
BOARD OF DIRECTORS

<u>DATE OF MEETING:</u>	Wednesday, April 25, 2012
<u>TIME OF MEETING:</u>	11:00 a.m.
<u>PLACE OF MEETING:</u>	Metrolinx 20 Bay Street 6 th Floor Toronto, Ontario M5J 2W3 Executive Boardroom
<u>CHAIR:</u>	J. Robert S. Prichard
<u>PRESIDENT & CEO:</u>	Bruce McCuaig
<u>MEETING SECRETARY:</u>	Mary E. Martin, General Counsel and Corporate Secretary
<u>MEMBERS PRESENT:</u>	Rahul Bhardwaj Joseph Halstead Lee Parsons (via teleconference) Douglas Turnbull Richard Koroscil Stephen Smith
<u>REGRETS:</u>	Nicholas Mutton Rose Patten Peter Smith
<u>OTHERS PRESENT:</u>	Gary McNeil, President, GO Transit Kathy Haley, President, Air Rail Link Steve Zucker, Managing Director and Executive Vice President, PRESTO Mark Ciavarro, Director, Program Management Jack Collins, Vice President, Rapid Transit Implementation Judy Knight, Vice President, GO Capital Infrastructure Greg Percy, Vice President, Operations Judy Pfeifer, Vice President, Strategic Communications Robert Siddall, Chief Financial Officer Alba Taylor, Legal Counsel and Associate Corporate Secretary Leslie Woo, Vice President, Policy, Planning and Innovation

1. Call to Order and Remarks by the Chair

Chair Robert Prichard called the meeting to order at 11 a.m.

Regrets were received from Nicholas Mutton, Rose Patten and Peter Smith.

Chair Prichard confirmed that quorum was present.

No declarations of interest were declared.

Chair Prichard noted, with thanks, the presence and support of City of Toronto Councillors John Parker and Maria Augimeri at today's important meeting. Chair Prichard also noted the importance of today's decision in settling Metrolinx's advice to the Province. Chair Prichard thanked staff for their hard work, and acknowledged the importance of the partnerships formed with City of Toronto and Toronto Transit Commission Staff, namingly City Manager Joe Pennachetti and TTC CEO Andy Byford, who have ensured communications throughout the process have remained professional and open.

2. Toronto Transit Projects

Jack Collins, Vice President, Rapid Transit Implementation, presented the Toronto Transit Projects report. Staff are recommending that all four light rail lines (Eglinton, Scarborough, Sheppard and Finch) move forward, in partnership with Infrastructure Ontario to maximize value and increase certainty of on-time, on-budget delivery, and to fulfil the promise of delivering all projects by 2020. This recommendation supports the evaluation principles previously agreed to by the City and Metrolinx, which include: that the projects be consistent with regional transportation needs; Provincial asset ownership; control criteria to allow for amortization of capital costs; minimizing penalties and sunk costs; and limiting traffic impact. Proposed project staging recommendations were also reviewed against criteria including: current construction progress, industry capacity to respond to procurement needs, prioritization of the replacement of the Scarborough SRT, and delivery of all projects through an alternative finance and procurement project approach.

The Board considered the impact and magnitude of sunk and delay costs and penalties. Staff confirmed that overall, such costs will be reduced significantly with the proposed project recommendation although delay costs associated with vehicle delivery remain unknown.

In response to Board questions staff confirmed that some support should flow from P3 Canada where the projects proceed on an AFP approach; however, the quantum and timing of such funding is indeterminate.

Differences between the initial 2010 plan and the current plan were reviewed and staff confirmed that any differences relate only to project timing. Staff described the integrated but unique project roles of each of the TTC, Metrolinx and Infrastructure Ontario, which are intended to ensure there is no conflict or overlap.

The Board discussed Metrolinx's construction communications plans. Staff described the current Crosstown communications and community engagement activities and confirmed that similar plans will be implemented for all other projects. Staff also confirmed that Metrolinx supports subway development. The Big Move, the corporation's regional transportation plan, speaks to the role of subways and supports two projects: the Yonge Subway extension and the Downtown Relief Line.

The Board discussed project staging with the Board and considered internal resource and external industry capacity to respond to proposed project timelines.

To move the projects forward, Provincial approval is also required and the Board's recommendations will form the basis of the Province's request for cabinet approval.

RESOLVED:

1. **THAT**, subject to any approvals required from the Province of Ontario, Metrolinx is authorized to proceed with the implementation of the Toronto Transit Plan as originally approved by Metrolinx on May 19, 2010, consisting of the following projects, (the "Projects") with the following staging:
 - the Eglinton Crosstown LRT from the Jane Street / Black Creek area to Kennedy Station, with an in-service date of 2020;
 - the Scarborough RT / Sheppard LRT maintenance and storage facility, with a construction start of 2013 and substantial completion in 2016;
 - the Scarborough RT replacement and extension to Sheppard Avenue, with a construction start of 2014 and an in-service date of 2019;
 - the Sheppard East LRT from Don Mills Station to east of Morningside Avenue, with a construction start of 2014 and an in-service date of 2018;and
 - the Finch West LRT from the Toronto-York-Spadina Subway Extension (TYSSE) to Humber College, with a construction start date of 2015 and an in-service date of 2019.
2. **THAT**, Metrolinx staff is authorized to finalize and execute definitive legal agreements with the City and the TTC relating to the funding and implementation of the Projects at a capped contribution of \$8.4 billion in 2010 dollars.
3. **THAT**, the principles outlined in Metrolinx's letter to the Chair of the Toronto Transit Commission dated January 31, 2012 attached as Appendix I to this report shall be reflected in the definitive legal agreements relating to the funding and implementation of the Projects.
4. **THAT**, subject to positive value-for-money analysis results and Treasury Board approval, Metrolinx will use Infrastructure Ontario for project delivery to the extent feasible in accordance with letter from Ontario Minister of Transportation to Metrolinx Chair dated April 19, 2012 attached as Appendix II in order to optimize the value for money to the Ontario taxpayer on these transit investments.
5. **THAT**, in conjunction with an IO project delivery approach, Metrolinx staff work with the federal government to seek additional P3 Canada Fund support for these projects.

6. **THAT**, after consultation with the TTC and Infrastructure Ontario, staff report back to the Board with opportunities for early works packages that can advance the projects without reducing overall value-for-money from the preferred delivery approach.
7. **THAT**, Metrolinx funding and implementation of the Projects is contingent on the PRESTO fare card being implemented by the TTC, and,
8. **THAT**, after consultation with the City of Toronto and the TTC, staff report back to the Board with details on the updated budget and scope for the Projects.

Carried, unanimously

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned at 11:50 a.m.

Carried

J. Robert S. Prichard, Chair

Mary E. Martin, Secretary

c/s