

BOARD OF DIRECTORS

<u>DATE OF MEETING:</u>	Thursday, December 8, 2016
<u>TIME OF MEETING:</u>	8:00 a.m.
<u>PLACE OF MEETING:</u>	Union Station West Wing 97 Front Street West Toronto, Ontario M5J 1E6 Peter R. Smith Boardroom, 4 th Floor
<u>CHAIR:</u>	J. Robert S. Prichard
<u>PRESIDENT & CEO:</u>	Bruce McCuaig
<u>MEETING SECRETARY:</u>	Mary Martin, Executive Vice President, General Counsel and Corporate Secretary
<u>MEMBERS PRESENT:</u>	Upkar Arora Rahul Bhardwaj Bryan Davies Iain Dobson Janet Ecker Anne Golden Marianne McKenna Rose Patten Bonnie Patterson Howard Shearer Carl Zehr
<u>REGRETS:</u>	Bill Fisch
<u>OTHERS PRESENT:</u>	John Jensen, Chief Capital Officer Greg Percy, Chief Operations Officer Judy Pfeifer, Chief Communications and Public Affairs Robert Siddall, Chief Financial Officer Helen Ferreira-Walker, Chief Human Resources Officer Leslie Woo, Chief Planning Officer Robert Hollis, Executive Vice President, PRESTO Alba Taylor, Senior Legal Counsel & Associate Corporate Secretary

CLOSED SESSION

1. Call to Order and Remarks by Chair

Chair Prichard called the meeting to order at 8:00 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.

2. CEO/Board In Camera Session

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

PUBLIC SESSION

3. Call to Order and Remarks by Chair

Chair Prichard called the meeting to order at 11:45 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.

Chair Prichard acknowledged receipt of the following correspondence relating to the Davenport Diamond, which has been distributed to the Board:

- a) Email correspondence from Judy Land, a Davenport resident, dated November 28, 2016;
- b) Email correspondence from Hema Vyas, a Davenport resident, dated December 4, 2016;
- c) Email correspondence from Sharon Tiessen, dated December 4, 2016;
- d) Correspondence from Erin Pleet, dated December 5, 2016;
- e) Correspondence from Laura Zeglen, Chair, Options for Davenport, dated December 5, 2016;
- f) Correspondence from Brent Cehan, dated December 6, 2016;
- g) Correspondence from Matt Park, president of The Davenport Village Community Association, dated December 5, 2016;
- h) Email correspondence from Sebastian DeGrandis, a Davenport resident, dated December 6, 2016;
- i) Correspondence from Maria Costa, a Davenport resident, dated December 7, 2016; and

In addition, the Board received correspondence from Lorne Ross, dated October 16, 2016, with respect to grade separations and increased service on the Stouffville corridor.

4. CEO's Report

Bruce McCuaig, President and CEO, highlighted several key announcements and achievements over

the last few months including: announcements for increased service on the Barrie line and the opening of Gormley Station on the Richmond Hill corridor, extending service to Stouffville Road; the opening of the Davis Drive segment on the York VIVA rapidway in Newmarket; continued deployment of PRESTO at TTC stations and activities to increase card distribution through Gateway newsstands; the delivery of the 1000th bus as part of Metrolinx's Transit Procurement Initiative; the release of the Request for Qualifications for the Hurontario Light Rail Transit project; and ongoing procurement preparatory work for Regional Express Rail ("RER") procurements including the market sounding for electrification and signalization work. Consultations with stakeholders on a wide variety of topics related to the RER program and the Regional Transportation Plan discussion paper are also underway.

Mr. McCuaig noted that GO Transit's innovative Customer Etiquette campaign was the recent recipient of two Canadian Marketing Association awards. Mr. McCuaig also congratulated Robert Siddall, Chief Financial Officer, for his recognition by the Chartered Professional Accountants of Ontario ("CPA") as a CPA Ontario Fellow, which is bestowed to those members who have brought distinctions to the accounting profession through significant achievements and community contributions.

Mr. McCuaig announced that Eve Wyatt, Senior Manager, Applied Research & Corporate Monitoring, Research & Planning Analytics, will be retiring after 31 years of service. Mr. McCuaig thanked Ms. Wyatt for her contributions to Metrolinx.

Finally, Mr. McCuaig welcomed Martin Powell to Metrolinx. Mr. Powell is the new Planning and Policy Project Director for Fare Integration.

5. Regional Express Rail Update

5.1 Package 1 Procurement Update

John Jensen, Chief Capital Officer, and Michael Wolczyk, Vice President, Corridor Infrastructure, provided an update on the Regional Express Rail ("RER") procurement plan including on-corridor and off-corridor packages and enabling works. Staff summarized environmental assessments currently underway on the Barrie and Lakeshore East lines, as well as for six grade separations at various locations. Work is also underway to increase market awareness of these coming opportunities.

Staff confirmed the procurement plan is on track to meet RER's 10 year program commitment to 2024, notwithstanding that packages 2 and 3 will not be issued until 2019. This timeline accommodates completion of package 1 enabling works in time for packages 2 and 3 construction activities.

Staff also confirmed that the design review and design excellence processes developed for Crosstown will be leveraged for the RER projects. These processes will ensure design consistency, particularly for new stations. The Board encouraged staff to develop station guidelines to help facilitate this consistency.

The Board asked whether any aspects of the program concern staff. Meaningful community engagement is a high priority. Staff also noted the importance of actively engaging with the global industry to ensure robust competition with a broad spectrum of vendors. Staff are conducting market soundings to ensure projects are scaled appropriately and attract the interest of sufficient, qualified bidders. Staff are also carefully defining procurement documents for packages 2 and 3 to ensure

appropriate recognition of integration and coordination risks between project elements.

Staff will continue to report on the progress of RER procurement activities.

5.2 GO Regional Express Rail Station Access Plan

Leslie Woo, Chief Planning Officer, Lorna Day, Director, Project Planning and Development, and Elana Horowitz, Manager, Hubs and Station Planning, presented the GO Regional Express Rail Station Access Plan. Station access is a key consideration for the success of RER. The revised plan recommends an approach based on incremental change that will limit parking expansion and incrementally shift focus to growing other station access modes (such as transit and pedestrian/cyclist access). This preferred scenario maximizes ridership and provides economic value while limiting financial impact to Metrolinx. Key recommendations include: some parking expansion; improved parking management (through carpool and reserved parking spaces); targeted service increases on high performing routes; and facility improvements for non-parking modes. Staff believe targeted investments of the kind included in the plan are necessary to begin to shift access modes.

Staff noted that context-specific analysis has been undertaken and that the access plan recommendations are customized for each station depending on location. The plan also reflects the potential impacts of technology and other last-mile transportation options (such as micro-transit) by, for example, requiring larger passenger pick up/drop off locations.

The access plan is phased for implementation until 2031, and is intended to align with RER procurement activities. Staff also confirmed that the regional municipalities were consulted in the course of preparing the access plan. Staff will continue to work with the municipalities as the plan is refined to ensure it addresses RER program and local objectives.

RESOLVED:

THAT, subject to edits and modifications requested by the Board, the GO Rail Station Access Plan be approved and released to the public;

AND THAT staff report back on the status of implementation and the progress towards targets through an annual report.

Carried

5.3 GO Regional Express Rail New Stations

Leslie Woo, Chief Planning Officer, and Brian Gallagher, Senior Manager, Project Planning and Development, provided an update on discussions with the municipalities on the GO Regional Express Rail New Stations, and proposed integration with the City of Toronto's SmartTrack program (including six new stations) into the RER program.

All of municipal councils have formally accepted the new stations program and have agreed to the conditions required by the Board to allow planning and implementation to move forward. Municipalities have also committed to supporting transit-oriented development policies and land uses

in the station areas. The City of Toronto has also agreed to proceeding with SmartTrack under a “phased” approach through which approvals and funding for the Smart Track program will be provided at particular stage gates aligned with the RER procurement process.

Staff will continue to advance station development work, based on the particular context of each station, and funding agreements with the municipalities. Staff thanked the Ministry of Transportation and participating municipalities for their cooperation and support in advancing this important program.

RESOLVED:

THAT the CEO is directed to incorporate the twelve new stations identified in the June 28, 2016 Board presentation from the President and CEO, entitled “GO Regional Express Rail Update” into the GO RER program and to develop the appropriate agreements with municipalities.

Carried

6. Community Benefits Agreement

Judy Pfeifer and Jamie Robinson, Director, Community Relations, presented Metrolinx’s community benefits framework. The framework relies on partnerships with the Toronto Community Benefits Network, the Ministry of Advanced Education and Skills Development, the United Way of Toronto and York Region, Metrolinx, Infrastructure Ontario, and Crosslinx Transit Solutions to provide opportunities and benefits for local residents. Under the framework, a community benefits agreement has been signed that includes the goal of employing apprentices or journeypersons from historically disadvantaged communities and equity seeking groups to perform 10% of all trade or craft working hours, on a trade by trade basis. These community benefits commitments, to be delivered as part of the Eglinton Crosstown LRT project, will also be considered for Finch and Sheppard LRT and other RER projects. Staff confirmed that the Ministry of Advanced Education and Skills Development has established a construction pathway program to help identify candidates.

Chair Prichard noted the leadership contributions of the Honourable Frances Lankin and Rahul Bhardwaj on this important initiative.

Chair Prichard also welcomed and thanked community leader Rosemarie Powell, Toronto Community Benefits Network, for her contributions to this partnership.

7. PRESTO Progress Update

Robert Hollis, Executive Vice President, PRESTO, presented an update on various PRESTO programs including: TTC deployment (current activities and planned 2017 roll-out); recent system upgrades; and the agreement in principle reached with the 905 and Ottawa transit agencies. PRESTO usage also continues to grow with an adoption rate of approximately 7%.

Staff provided an update on recent issues relating to PRESTO self-serve reload machines and fare validators. Fare validator device issues have been addressed through upgrades to the cellular network connectivity, improved monitoring, and reviewing first line maintenance processes. Reload machines

continue to experience issues that cannot be replicated in testing environments. The vendor is working to resolve these issues, and the next generation of devices, to be deployed in the spring, will resolve the current issues. Staff confirmed that the device vendor is responsible for correcting these issues at its cost. However this does not mitigate the customer impacts experienced as a result.

The Board discussed the potential impacts and adoption rates for open payment (such as credit cards). Staff expect that PRESTO card usage will continue to be used predominantly for regular customers. The Board also asked about TTC's plans to retire legacy fare media, and whether PRESTO has considered expanding to include other retail uses. Staff explained that PRESTO's current strategic direction is focussed on use in the mobility context only.

Staff will continue to work to ensure the stability and reliability of the PRESTO system as TTC deployment progresses.

8. Auditor General's Report

Robert Siddall, Chief Financial Officer, summarized the results of the Auditor General's report on construction contracts at Metrolinx. The Auditor General's report focussed on a set of 15 projects out of a possible 520 undertaken by Metrolinx from 2011 to 2016. During this time, Metrolinx's average overruns were at 3.8%, and within industry norms. Many of the 17 recommendations and 38 action items provided by the Auditor General had also been identified by Metrolinx with strategies initiated to mitigate risks and implement better practices including: the consolidation of the Capital Projects Group; development of harmonized policies and procedures; improved controls; and implementation of a vendor performance management system.

The Board discussed Metrolinx's vendor performance management system and other opportunities to use vendor performance to assess vendor capabilities through the procurement process, including through reference checks. Staff confirmed that Metrolinx's vendor performance management system was implemented in January 2015. In addition, Metrolinx's procurement policy has been updated to allow Metrolinx to assess vendors based on past performance on any Metrolinx project, in addition to references submitted as part of the vendor's bid.

The Board discussed issues relating to the Pickering pedestrian bridge, other work performed by the contractor, and settlements paid to the contractor to close out terminated contracts.

At the request of the Board, staff described the construction contract oversight processes in place to monitor and manage construction performance. Future work includes considering opportunities to improve these processes.

Staff will report back on progress in implementing the Auditor General's recommendations in February. The Board directed that staff have an independent external auditor review the action plan and staff's progress to provide assurance that recommendations have been actioned and staff activities are appropriate.

9. Letter of Direction and Minister's Mandate Letter

Robert Siddall presented on the Minister's Letter of Direction and Mandate Letter. With respect to the

Minister's Letter of Direction issued earlier in the year, Metrolinx and the Ministry of Transportation have finalized a report that describes activities undertaken to enhance agency communications, oversight, communications, and accountability through various metrics include defined corporate key performance indicators and regular reporting.

The Minister of Transportation has also issued a mandate letter to Metrolinx setting priorities for 2017-18. These will be used to develop Metrolinx's business plan, and progress against these items will be reported quarterly to the Board and annually through Metrolinx's annual report.

The Board Chair noted that he had been asked to comment on the mandate letter before its issuance. In his view, the mandate letter is a positive affirmation of Metrolinx's responsibilities and accountabilities, and is aligned with Metrolinx's other strategic documents such as the regional transportation plan.

10. Customer Experience Committee Chair Report

Marianne McKenna, Customer Experience Committee Chair, provided an update on recent Customer Experience Committee activities including: Customer Experience Advisory Committee review of accessibility improvements on the GO network and Triplinx application enhancements; the launch of a kiosk pilot project to provide self-service customer assistance options; continued growth of UP Express daily ridership; progress on PRESTO equipment rollout on TTC; and Design Excellence progress on the standardizing regional signage and way finding.

11. Appointment of Officers

Chair Prichard welcomed George Bell, Vice President, Safety & Security, and Gerry Chaput, Vice President, Rapid Transit, Capital Projects Group, to Metrolinx.

RESOLVED:

THAT, effective as of the dates set out below, the Board affirms the appointment of the following persons to the offices opposite their name:

<u>Name</u>	<u>Office</u>	<u>Effective</u>
George Bell	Vice President, Safety & Security	November 28, 2016
Gerry Chaput	Vice President, Rapid Transit, Capital Projects Group	October 3, 2016

AND THAT the resignation of James Purkis, Executive Vice President, RER, effective September 9, 2016, be accepted.

Carried

12. Quarterly Reports

Quarterly Reports for PRESTO, Operations, Planning and Policy, Communications and Public Affairs, and Capital Projects were taken as read.

Greg Percy, Chief Operations Officer, confirmed that service levels have recovered from the various issues experienced over the summer. A winter preparedness plan will also help ensure service levels remain stable through the winter season. Staff have also implemented new driving controls which have reduced fuel consumption costs by approximately \$2M per year.

Customer complaints about comfort relate to seat availability.

The Board also discussed Metrolinx's partnership with ConnexOntario to provide mental health support to people in distress. This program has also been adopted by CN and VIA Rail.

CLOSED SESSION

13. Approval of Minutes

RESOLVED:

THAT the minutes of the Board of Directors meetings of September 9, 2016 and October 27, 2016 be approved.

Carried

14. Contract Approvals

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

15. Report of Board Standing Committees

15.1 Executive Committee

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

15.2 Audit, Finance and Risk Management Committee

Bryan Davies, Audit, Finance and Risk Management Committee Chair, reported to the Board.

15.3 Governance Committee

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

15.4 Human Resources and Compensation Committee

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

15.5 Customer Experience Committee

Marianne McKenna, Customer Experience Committee Chair, reported to the Board.

16. Other Business

There was no other business to discuss.

EXECUTIVE SESSIONS

17. Executive Session

The Board held an executive session in the absence of staff other than the CEO, the Corporate Secretary, and the Chief Human Resources Officer.

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 4:20 p.m.

Carried

J. Robert S. Prichard, Chair

Mary Martin, Secretary

c/s