

## **BOARD OF DIRECTORS**

<b><u>DATE OF MEETING:</u></b>	Thursday, December 11, 2014
<b><u>TIME OF MEETING:</u></b>	8:00 a.m.
<b><u>PLACE OF MEETING:</u></b>	Union Station West Wing 97 Front Street West Toronto, Ontario M5J 1E6  Peter R. Smith Boardroom, 4 <sup>th</sup> Floor
<b><u>CHAIR:</u></b>	J. Robert S. Prichard
<b><u>PRESIDENT &amp; CEO:</u></b>	Bruce McCuaig
<b><u>MEETING SECRETARY:</u></b>	Mary Martin, Executive Vice President, General Counsel and Corporate Secretary
<b><u>MEMBERS PRESENT:</u></b>	Rahul Bhardwaj Iain Dobson Janet Ecker Anne Golden Joseph Halstead Richard Koroscil Marianne McKenna Bonnie Patterson Howard Shearer Stephen Smith Doug Turnbull
<b><u>REGRETS:</u></b>	Nicholas Mutton Rose Patten
<b><u>OTHERS PRESENT:</u></b>	Kathy Haley, President, Union Pearson Express Greg Percy, President, GO Transit Robert Hollis, Executive Vice President, PRESTO Jack Collins, Chief Capital Officer Robert Siddall, Chief Financial Officer Rose Butler, Manager & Senior Advisor to the President & CEO Judy Pfeifer, Vice President, Strategic Communications Leslie Woo, Vice President, Policy, Planning & Innovation 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 9:25 a.m.

Chair Prichard confirmed there was quorum and that the required notice of the meeting as stipulated under the By-Law of the Corporation had been sent.

**3. Approval of Minutes**

**RESOLVED:**

**THAT** the September 5, 2014 Board meeting minutes be approved.

**Carried**

**4. Amendments to By-Law**

The Board approved amendments to Metrolinx's By-Law.

**5. Contract and Transaction Approval**

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

**PUBLIC SESSION**

**6. Call to Order and Remarks by Chair**

Chair Prichard called the meeting to order at 10:07 a.m.

Chair Prichard confirmed quorum was present.

Chair Prichard acknowledged the valuable contributions of Board Members Joseph Halstead, Richard Koroscil and Douglas Turnbull, whose terms of appointment will expire on February 13, 2015. Each member had been appointed to the first Metrolinx Board in May, 2009. Chair Prichard thanked Mr. Halstead for adeptly chairing the Governance Committee, and for sharing his unique wisdom and insights gained through his extensive work in the public sector. Chair Prichard recognized Mr. Koroscil's important role in advancing regional and industry considerations particularly in the area of goods movement, and for his commitment to customer service evidenced by his active participation on the Board's Customer Service Committee and chairmanship of GO Transit's Customer Service Advisory Committee. Finally, Chair Prichard credited Mr. Turnbull for ensuring varied business and financial perspectives were considered in all of Metrolinx's endeavours.

Each of Mr. Halstead, Mr. Koroscil and Mr. Turnbull thanked their fellow Board Members for their

friendship and collegiality, acknowledged the important work completed by the Board during their tenure, and thanked staff for their valuable support and contributions.

## **7. CEO's Report**

Bruce McCuaig, President and CEO, provided an overview of recent Metrolinx activities and accomplishments. Metrolinx has been identified as one of the Greater Toronto Area's top 100 employers for the second consecutive year, and has been recognized for employee engagement on sustainability and energy management efforts by Canadian Business for Social Responsibility. Metrolinx's Executive Vice President, General Counsel and Corporate Secretary Mary Martin has also received the Federated Press' Women in Law Leadership Award for her expertise in legal department management and mentorship. Finally, Shawn Jeffrey, a Union Station construction supervisor, has received the Canadian Urban Transit Association's heroism award for his actions on November 13, 2014 which saved the life of a GO Transit customer who had fallen from the platform onto the rail corridor at Mimico station.

Mr. McCuaig also summarized pending GO Transit service enhancements including additional train service on the Milton corridor commencing January, 2015, and the construction of a new GO Transit station on the Richmond Hill Corridor at Gormley Road.

Lastly, Mr. McCuaig identified Metrolinx's recent contract award to Alexander Dennis Ltd. for fully accessible, low-floor double decker buses. Alexander Dennis will be opening a manufacturing facility in Ontario to support this contract, which will result in over thirty job opportunities.

## **8. Regional Express Rail Update**

Iain Dobson declared a potential conflict of interest on Regional Express Rail due to his work, through Strategic Regional Research Associates, for the City of Toronto on SmartTrack. Chair Prichard confirmed Mr. Dobson will not receive Board materials pertaining to Regional Express Rail and SmartTrack until this conflict is resolved, and will not participate in Board discussions pertaining to this matter.

Greg Percy, President, GO Transit, and Leslie Woo, Vice President, Policy, Planning and Innovation, presented an update on Regional Express Rail ("RER") work underway. Staff continue to refine infrastructure needs and service concept levels necessary to support two-way, all day service on each of the GO Transit rail corridors. These in turn must be supported by positive business case results which incorporate both specific, project-based value for money analysis and broader economic and social impacts. A phasing plan is also necessary to ensure optimized implementation with minimal impacts on existing services. Finally, an engagement program will be undertaken to ensure relevant stakeholders and communities are involved and kept up to date.

Using existing service levels as the baseline, preliminary business case results are positive and indicate that project investment could substantially exceed costs by three or four-fold, with ridership more than doubled. These results are being confirmed by external advisors.

Staff described how, through the business case analysis, each station will be examined to identify how much local service will be required for more efficient service delivery overall and increased ridership and revenues. Staff will also be speaking with surrounding municipalities as services are rolled out.

As part of the business case, the Board also asked staff to identify how anticipated benefits connect to wider, socioeconomic benefits such as job creation, economic development and communities.

Work is also underway to understand how RER will integrate with the City of Toronto's SmartTrack proposal. SmartTrack contemplates using GO Transit's existing Stouffville and Kitchener rail corridors, with a connection across Eglinton Avenue, to deliver an all-day express service across Toronto. A joint committee comprised of Metrolinx, Ministry of Transportation, City of Toronto, and Toronto Transit Commission representatives has been convened to ensure work and decision making is coordinated. Subject to the agreement of the participants, the Board asked staff to consider making the joint committee's terms of reference public.

Staff provided an overview of the engagement strategy which will include key stakeholders (such as rail operators), regional engagement (comprised of a cross section of key business and community leaders), and local engagement through committees created on a per-corridor basis.

Finally, staff described early actions that could be undertaken to support the RER program, such as obtaining environmental approvals and streamlining this process to include hydro infrastructure. Certain infrastructure projects underway will also support RER including Union Station revitalization, the construction of the East Rail Maintenance Facility, replacement of the signalling system, and the planned addition of tracks and layover facilities on existing corridors.

The Board noted the enormity, complexity and significance of the RER work program, and asked what issues may pose the greatest challenges. Staff identified the need to appropriately scale and phase the RER work program over the ten year period, while continuing to deliver and grow existing services in a mixed use, mixed ownership environment.

## **9. Customer Service Committee Chair's Report including Service Updates**

Richard Koroscil provided a summary of matters considered by the Customer Service Committee including: an update on Customer Service Advisory Committee activities and recommendations; review of customer satisfaction levels which remain high at 84%; improvements to various customer engagement and communications efforts including deployment of a mobile website; and progress on key initiatives including service planning and delivery for the Pan Am/Para Pan Am Games and development of the Regional Transit Traveller Information System. The Committee is also tracking and providing input on UP Express' progress to launch.

The Board discussed service planning for Pan Am/Para Pan Am games and potential impacts to existing Metrolinx customers. Metrolinx is working with a committee lead by the Ministry of Transportation to ensure transit and transportation services are coordinated throughout the region. The Board recommended that the full Board receive staff's presentation on Pan Am/Para Pan Am games service planning, to demonstrate the planning effort underway and how the movement of people between transit and game facilities has been considered and integrated.

## **10. UP Express Update**

Kathy Haley, President, Union Pearson Express, and Stephan Mehr, Director, Business Planning, presented an update on UP Express. Service is expected to commence in late Spring, 2015 and will provide a 25 minute, direct and reliable transportation option from Union Station to Pearson International Airport. Passenger amenities will include baggage check-in, flight information displays,

wi-fi access, and level boarding. Station construction is almost complete at all four stations, including the flagship station at Union. When in service, UP Express will offer an additional choice for airport travel, alongside other public transit options including GO Transit, TTC, taxi cabs and private vehicles.

Staff have developed a fare structure for UP Express taking into account the following principles:

- developing a fare structure that builds ridership and takes cars off the road;
- a commitment to variable fare products;
- fares calculated by distance; and
- future service sustainability and self-sufficiency.

Staff are therefore recommending a \$19 PRESTO card fare (\$27.50 without a PRESTO card). The PRESTO fare represents good value, at one-third the cost of a taxi and approximately \$10 less than the airport bus service. Lesser concession fares for students, seniors and families have also been recommended. A special fare for airport employees has been recommended, at a \$10 per ride rate or \$300 monthly pass.

The Board asked staff about consultations with airport employees on fare pricing, whether the transit tax credit will apply to the fares, the proposed pricing structure's impact on capacity, and how Metrolinx responds to criticism that UP Express should be priced more like a public commuter service. Staff acknowledged that UP Express is a dedicated rail service unlike other commuter services, and the first dedicated air rail link in North America. Proposed pricing for airport employees is consistent with GO Transit's fare by distance approach, and will represent a substantial savings for staff who otherwise take their vehicles to the airport.

The proposed fare structure will see UP Express operating a fully cost-recoverable service in approximately three years. Staff acknowledged that ridership will need to be monitored carefully to ensure capacity is not exceeded

The Board asked staff to report back on ridership split and airport employee usage at a later time.

**RESOLVED:**

**THAT** the Board of Directors approve the recommended fare structures as presented by UP Express on December 11, 2014.

**Carried**

**11. Progress on Capital Projects**

Jack Collins, Chief Capital Officer, presented a progress update on key Metrolinx capital projects including:

- tunnelling for the Eglinton Crosstown and the status of the design-build-finance-maintain procurement expected return to the Board for a contract recommendation by mid-2015;

- opening of the York Viva Bus Rapid Transitway on Highway 7;
- conclusion of work on the Union Station train shed roof, the balance of which will be completed after the RER program has been determined; and
- the pending completion of the Georgetown South corridor expansion and other works necessary to support UP Express service in Spring, 2015.

Staff also commented on the benefits of integrating the GO Transit and Rapid Transit Implementation capital project teams.

The Board asked about vendor capacity to meet Metrolinx's anticipated needs, and what can be done to build vendor capacity and expertise. Audit, Finance and Risk Management Committee Chair Stephen Smith confirmed that the Committee had reviewed a report on vendor participation in Metrolinx procurements and was satisfied that vendor participation is good and pricing competitive.

The Board also discussed how projects are evaluated for alternative finance and procurement versus traditional procurement methods. Staff noted this is based, in part, on project scale, need, timing and maintenance program considerations.

## **12. Amendment to By-Law No. 2A – GO Transit Fare**

Robert Siddall and Greg Percy presented the By-Law No. 2A GO Transit Fare Amendment report. Consistent with past years, staff are proposing a fare increase tiered to match GO Transit's fare by distance approach, with an average increase of approximately 5% system wide. Staff believe a system-wide increase is warranted even though levels of service may differ on each corridor. Staff confirmed revenues are invested in new services across all corridors based on ridership and system wide impacts.

### **RESOLVED:**

**THAT** effective February 1, 2015, base adult single fares be increased as follows:

- a. 10 cent increase on fares between \$0.00 and \$5.20
- b. 30 cent increase on fares between \$5.21 and \$6.50
- c. 40 cent increase on fares between \$6.51 and \$8.25
- d. 50 cent increase on fares greater than \$8.25.

**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**

## **13. Quarterly Reports**

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

Leslie Woo noted that all studies underway are progressing well, although some, such as the Yonge Relief Network Study, will need to be recalibrated based on RER planning. The Board asked that staff increase momentum on goods movement work. Staff acknowledged the need to move forward with the goods movement strategy, and noted that RER presents a new opportunity to engage urban freight stakeholders in this discussion.

In light of the Toronto Transit Commission's recent decision to provide its fare inspectors with batons and handcuffs, the Board also discussed how GO Transit Safety Officers address incidents with members of the public. Staff noted that although GO Transit's operating environment differs from that of the TTC, as Metrolinx's services and ridership demographics change this issue may warrant further consideration.

## **CLOSED SESSION**

### **14. Report of Board Standing Committees**

#### **14.1 Executive Committee**

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

#### **14.2 Audit, Finance & Risk Management Committee**

Stephen Smith, Audit, Finance and Risk Management Committee Chair, reported to the Board.

#### **14.3 Governance Committee**

Rahul Bhardwaj, Governance Committee Chair, reported to the Board.

#### **14.4 Human Resources & Compensation Committee**

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

#### **14.5 Customer Service Committee**

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

### **15. Agenda Proposals for Next Meeting**

There were no agenda proposals for the next meeting.

### **16. Other Business**

There was no other business to discuss.

## **EXECUTIVE SESSION**

### **17. Executive Session**

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

**18. Executive Session**

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

**ADJOURNMENT**

There being no further business before the Board of Directors, the meeting was adjourned at 1:45p.m.

**Carried**

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J. Robert S. Prichard, Chair

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Mary E. Martin, Secretary

c/s