

**BOARD OF DIRECTORS**

<b>DATE OF MEETING:</b>	June 28, 2017
<b>TIME OF MEETING:</b>	8:00 a.m.
<b>PLACE OF MEETING:</b>	Union Station West Wing 97 Front Street West Toronto, Ontario M5J 1E6  Peter R. Smith Boardroom, 4 <sup>th</sup> Floor
<b>CHAIR:</b>	J. Robert S. Prichard
<b>PRESIDENT &amp; CEO:</b>	John Jensen
<b>MEETING SECRETARY:</b>	Mary Martin, Executive Vice President, General Counsel and Corporate Secretary
<b>MEMBERS PRESENT:</b>	Upkar Arora ( <i>via teleconference, until 10:45 a.m.</i> ) Kathy Bardswick Rahul Bhardwaj Bryan Davies Janet Ecker Bill Fisch Anne Golden Marianne McKenna Rose Patten ( <i>until 12 p.m.</i> ) Bonnie Patterson Howard Shearer Carl Zehr
<b>REGRETS:</b>	None
<b>OTHERS PRESENT:</b>	Robert Hollis, Executive Vice President, PRESTO Greg Percy, Chief Operations Officer Judy Pfeifer, Chief Communications & Public Affairs Officer Robert Siddall, Chief Financial Officer Anita Sultmanis, Chief Customer & Marketing Officer Leslie Woo, Chief Planning Officer Peter Zuk, Chief Capital Officer Gerry Chaput, Vice President, Rapid Transit, Capital Projects Group

Mark Ciavarro, Director, Third Parties & Property  
Peggy Gilmour, Director, Internal Audit  
Lisa Thomas, Vice President, Program Management  
Alba Taylor, Senior 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.

Chair Prichard reminded the Board about Mr. Shearer and Ms. McKenna's previously declared conflicts of interest **[Redacted: Personal Privacy]**

The Board received an update on the CEO's transitional plans and priorities.

### **2. Call to Order and Remarks by Chair**

Chair Prichard called the meeting to order at 8 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.

The following conflicts were declared:

1. Howard Shearer, **[Redacted: Personal Privacy]** and with respect to any discussions relating to Regional Express Rail ("RER") Package 3 procurement activities (including early operator involvement for the RER program, electrification, vehicle procurement, and hydrogen fuel cell options) as such may arise in the context of Agenda Item 6 - Regional Express Rail, Items 6.1 (Taking Stock), 6.2 (Package 1/2/3 Procurements), 6.3 (Early Operator Involvement for RER Program), 6.4 (Hydrogen Fuel Cell Options), Item 20 (Hamilton LRT - Approval of Shortlisted Proponents and Release of RFP) and Item 21.2 - Audit, Finance and Risk Management Committee Report to the Board; and
2. Marianne McKenna, **[Redacted: Personal Privacy]** and with respect to discussions relating to the Port Credit redevelopment project, as such may arise in the context of Agenda Item 6.1 (Taking Stock), and Item 21.2 - Audit, Finance and Risk Management Committee Report to the Board.

### 3. Approval of Minutes

#### RESOLVED:

**THAT** the minutes of the Board of Directors meetings of February 17, 2017, February 24, 2017, March 22, 2017, April 21, 2017, and April 27, 2017 be approved.

#### Carried

### 4. Fare Integration

Leslie Woo, Chief Planning Officer, provided an update on fare integration analysis. Staff are recommending a revised approach focussing on the step-by-step removal of barriers (ie. double fares) versus a transformational fare structure (ie. fare by distance).

Staff also provided updates on matters relating to GO Transit bus service to York University, the GO/TTC co-fare proposal, and the Toronto-York Spadina Subway Extension.

The Board discussed the significant impact of fare integration on the customer experience, and barriers to implementation such as costs, fare policies, and overall governance. The Board also considered the Provincial and municipal perspectives.

The Board emphasized the importance of showing progress towards the longer term goal of fare integration. Staff confirmed that an incremental approach will not hamper implementation of a more transformational fare structure. Staff acknowledged that slow implementation of fare integration potentially increases gaps in fare policies and practices.

The Board directed staff to return prior to the September Board meeting to allow the Board an opportunity to further discuss this issue. In their report back staff should consider costs of the various structures, whether legislative authority is required, remaining work, and challenges.

### 5. The Next RTP

Leslie Woo, together with Antoine Belaiëff, Director, Regional Planning, and Lisa Salsberg, Senior Manager, Systems Planning, presented the draft regional transportation plan (the "Draft Plan"). Staff requested the Board's input on two key areas for the Draft Plan: regional governance and sustained long term funding. Staff also requested the Board's permission to proceed with confidential stakeholder consultations before public release of the Draft Plan in September.

The Board provided the following comments on the Draft Plan:

- the document should be bold and aspirational, and include a section on what has been achieved since the last plan. This will serve as a proof point for the success of The Big Move, help build Metrolinx's credibility, and build support for future initiatives;
- the document should identify opportunities to advance safety, accessibility and environmental strategies. This includes options to separate freight and passenger traffic, and the movement of freight through urban areas ;
- the Board debated whether the Draft Plan needs to consider revenue tools and funding. Revenue tools are necessary to pay for infrastructure, ensure the sustainability of the system, and have the potential to shift behaviour, impacting demand. The Draft Plan could consider options for capturing the value created by the transportation network, such as through land value capture;
- the Draft Plan should focus on impacts to travellers and individuals;
- the Draft Plan should take a comprehensive planning approach, including putting a greater focus on goods movement;
- the geographic area of the Draft Plan should be clear - is it the Greater Golden Horseshoe, or the Greater Toronto and Hamilton Area? The Board discussed the complexities of this question, including overlap with the Ministry of Transportation's planning authority;
- staff need to think through what may appear to be conflicting assumptions and recommendations in the Draft Plan, such as assuming an aging population and the occurrence of more extreme weather events, yet emphasizing active transportation;
- staff should clarify why the planning period for the Draft Plan extends to 2041;and
- staff should explain who will fund, operate, and govern the bus network;

The Board emphasized the importance of obtaining municipal input. Issues of governance and funding should be deferred.

The Board recommended that a peer review of the Draft Plan be completed, and the Draft Plan return to the Board for further consideration at a special meeting in August.

## **RESOLVED:**

**THAT** subject to the recommendations of the Board, the Draft Regional Transportation Plan (the "Draft Plan") as attached to the Chief Planning Officer's June 28, 2017 report (the "Report") be amended, based on the direction received from the Metrolinx Board, and that staff proceed with confidential consultations with key stakeholders before the Board September 2017 meeting as described in the Report;

**AND THAT**, Board members be given a further opportunity to provide feedback before September 2017;

**AND THAT**, subject to the results of the consultations and any additional comments received from Board Members as described in the Report, a further Draft Plan be publically presented to the Board at its September 2017 meeting for consideration for broad public consultation and digital engagement.

## **Carried**

### **6. Regional Express Rail**

Chair Robert Prichard reminded the Board of Mr. Shearer and Ms. McKenna's previously declared conflicts. On the advice of the Governance Committee, Ms. McKenna was permitted to stay for the Board's discussion provided that matters engaging her conflicts were not specifically raised. Mr Shearer was recused.

#### **6.1 Taking Stock**

Peter Zuk, Chief Capital Officer, Gerry Chaput, Vice President, Rapid Transit, Capital Projects Group, and Mark Ciavarro, Director, Third Parties & Property, presented a follow-up to the "Taking Stock" report previously considered at the April 27, 2017 Board Strategy Session and the May 25, 2017 Executive Committee meeting. The report outlined progress on the development and delivery of Metrolinx's capital program.

#### **6.2 Package 1/2/3 Procurements**

Gerry Chaput, Mark Ciavarro, and Saad Rafi, Partner, Deloitte, presented an update on the Regional Rail Express ("RER") program procurement strategy and activities underway. Mr. Rafi described the status of his organizational review that aims to ensure Metrolinx has the right structure and processes in place to support the move from plan to build. The RER procurement strategy has also been reviewed to ensure its success. This review has resulted in recommendations to revise the Package 3 procurement plan.

### 6.3 [Redacted: Advice to Government, Economic and Other Interests, Cabinet Records]

RESOLVED:

[Redacted: Advice to Government, Economic and Other Interests, Cabinet Records]

Carried

### 6.4 Hydrogen Fuel Cell Options

Gerry Chaput, Mark Ciavarro, Saad Rafi, and Bryan Guest, Boxfish Group, presented a report evaluating whether hydrogen fuel cells are a viable alternative to overhead electrification for the RER program. Staff are proposing that Metrolinx proceed with planning to implement traditional electrification while simultaneously assessing hydrogen fuel cell technology. The recommended approach seeks approval to enter into a sole source contract with Hydrogenics, an Ontario company, to investigate the feasibility of hydrail implementation through a pilot project, and approval to proceed with a procurement for engineering and technical services to design hydrogen fuel cell-powered vehicles.

The Board discussed whether any further information would be available in the near term to help assess this option, since the technology has not yet been implemented. Staff are balancing this risk by continuing with traditional electrification implementation, on a dual track. The Board discussed the need to be innovative and forward looking. As traditional electrification will also be disruptive, Metrolinx should assess all available options.

RESOLVED

**THAT** as further described in a report (the "Report") from the Chief Capital Officer and the Vice President RER Implementation dated June 28, 2017, Metrolinx is authorized to finalize terms and issue the Notice to Proceed to Hydrogenics to commence work associated with a locomotive pilot project for a hydrogen fuel cell-powered commuter rail technology train at a cost of **[Redacted: Economic and Other Interests];**

**AND THAT** Metrolinx is authorized to finalize terms and issue a Notice to Proceed with Hydrogenics to secure a power-to-gas energy storage pilot facility of up to 1MW and 4MWh at a cost of **[Redacted: Economic and Other Interests];**

**AND THAT** Metrolinx is authorized to proceed with an Engineer and Design Engagement Procurement for hydrogen fuel cell-powered bi-level electric multiple units with funding in the amount of **[Redacted: Economic and Other Interests]** to support process and design bid fee costs to complete Stage 1 and Stage 2 described herein;

**AND THAT** funding for the Hydrail initiatives above be provided from within existing budgets for electrification and that Metrolinx seek reimbursement of the electrification program by Ministry of Transportation and Ministry of Environment and Climate Change.

**Carried**

## **PUBLIC SESSION**

### **7. Call to Order and Remarks by the Chair**

Mr. Shearer returned to the meeting room. Chair Prichard called the meeting to order at 11:10 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 confirmed that Agenda Item 11 (2016-2017 Annual Report) and Item 12 (Metrolinx 2017/18 Business Plan) would be deferred to the September 2017 Board meeting to provide an opportunity for comments.

Chair Prichard thanked outgoing Board member Iain Dobson for his service. On behalf of the Board, Chair Prichard presented Mr. Dobson with a commemorative gift recognizing his important contributions and commitment to Metrolinx.

Chair Prichard congratulated Marianne McKenna and Bill Fish, both of whom received honorary doctorate degrees from Laurentian and York University, respectively.

Chair Prichard welcomed new Board member Kathy Bardswick to the Metrolinx Board of Directors. Chair Prichard also introduced the new members of Metrolinx's executive team including John Jensen, Metrolinx's President and CEO, Peter Zuk, Chief Capital Officer, and Anita Sultmanis, Chief Marketing Officer.

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

- a) Correspondence from the residents of Old Riverdale, dated May 17, 2017, regarding the impact of the GO-RER initiative on their neighbourhood, together with a response from Gerry Chaput and Judy Pfeifer, Chief Communications & Public Affairs Officer;
- b) Correspondence from Lindsay Wiginton, Pembina Institute, and Michelle German, Evergreen Brick Works, dated June 23, 2017, regarding their published report "Getting on Board: Learning from planning and engagement around rapid transit projects in Ontario";
- c) Correspondence from Rhoda Potter, President, and Randy MacDougall, Vice President, of the Agincourt Village Community Association, dated June 23, 2017, regarding community concerns about increased service on the Stouffville Corridor;
- d) Correspondence from Kevin Montgomery and Chris Drew, Co-Founders of Fight Gridlock in Brampton, dated June 27, 2017, regarding the Kitchener CN rail freight by-pass, hydrogen fuel cell technology, off-peak GO train services to Bramalea, Bramalea GO Station revitalization, high speed rail, and the naming of the Hurontario LRT vehicles;
- e) Correspondence from Michael Theodores, dated June 27, 2017, regarding the proposed transit fare increase; and
- f) Correspondence from Regional Chair and CEO Roger Anderson of The Regional Municipality of Durham, dated June 27, 2017, requesting an opportunity to provide comment on Metrolinx's 2017/18 Business Plan and deferral of the Business Plan to Metrolinx's next Board meeting.

## **8. CEO's Report**

John Jensen, President and CEO, presented the CEO's report.

Metrolinx recently celebrated Union Pearson Express's two year anniversary, Metrolinx's eleventh anniversary, and GO Transit's fifty year anniversary. Recent Metrolinx achievements in the past quarter include: issuance of procurement documents for various RER projects such as Rutherford and Barrie station and corridor work; increased service on the Stouffville line; completion of Eglinton Crosstown tunneling and the announcement of the back-up battery facility; the engagement of Alstom as the alternative light rail vehicle provider; the commencement of construction for a new GO Transit bus terminal at Union Station; and the launch of partnerships with third party retailers such as Shoppers Drug Mart and Tim Hortons.

Mr. Jensen congratulated Metrolinx staff for the receipt of several awards, including: the Roger Shearer award for Transit Safety, received by Metrolinx Rail Safety Ambassador Peter Mohyla; the Canadian Urban Transit Association Corporate Leadership Award for Metrolinx's Construction Safety Management Program, received by Tom Goodbody and his team; and the Canadian Lawyer InHouse Innovation Award for law department diversity, received by Mary Martin, Executive Vice President, General Counsel and Corporate Secretary. Corporately, Metrolinx received the AdWheel Award from the American Public Transportation Association for GO Transit's courtesy campaign, and the Ovation Award of Excellence from the International Association of Business Communicators for Metrolinx Engage, Metrolinx's customer engagement digital platform.

## **9. Appointment of Officers**

### **RESOLVED:**

**THAT** Anita Sultmanis be appointed Metrolinx's Chief Customer and Marketing Officer, effective as of March 6, 2017;

**AND THAT** Peter Zuk be appointed Metrolinx's Chief Capital Officer, effective as of June 26, 2017;

**AND THAT** the resignations of Bruce McCuaig, President & CEO, John Jensen, Chief Capital Officer, Matthew Baynie, Vice President, GO Operations, and Daryl Barnett, Vice President Network Infrastructure, be accepted as of April 13, May 31, January 14, and June 15, 2017 respectively.

### **Carried**

## **10. PRESTO Progress Update**

Robert Hollis, Executive Vice President, PRESTO, provided an update on recent PRESTO activities.

PRESTO's recent partnership with Shoppers Drug Mart will facilitate card sales and service at ten locations across Toronto. Additional retail locations are expected to be added this summer, pending the success of these ten locations.

TTC transactions have reached 1.4 million per week, surpassing GO Transit as the agency with the highest PRESTO volumes. Adult or Senior TTC monthly passes can now be loaded onto PRESTO cards online, and the TTC has introduced a daily fare cap. A PRESTO customer marketing and education campaign is also underway to increase awareness of PRESTO on TTC and drive PRESTO adoption.

TTC surface vehicle PRESTO readers were upgraded earlier this year, improving service and reader availability. Efforts to sustain availability at over 99% will continue throughout 2017.

As with other software systems, deploying patches to fix reported issues is common. PRESTO will continue to track issues reported for each PRESTO software release, including new products, to ensure that problems can be traced to the responsible vendors.

Work installing the TTC's new fare gates continues, with completion targeted for end of the year. The Board discussed recently reported issues relating to the sensitivity of the fare gates, or the gates remaining open for too long, and the potential for fare evasion. Staff advised that the TTC is continuing to work on its oversight and control of the new fare gates, and recent improvements have been made.

Mary Martin, Chief Privacy Officer, provided an update on how PRESTO responds to various law enforcement requests for personal information. Ms. Martin confirmed that Metrolinx seeks to strike a balance between protecting customer privacy with the safety and security of customers and the transportation system, while always complying with the law. Staff provided an overview of the current process for validating and responding to law enforcement requests, and current statistics on requests received since January 2016. Metrolinx did not provide information to law enforcement in response to roughly half of these requests.

Staff are reviewing the PRESTO privacy policy and existing processes for responding to law enforcement requests. Any proposed revisions will be posted online this summer. Staff will also be reviewing related protocols with Ontario's Information and Privacy Commissioner. Staff will consult with the public, and return to the Board for its review and approval.

Finally, staff provided an update on the status of the PRESTO client agreements with the Greater Toronto and Hamilton Area ("GTHA") and Ottawa transit agencies. All GTHA municipalities have received council approvals on the agreement in principle. Detailed negotiations are underway to conclude definitive agreements by October 2017.

The Board asked about payment reloading delays, and what payment options customers have when PRESTO machines do not function properly. Staff advised each transit agency handles these instances differently. Solutions can include referring the customer to another device, requesting that they tap their PRESTO card at the next station, or upon their exit. PRESTO will be undertaking more communication and outreach to improve customer knowledge and awareness of PRESTO.

The Board asked about PRESTO marketing opportunities for the summer tourist season and international events throughout the year, such as TIFF. Options such as making PRESTO available for purchase outside of Canada are being explored with the Metrolinx Customer and Marketing team.

The Board asked about recent media coverage on PRESTO's budget for TTC deployment. Staff confirmed that PRESTO has remained within the revised budget approved by the Province and the Board of Directors when the TTC deployment strategy moved to a multi-wave model, with increased quality assurance testing and other changes such as the new fare gates and earlier deployment timelines.

## **11. Regional Express Rail Update**

Peter Zuk, Leslie Woo, Gerry Chaput, and Mark Ciavarro provided an update on Rapid Transit and Regional Express Rail activities including: the first RER municipal network session held on June 26, 2017; tunneling completion and the ongoing construction of the Eglinton Crosstown LRT; and progress on the Finch, Hurontario and Hamilton LRTs and the vivaNEXT bus rapid transit programs. Staff described various work underway on each of GO Transit's rail corridors and other projects including: negotiations with CN on a master agreement for the Kitchener CN freight bypass; procurement and planning work for the Niagara extension; completion of mobility hub workshops on the Bowmanville Extension; network infrastructure work underway for a new control center in Oakville; and the Union Station Rail Corridor signalling system improvements project.

Staff also provided an update on RER electrification. In parallel with ongoing work on traditional electrification methodologies, Metrolinx has also initiated a study to examine the readiness of fuel cell technology enabled vehicles. Staff confirmed that regardless of technology choice, Metrolinx remains committed to electrifying the GO Transit network and decarbonizing the transit system. The Board asked whether this development would delay the RER program. Staff do not anticipate any delays at this time.

The Board discussed how staff will ensure continued operations in the event of an electrical system disruption. Staff advised that redundancy is being built into the system, including back up and emergency power supplies. These issues have also been considered as part of the Crosstown project.

The Chair received a written question from the public gallery relating to Metrolinx's decision to include penalties in the Crosstown contractor agreement, potentially exposing Metrolinx to liabilities for delays. The Chair noted that the Board does not discuss commercial matters in public session. However, the Chair invited interested individuals to speak with him following the Board meeting.

Finally, staff provided an update on Metrolinx's role in the high speed rail program and environmental assessment currently underway by the Ministry of Transportation. The Board stressed the importance of ensuring that planning for high speed rail will not impede Metrolinx's implementation of the RER program. Staff are working with the Ministry to ensure that this does not occur. The Board discussed differences between the high speed rail and RER programs as currently conceived. These include, for example, service area (high speed rail extends beyond Metrolinx's defined service mandate), service levels, and frequency of stops. Staff acknowledged the importance of understanding how high speed rail and Metrolinx's services will interface, particularly at Union Station.

Staff emphasized that Metrolinx is not leading this initiative. However, staff have been working cooperatively with the Ministry lead.

The Board directed staff to report back on this initiative in six months, and to consider inviting Ministry staff to present on the topic.

## **12. Yonge Subway North Extension and Relief Line**

Leslie Woo, together with Ansar Ahmed, Vice President, Project Planning and Program Development, and Heather MacDonald, Director, Project Planning - Rapid Transit, presented an overview of the Relief Line and Yonge subway extension projects, including project governance discussions and funding.

The Relief Line and Yonge subway extension are priority projects identified in The Big Move as critical parts of the regional system. Metrolinx staff are working with the City of Toronto, Toronto Transit Commission and York Region through a Yonge Subway Extension Executive Working Group to advance the project management approach to design and engineering. Funding has been secured from multiple levels of government including the Federal government, the Province, Toronto, and York Region.

Metrolinx is also part of a Relief Line Working Group with the City of Toronto and TTC.

Authority has been given for the parties to enter into agreements with one another and Metrolinx for the purposes of advancing these projects, and staff are working on key terms such as technical analysis required, the administration of funds, and project governance.

Staff confirmed that the two projects are progressing well and work is well coordinated.

The Board asked about project funding, and the division of project costs. Staff noted that the projects are not yet fully funded. However, the current work streams will advance the projects to a high state of readiness which will be available to take advantage of funding should it become available. Staff also described how costs have been allocated between the parties, based in part on work effort required.

### **13. Planned Transit Service Expansion and Proposed Fare Changes**

Leslie Woo provided an update on Metrolinx's current and planned transit service expansions. There has been significant progress towards RER since 2015, with various service additions across the GO network including on the Kitchener, Barrie, and Stouffville corridors, service extensions on the Lakeshore West and Richmond Hill corridors, and new bus connections to Brantford, Cambridge and Kitchener. These additions have resulted in 240 new trips and 2 million new riders per week.

Robert Siddall, Chief Financial Officer, and Anita Sultmanis, Chief Customer & Marketing Officer recommended 3% fare increase on all Metrolinx transit fares for Board approval. The increase is necessary to support Metrolinx's service expansions and improvements. A fare freeze for fares below \$5.65 will help align shorter distance trips with the TTC, and give shorter distance travellers more options. Staff also noted that there is ridership potential for shorter trips. For example, ridership figures for Danforth GO Station to Union (one stop) increased when services on that corridor increased. Higher fares may be a barrier to meeting the ridership potential of shorter distanced trips. Staff acknowledged that the majority of trips on the GO network are longer distance trips.

The Board discussed why cost recovery on new services is typically low initially. Staff noted that cost recovery rates improved with ridership as market awareness increases.

#### **RESOLVED:**

**THAT** as described in the Chief Financial Officer and Chief Customer & Marketing Officer's June 28, 2017 report (the "Report"), effective September 2, 2017, fares be revised as follows:

- (a) no increase on base adult single fares between \$5.30 - \$5.65.
- (b) 3% increase on base adult single fares greater than \$5.65, and other fare types will increase accordingly, including concession fares (senior and student fares), and package pricing (group fares).

**AND THAT** By-law No. 2A be repealed and replaced with By-law No. 2A attached to the Report in order to delete the existing Tariff of Fares and substitute in its place new Tariff of Fares that will reflect the new base adult single fares and the new fare zone, subject to any minor adjustments;

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

**Carried**

**14. 2016-2017 Annual Report**

This item was deferred to the September 14, 2017 Board of Directors meeting.

**15. Metrolinx 2017/18 Business Plan**

This item was deferred to the September 14, 2017 Board of Directors meeting.

**16. Auditor General Report Follow-up**

Robert Siddall provided an update on activities to address the Auditor General's recommendations on construction contract awarding and oversight.

Capital Projects Group (CPG) has made significant progress in developing policies and procedures on contract management. Procurement Services is completing implementation of a Vendor Performance Management (VPM) system to facilitate consideration of past performance in the procurement and contract award process. Although there has been a delay in setting up the VPM software and populating the baseline data, full utilization of VPM data in the evaluation and awarding of tenders is expected in 2018.

**17. Customer Experience Committee Chair Report**

Marianne McKenna, Customer Experience Committee Chair, presented a report on recent Customer Experience Committee activities, including: completion of a pilot to test PRESTO capabilities on Ticket Vending Machines; new social media efforts to provide timely information to customers; the development of an enhanced GO Transit website; continued enhancements to the PRESTO system; safety education initiatives and efforts to increase passenger safety by increasing staff presence on platforms; Metrolinx's participation in Rail Safety Week; and the introduction of new wayfinding products as part of the wayfinding pilot at the Finch, Hamilton and Pickering GO stations.

## 18. Mississauga Transitway Renforth Naming

Leslie Woo sought Board approval to formally rename Mississauga Transitway's eastern terminus station "Renforth".

### RESOLVED:

**THAT** the Metrolinx Board of Directors approve the name 'Renforth' for the eastern terminus station of the Mississauga Transitway;

**AND THAT** staff be authorized to advise the public and key stakeholders of the Board's decision above.

Carried

## 19. Quarterly Reports

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

### CLOSED SESSION

## 20. Business Items: Hamilton LRT - Approval of Shortlist and Release of RFP

As a result of his previously declared conflict of interest, Mr. Shearer was recused from the Board meeting room.

Gerry Chaput presented a request for approval to shortlist 3 proponents and issue the RFP for the Hamilton LRT project.

[Redacted: Third Party Information, Economic and Other Interests].

### RESOLVED:

**THAT**, as further set out in a report from the Chief Capital Officer and the Vice President of Rapid Transit dated June 28, 2017, Metrolinx is authorized to issue the Request for Proposal (RFP) with Infrastructure Ontario as co-sponsor for the Hamilton Light Rail Transit project using a Design-Build-Finance-Operate-Maintain Alternative Financing and Procurement model to the qualified shortlisted proponents: Mobilinx, Ei8ht Transit, and CityLine Transit Group. Release of the RFP is subject to Metrolinx staff being satisfied with the completion of the RFP readiness review and a value for money update;

**AND THAT**, Metrolinx is also authorized to issue the RFP to Waterfall Rail Partners, the reserve prequalified proponent, if one of the top three shortlisted proponents informs Metrolinx and IO that it does not intend to participate in the RFP process.

**Carried**

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

Mr. Shearer returned to the meeting room.

### **21.1 Executive Committee**

Robert Prichard, Executive Committee Chair, provided a report on the Executive Committee's March 10, 2017, April 10, 2017, and May 25, 2017 meetings.

### **21.2 Audit, Finance and Risk Management Committee**

Chair Prichard reminded the Board about Mr. Shearer and Ms. McKenna's previously declared conflicts of interest. On the advice of the Governance Committee, these members were permitted to stay for the Board's discussion provided that matters engaging their conflicts were not specifically raised

Bryan Davies, Audit, Finance and Risk Management Committee ("AFARM") Chair, provided a report on the Committee's June 27, 2017 meeting.

The Committee recommended that the Board approve the following matters:

#### **21.2.1 Audit, Finance and Risk Management Committee Terms of Reference Revisions, and Committee Vice Chair Appointment**

AFARM has reviewed and approved staff's recommendations that the AFARM Terms of Reference be revised to clarify AFARM's role in enterprise risk management and provide for the appointment of a vice chair, with specific responsibility for leading AFARM's enterprise risk management oversight responsibilities. AFARM will continue to be the overall risk aggregator, with an enterprise focus on risk.

Kathy Bardswick has agreed to be appointed an AFARM member and the vice chair.

The Governance Committee also reviewed the proposed revisions and concurs with AFARM's recommendations for Board approval.

**RESOLVED**, on recommendation of the Governance and Audit, Finance and Risk Management Committee, as revised:

**THAT, subject to a revision to clarify that the role of the Vice Chair is to lead the Committee in its oversight of enterprise risk management activities,** the Audit, Finance and Risk Management Committee (“AFARM”) Terms of Reference be revised to clarify AFARM’s role in risk oversight and provide for the appointment of an AFARM Vice Chair as described in the Chief Financial Officer and Executive Vice President, General Counsel and Corporate Secretary’s June 27, 2017 report to the AFARM and Governance Committees;

**AND THAT** Kathy Bardswick be appointed a member and Vice Chair of the Audit Finance and Risk Management Committee, in accordance with the revised AFARM Terms of Reference.

**Carried**

### **21.2.2 Capital Projects Subcommittee Terms of Reference and Member Qualifications**

AFARM has reviewed and approved staff’s recommendations that Metrolinx establish a Capital Projects Subcommittee, comprised of two Board Members and up to five industry experts. The Subcommittee will evaluate and offer advice to AFARM on Metrolinx’s capital program processes, policies and protocols, to confirm value for money and address project or program risks.

The Governance Committee has also reviewed and approved staff’s recommendations, subject to revisions to ensure the committee is properly identified as a “subcommittee” and that procurement is captured as an area of subcommittee review. The Governance Committee will review and recommend Board appointment of the two Board candidates, who may be selected from the Board as a whole.

**RESOLVED,** on recommendation of the Governance and Audit, Finance and Risk Management Committee, as revised:

**THAT,** the Capital Oversight Committee (“COC”) be established as a subcommittee of the Audit, Finance and Risk Management Committee (“AFARM”) in accordance with the Executive Vice President, General Counsel & Corporate Secretary, Chief Capital Officer, and Vice President, Program Management’s June 27, 2017 report (the “Report”);

**AND THAT** subject to revisions to require two (2) Board member appointees, and clarify review of procurement activities as within scope of the COC mandate, the COC Terms of Reference as contained in the Report be approved;

**AND THAT** Board member appointees be identified by staff and referred to the Governance Committee for recommendation to the Board for appointment;

**AND THAT** AFARM be authorized to appoint non-Board members, select a chair, and otherwise act and provide oversight of the COC in accordance with the COC's Terms of Reference.

**Carried**

### **21.2.3 Approval of the Audited Financial Statements for the Year Ended March 31, 2017**

Together with the external auditor, AFARM reviewed and was satisfied with the audited financial statements for the year ended March 31, 2017. The financial statements will be included in Metrolinx's 2016/17 Annual Report. The external auditor confirmed it will issue a "clean" independent auditor's report on the financial statements, following completion of some outstanding procedures. Although the external auditor's year end recommendation provided recommendations on three areas of risk, the auditor concluded that these risks were addressed to its satisfaction. AFARM confirmed that it is not aware of any incidents of fraud or illegal acts.

**RESOLVED**, on recommendation of the Audit, Finance and Risk Management Committee:

**THAT** the Audited Financial Statements for Metrolinx for the year ended March 31, 2017 be approved;

**AND THAT** the CEO submit the approved Audited Financial Statements to the Ministers of Finance and Transportation.

**Carried**

### **21.3 Governance Committee**

Rahul Bhardwaj, Governance Committee Chair, provided a report on the Committee's June 27, 2017 meeting. The Governance Committee has recommended that an additional Board meeting be scheduled for the summer, to consider the significant matters facing Metrolinx including the draft regional transportation plan and fare integration recommendations. The Board also agreed to extend the quarterly Board meetings by one hour (to 3 p.m.)

## **21.4 Human Resources and Compensation Committee**

Rahul Bhardwaj provided a report on the Human Resources and Compensation Committee's June 27, 2017 meeting. The Committee reviewed Metrolinx's 2017/18 Workforce Plan including projected growth for the year, and allocation among the business units. The Committee discussed whether Metrolinx has the right balance between staff and consultants, and how resources are managed and allocated to Metrolinx's highest priorities.

The Committee also received updates on Metrolinx's Diversity and Inclusion program, and the CEO's transitional plans.

## **21.5 Customer Experience Committee**

Marianne McKenna, Customer Experience Committee Chair, provided a report on the Committee's June 27, 2017 meeting. The Committee has asked that staff present an update on Union Station work in September.

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

There were no agenda proposals for the next meeting.

## **23. Other Business**

There was no other business to discuss.

## **EXECUTIVE SESSIONS**

### **24. Executive Session**

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

### **25. Executive Session**

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

## 26. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 2 p.m.

**Carried**

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J. Robert S. Prichard, Chair

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Mary Martin, Secretary

c/s