

BOARD OF DIRECTORS

- DATE OF MEETING:** Thursday, December 5, 2013
- TIME OF MEETING:** 8:00 a.m.
- PLACE OF MEETING:** Union Station West Wing
97 Front Street West
Toronto, Ontario M5J 1E6

West Wing Metrolinx Boardroom, 4th Floor
- CHAIR:** J. Robert S. Prichard
- PRESIDENT & CEO:** Bruce McCuaig
- MEETING SECRETARY:** Mary E. Martin, Vice President, General Counsel and Corporate Secretary
- MEMBERS PRESENT:** Rahul Bhardwaj
Joseph Halstead
Richard Koroscil
Marianne McKenna
Nick Mutton
Lee Parsons
Rose Patten
Bonnie Patterson
Howard Shearer
Douglas E. Turnbull
- REGRETS:** Janet Ecker
Stephen Smith
- OTHERS PRESENT:** Greg Percy, President, GO Transit
Robert Siddall, Chief Financial Officer
Kathy Haley, President, Union Pearson Express
Jack Collins, Executive Vice President, Rapid Transit Implementation
Robert Hollis, Executive Vice President, PRESTO
Paul Finnerty, Vice President, GO Operations
John Jensen, Vice President, Capital Program Delivery, Rapid Transit Implementation
Alaisdar Graham, Chief Information Officer
Beth Kapusta, Chief, Design Excellence Officer
Judy Pfeifer, Vice President, Strategic Communications
Michael Wolczyk, Acting Vice President, GO Capital Infrastructure
Leslie Woo, Vice President, Policy and Planning
Alba Taylor, Legal Counsel & Associate Corporate Secretary

CLOSED SESSION

1. CEO/Board In Camera Session

The Board met in the absence of staff other than the President and Chief Executive Officer.

2. Call to Order and Remarks by Chair

Chair Prichard called the meeting to order at 9:20 a.m.

Regrets were received from Janet Ecker and Stephen Smith.

Chair Prichard confirmed there was quorum and that the required notice of the meeting as stipulated under By-Law No. 1 of the Corporation had been sent.

3. Approval of Minutes

RESOLVED:

THAT the minutes of the Board meeting of September 10, 2013 be approved.

Carried

4. Appointment of Officers

RESOLVED:

THAT effective as of the dates set out below, the following persons be appointed to the offices set forth opposite his respective name, to serve at the pleasure of the Board:

<u>Name</u>	<u>Office</u>	<u>Effective</u>
Greg Percy	President, GO Transit	November 9, 2013
Alaisdar Graham	Chief Information Officer	November 4, 2013
John Jensen	Vice President, Capital Program Delivery, Rapid Transit Implementation	March 4, 2013

AND THAT the resignations of Gary McNeil, President, GO Transit, and Greg Percy, Vice President, GO Capital Infrastructure, both effective November 8, 2013, and John Howe, Vice President, Investment Strategy and Project Evaluation, effective August 2, 2013 be accepted.

Carried

5. Amendment to Borrowing By-Law

Robert Siddall, Chief Financial Officer and Mary Martin, Vice President, General Counsel and Corporate Secretary presented the Amendment to Borrowing By-Law report.

6. Contract and Transaction Approvals

The Board had a confidential discussion on contract and transaction approval items.

7. Report of Board Standing Committees:

7.1 Executive Committee

Robert Prichard, Chair, Executive Committee reported to the Board.

7.2 Audit, Finance & Risk Management Committee

In Stephen Smith's absence Lee Parsons reported to the Board.

7.3 Governance Committee

Joseph Halstead, Chair, Governance Committee, reported to the Board.

7.4 Human Resources and Compensation Committee

Rose Patten, Chair, Human Resources and Compensation Committee, reported to the Board.

7.5 Customer Service Committee

Nick Mutton, Chair, Customer Service Committee, reported to the Board.

8. Agenda Proposals for Next Meeting

There were no agenda proposals for the next meeting.

9. Other Business

There was no other business to discuss.

10. Executive Session

The Board held an executive session in the absence of staff other than the CEO.

11. Executive Session

The Board held an executive session in the absence of staff.

PUBLIC SESSION

12. Call to Order and Remarks by Chair

Chair Robert Prichard called the public meeting to order at 10:40 a.m.

Chair Prichard confirmed that quorum was present. No declarations of conflict of interest were declared.

Chair Prichard welcomed everyone to Metrolinx's new Executive Boardroom, in particular, previous Vice Chair Peter Smith whose drive and dedication was instrumental in moving Metrolinx's headquarters to Union Station. Chair Prichard acknowledged past Vice Chair Smith's contributions to GO Transit and Metrolinx during his tenure from April, 2004 to January 13, 2013. In honour of Vice Chair Smith's commitment, the new Boardroom has been named the Peter R. Smith Boardroom.

Former Vice Chair Smith thanked the Board for this honour noting the many ways his life has been touched by GO Transit and Metrolinx's work. Chair Smith commented that the work completed at Union Station, a transportation hub in Canada, will create a legacy for all Canadians. Mr. Smith expressed his pride in the accomplishments of the people he had worked with while at GO Transit and Metrolinx.

Chair Prichard also welcomed past GO Transit President Gary McNeil who retired in November, 2013. Chair Prichard noted Mr. McNeil's many accomplishments in his fourteen years as President, culminating in GO Transit's receipt of the American Public Transportation Association's 2013 Award for Outstanding Public Transportation System Achievement and Mr. McNeil's personal receipt of the W.G. Ross Lifetime Achievement Award from the Canadian Urban Transit Association. The Board acknowledged with thanks Mr. McNeil's dedicated service to the Corporation.

Mr. McNeil thanked the Board for its support over his term as President, and acknowledged the valuable contributions and dedication of staff who contributed to the organization's successes.

Finally, Chair Prichard noted Frances Lankin's recent resignation from the Board.

13. CEO's Report

Bruce McCuaig, President and CEO provided a brief update on Metrolinx activities, including its recent recognition as one of Greater Toronto's Top Employers for 2014.

Mr. McCuaig was joined by Greg Percy, President, GO Transit, who provided a report on the December 4, 2013 service incidents stemming from bridge damage on the Lakeshore East and Stouffville corridors, the failure of certain crossing controls, and the breakdown of a VIA Rail train along the same corridor. While passenger safety was the number one priority these incidents created significant customer impacts. Mr. McCuaig apologized to GO Transit's customers for the service disruptions and Mr. Percy thanked GO's customers for their patience. Mr. Percy also confirmed that GO will honour a service guarantee for affected customers notwithstanding that the incidents were technically not covered by the service guarantee. A debrief with relevant parties including the City of Toronto and VIA Rail is planned.

The Board asked how the service delays were communicated to the public. Staff confirmed that service status updates were issued by corridor so individuals could plan alternate routes home. In addition, service announcements were made on-board affected trains.

14. National Heritage Value of Union Station

Michael Wolczyk, Vice President, GO Capital Infrastructure and Shelley Bruce, Build Heritage Advisor, Parks Canada, presented a report on the National Heritage Value of Union Station. Ms. Bruce described Union Station's significance in the history of rail and immigration in Canada. Ms. Bruce provided an overview of the revitalization project, which commenced in 2001 with research and assessments of the original structure and state of repair. To focus conservation efforts, the station was divided into zones, recognizing that certain elements do not contribute to the historical significance of the building, thereby reducing development restrictions that might otherwise pertain to those areas. Future plans include interactive public art installations and a Heritage Interpretation Plan which will bring together historic themes associated with the building.

The Board noted the historical significance of the work being undertaken by Metrolinx at the Union and Yonge Eglinton Stations.

15. Customer Service Committee Chair's Report

Nick Mutton presented the Customer Service Committee Chair's report. Overall customer satisfaction remains at 81%. Recent customer service accomplishments include increased parking, more bus trips and train service, a permanent quiet zone on the second floor, and improved communication efforts and tools. Staff are now looking at specific areas to enhance customer service efforts. Updates were also received on Customer Service Advisory Committee activities, Design Excellence, and an incident review of the Dufferin Bridge shut-down.

16. GTHA Fare and Service Integration

Leslie Woo, Vice President Policy, Planning and Innovation, and Chris Burke, Manager, GO Planning, presented the GTHA Fare and Service Integration report. Fare and service integration is a key deliverable under The Big Move and was also identified as a priority in the Investment Strategy. A proposed two year work plan aims to identify barriers to integration and potential short and long term solutions through: a review of global practices; identification of GTHA opportunities and quick wins; and consultation with key stakeholders and the public, including GO's Customer Service Advisory Committee.

The Board discussed stakeholder interest in and prioritization of the fare and service integration program. Although integration does not only depend on financial considerations related financial impacts were noted. Staff confirmed that the proposed program will consider both what an integrated fare and service structure (including governance) might look like, and what can be done incrementally to move in that direction. Staff will also assess whether the current fare structure provides value for money for certain trips, adequately services the various markets and builds ridership.

Staff confirmed stakeholders have been consulted on the work plan, and that Toronto has also assigned dedicated staff to the file. Staff committed to report back to the Board on the work plan's progress.

17. Design Excellence

Leslie Woo and Beth Kapusta, Chief, Design Excellence Officer presented an update on Design Excellence. Recent progress includes the establishment of a Metrolinx Design Review Panel, comprised of leading experts and professionals in the design community. Members of the panel will provide peer review on proposed project plans, taking into account relevant site characteristics to best assess design options. An annual review of the panel's activities and impacts will be provided to the Board.

The Board asked how art will be incorporated into the Design Excellence program. Staff confirmed that a Metrolinx-wide policy for the incorporation of art in corporate programs, projects and infrastructure is underway and will include an integrated art advisor and a project team.

The Board directed staff to include digital media art within the policy scope. Staff will also consult with the Board on their experience in establishing art foundations.

18. Yonge-Eglinton Station

Jack Collins and John Jensen presented an update on the Yonge-Eglinton Station design options. Staff have been working collaboratively with the City of Toronto, Toronto Transit Commission and Build Toronto to propose a design that optimizes the functions of the station, while addressing key customer service imperatives such as seamless passenger transfer. The parties are also working together to coordinate work and required closures so that disruptions are minimized over the two year construction period. Certain design costs may also be shared between the parties where appropriate.

Considering the complexity and high profile of the station, the Board noted that a planning *study*, as opposed to a planning *design*, was a more appropriate description of the work required.

After discussion, the following *amended* resolution was passed:

RESOLVED:

The Metrolinx Board of Directors authorizes staff to include in the Crosstown RFP document a *planning study* for the Yonge/Eglinton Crosstown Station as described in the December 5, 2013 Yonge Eglinton Station presentation to the Board of Directors by the Executive Vice President, Rapid Transit Implementation.

Carried

19. Amendment to By-Law No. 2 – Fare Increase

Robert Siddall, Chief Financial Officer, and David Gould, Director, Financial Services, presented the Amendments to By-Law No. 2 – Fare Increase report. Staff reviewed the rationale for a moderate annual increase, and the proposed tiered structure which is consistent with GO's fare by distance approach. The proposed increase will remain coupled with a Provincial subsidy,

which would otherwise be doubled to maintain existing service commitments.

The Board discussed the need to consider paid parking as a source for future revenues and part of the plan to efficiently manage Metrolinx resources.

Staff confirmed that additional revenue source opportunities are reviewed annually, including opportunities to raise revenues through parking. However, due consideration must be given to the potential impact on customers. Work on this matter remains ongoing.

The impact of not increasing fares, and reducing costs through increased innovation and efficiency was also debated. Staff indicated that the system cannot grow if revenues do not increase. Increasing savings and efficiencies may impact costs but may disproportionately compromise quality and reliability of service. It is important not to cut corners on repairs and maintenance. Nevertheless, staff are continually seeking ways to increase system efficiencies and reduce costs such as implementing 12-car trains, expanding the role of double decker buses, and reducing non-revenue trips. A regular fare increase is necessary to continue to support system and service enhancements and avoid a significant “catch up” increase.

RESOLVED:

THAT effective February 1, 2014, base adult single fares be increased as follows:

- a) 35 cent increase on fares between \$4.85 and \$6.15;
- b) 45 cent increase on fares between \$6.16 and \$7.80; and
- c) 55 cent increase on fares greater than \$7.80.

AND THAT in conjunction with the base fare increases, the discount for PRESTO card fare (adult) be increased as outlined below.

- a) Rides 1 to 35 in the same month: discount increased from 8.75% to 10.0%;
- b) Rides 36 to 40 in the same month: discount unchanged at 87.75%; and
- c) Rides 41+ in the same month: discount unchanged at 100%.

AND THAT By-law No. 2A be repealed and replaced with By-Law No. 2A attached hereto in order to delete the existing Tariff of Fares, and substitute in its place a new Tariff of Fares that will reflect the new base adult single fares.

AND FURTHER THAT the Chairman and Secretary be authorized to sign the By-law.

Carried

20. Quarterly Reports

Quarterly Reports for Union Pearson Express, PRESTO, GO Transit, Policy, Planning and Innovation, Strategic Communications, Rapid Transit Implementation and the Investment Strategy were taken as read.

CEO/Board In Camera Session

The Board met in the absence of staff other than the President and Chief Executive Officer.

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned at 12:30 p.m.

Carried

J. Robert S. Prichard, Chair

Mary E. Martin, Secretary

c/s