, long-term, and specific to the ferry service.*

Recommendation 5: *Develop crew recruitment and retention strategies, and clear pathways for internal talent development.*

Recommendation 6: *Establish a Ferry Engagement Forum or leverage existing structures for regular stakeholder feedback and strategic input.*

Recommendation 7: *Create a strategic communications plan for Toronto's ferry service with clear goals, audiences, messaging, and actions that support the safety, reliability, and modernization of the organization.*

Positioning the Ferry Operation in the Fleet Services Division

Toronto's ferry service is an important, complex and specialized operation that is situated in a federally regulated environment, and supports residents, visitors and local businesses. Given its importance, the Consultant identified a series of principles to guide the City's decision-making on the appropriate organizational placement for the operation. On this basis, the City will reposition the ferry operation within the Fleet Services Division, which has attributes aligned with the guiding principles, including experience and capability in the opportunity areas identified by the Consultant. There will be no loss of ferry operations Full Time Equivalent positions (FTEs) resulting from this transition, and the City anticipates allocating additional resources to support the operation over time.

The guiding principles are summarized below and further detailed in Attachment 1.

1. Asset Management

Consultant Report considerations: The Marine Operations Unit should be placed within a division that has a robust framework for managing long-lived assets. This includes implementing proactive maintenance routines, comprehensive lifecycle management processes, and clear strategies for timely asset replacement. These measures are crucial for ensuring the operational reliability and cost-efficiency of the ferry system, especially considering the unique challenges of marine infrastructure and equipment.

Divisional considerations: The Fleet Services Division has well-established systems for proactive and preventative maintenance, lifecycle management, and replacement for municipal fleet assets that can be tailored to address the unique demands of marine fleet assets and operations. This expertise will support the ferry's operational reliability and cost-efficiency.

2. Regulatory Compliance

Consultant report considerations: It is crucial that the Marine Operations Unit be integrated within a division with extensive knowledge and experience in navigating the intricate regulatory landscape specific to marine operations. This alignment will facilitate adherence to all relevant local, national, and international regulations, safeguarding the ferry system against compliance risks and enhancing its reputation for safety and reliability.

Divisional considerations: The Fleet Services Division has deep experience navigating and complying with complex and evolving regulatory environments through their existing leadership of municipal transportation assets. Fleet's focus on transportation assets, coupled with institutional knowledge and regulatory-related business processes will support compliance with evolving marine-specific regulations as well as general transportation standards.

3. Specialized Skills and Certification

Consultant report considerations: The division should demonstrate a strong capability in managing a workforce that requires specialized skills and certifications. This involves not only recruiting and retaining staff with the requisite marine qualifications but also providing ongoing training and development to meet the evolving demands of marine operations. Such a focus ensures that the ferry service continues to operate with a highly skilled and competent team, prepared to tackle the specific challenges of the marine environment.

Divisional considerations: The Fleet Services Division has experience managing diverse teams where staff require specialized skills and certifications, and supporting staff through robust human resources plans for ongoing training, certification, and career development. This experience positions the division well to oversee the Marine Operations Unit's workforce, which requires recruiting, leading and maintaining senior level maritime specialized and certified staff.

4. Operational Autonomy

Consultant report considerations: To enable the Marine Operations Unit to respond swiftly and effectively to changing operational conditions, it should be positioned within the organizational structure in such a way that it enjoys a degree of operational autonomy. This placement should facilitate a direct line of communication to senior decision-makers, allowing for rapid approvals and agile responses to emerging challenges or opportunities.

Divisional considerations: The Fleet Services Division is a comparatively small division, with a current staffing complement of 211 employees. Its size and focused work program enables the General Manager to have direct and regular visibility to both the strategic and operational work of the division, and participate in decision-making for routine and emergency matters that require rapid or agile responses and direction.

5. Strategic Organizational Alignment

Consultant report considerations: Overall, the positioning of the Marine Operations Unit within a Division should reflect a strategic alignment with the broader goals of the City's services. This alignment not only supports operational efficiencies and regulatory compliance, but also strategic initiatives such as asset management, sustainability, customer satisfaction, and growth.

Divisional considerations: Integrating the Marine Operations Unit within the Fleet Services Division aligns the ferry operation within a division that is strategically oriented towards enhancing the reliability, efficiency and sustainability of the City's entire fleet. This alignment supports broader strategic goals such as enhancing environmental sustainability and adopting innovative technologies across all City-managed fleet services. At the same time, the City will ensure Fleet Services is equipped with the necessary customer experience expertise and focus to lead this important public-facing service.

Implementation and Coordination with other Ferry Initiatives

Based on this review, staff are taking and will continue to take a variety of actions, including establishing a structured asset management plan for the City's existing and incoming ferry fleet, developing a robust Safety Management System aligned with Transport Canada's new regulations, continued and enhanced targeted recruitment and retention strategies for specialized marine staff, allocating resources to support a greater focus on areas like customer experience and safety management, and elevating ferry operations within a City Division's structure.

Staff will formally transition the authority of the ferry operation from Parks & Recreation to Fleet Services by Q4 2025, to ensure an orderly transition that minimizes disruption to the active ferry service. In the meantime, the Deputy City Manager, Corporate Services will oversee all aspects of implementation, including communications, resourcing, and asset management, in partnership with the Deputy City Manager, Community and Social Services. Throughout the transition, staff will place a strong emphasis on communications and change management to ensure staff in both Fleet Services and Parks & Recreation are informed, engaged, and equipped to support and deliver during and following the transition. Staff will also continue to implement the Consultant's recommendations outlined in this report over time.

The operational review was undertaken in the context of other key ferry-related initiatives being advanced by the City, including fabrication of the new vessels, improvements to shoreside infrastructure, and an ongoing focus on improving the customer experience. Through the City's internal Ferries Steering Committee, staff will ensure continued coordination, including on internal and public communications, project management and change management.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Executive Summary - Report from Greenline Marine Inc.