

BOARD OF DIRECTORS

- DATE OF MEETING:** February 7, 2019
- TIME OF MEETING:** 8:00 a.m.
- PLACE OF MEETING:** Union Station West Wing
97 Front Street West
Toronto, Ontario M5J 1E6
- J. Robert S. Prichard, 4th Floor
- CHAIR:** Don Wright
- PRESIDENT & CEO:** Phil Verster
- MEETING SECRETARY:** Alba Taylor, Senior Legal Counsel and Corporate Secretary
- MEMBERS PRESENT:** Kathy Bardswick
Bryan Davies (until 2:45 p.m.)
Luigi Ferrara
Anne Golden
Michael Kraljevic
Emily Moore
Robert Poirier
Clio Straram
Paul Tsaparis (until 9:15 a.m.)
- REGRETS:** Janet Ecker
- OTHERS PRESENT:** Mark Childs, Chief Marketing Officer
Matt Clark, Chief Capital Officer (A)
Annalise Czerny, Executive Vice President, PRESTO
Jennifer Gray, Chief Financial Officer
Greg Percy, Chief Operations Officer
Jamie Robinson, Chief Communications & Public Affairs Officer (A)
Leslie Woo, Chief Planning & Development Officer
Peter Zuk, Chief Programs Officer, Special Programs
David Buisson, Executive Vice President, Rapid Transit
Gerry Chaput, Executive Vice President, Program Management
Mathieu Goetzke, Vice President, Planning

Lorraine Huinink, Vice President, Corporate Real Estate
Charl van Niekerk, Vice President, OnCorr
Duwayne Williams, Vice President, Engineering & Asset Management
Karen Woo, Vice President, Capital Finance (A)
Sharyn Byrne-Nearing, Director, Brand & Digital Marketing
Nicholas Day, Senior Manager, Network Planning, Regional Planning
Joshua Engel-Yan, Director, Research & Planning Analytics
Ken Kuschei, Director, Customer Insights
Greg Murphy, Director, Internal Audit (A)
Sara Azargive, Senior Privacy Officer
Trevor Geach, Legal Counsel
Maureen McLeod, Manager, Customer Analytics
Nadine Navarro, Stations Program Sponsor
David Phalm, Manager, Rapid Transit Planning

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. Approval of December 6, 2018 Minutes

On behalf of the Chair, Vice Chair Bryan Davies called the meeting to order at 9:30 a.m.

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

No conflicts of interest were declared.

RESOLVED:

THAT the minutes of the Board of Directors meeting of December 6, 2018 be approved.

Carried

3. Capital Projects Delivery Update

Matt Clark, Chief Capital Officer (A), and David Buisson, Executive Vice President, Rapid Transit, provided a progress and status update on the GO Expansion and Rapid Transit capital programs.

Staff reviewed overall program performance including spending and budget and schedule adherence. Improved reporting and quality assurance activities have increased accountability and performance throughout the program.

Staff described Metrolinx's leadership activities in the area of contractor safety, and how improved reporting has impacted the number of safety incidents recorded. Staff intend to implement a stretch target to maintain progress in this area.

At the request of the Board, staff described the reasons for offering honorariums to unsuccessful bidders in major procurements. Staff confirmed the practice is an industry standard for complex and high value procurements, and is intended to drive quality bids and the retention of quality bidders by defraying some of the costs incurred in bid preparation activities which take place over the year-long in-market period.

The Board asked about the status of Metrolinx's vehicle procurements and actions to address identified risks relating to the quality of capital project procurements. The Board also discussed how project sponsorship is proceeding, and communications and stakeholder and community relations activities to address impacts to businesses affected by Metrolinx construction.

4. Auditor General Follow-up

Jennifer Gray, Chief Financial Officer, and Greg Murphy, Director, Internal Audit (A), provided an update on activities to address recommendations from various Provincial audits and inquiries to date.

Staff confirmed Metrolinx has developed detailed action plans to address all Auditor General (AG) recommendations stemming from the 2018 AG Reports (including the value-for-money audit of *Light Rail Transportation (LRT) Construction and Infrastructure Planning* and the AG's special review on *GO Station Selection*). Many actions are being implemented immediately. Staff expect the AG to return in the next few months to follow up on historical audits.

Staff summarized key learnings from the AG's engagement that contributed to a productive process and concluded with constructive recommendations, including: the need for increased transparency; documentation to support actions and

decisions; ensuring clarity on staff proposals; and the need to seek Provincial direction where appropriate.

In light of the AG's recommendations on value for money, the Board asked how staff ensure value for money on contract extensions. Staff described the type of due diligence conducted and documented to support staff recommendations in these cases.

5. LRT Stations

Leslie Woo, Chief Planning & Development Officer, and Jamie Robinson, Chief Communications & Public Affairs Officer (A), presented recommendations for the Finch West and Hurontario LRTs station and stop names. Proposed names will be confirmed with newly elected officials before returning to the Board.

WHEREAS Metrolinx employs a formal naming protocol for transit projects, stations and stops; and

WHEREAS Metrolinx staff have undertaken a comprehensive assessment and consultation on the matter of station and stop naming for the Finch and Hurontario LRT projects;

BE IT RESOLVED:

THAT the recommended names outlined in this report entitled "Stop Names for Hurontario and Finch West LRTs" be approved for advancement, subject to consultation with relevant elected representatives; and

THAT staff seek direction on the basis of these recommendations from the Minister of Transportation;

AND THAT staff report back to the Board in April 2019.

Carried

6. Advancing Transit

Leslie Woo, Mathieu Goetzke, Vice President, Planning, and Nicholas Day, Senior Manager, Network Planning, provided an update on work to prioritize and advance the transit projects identified in the 2041 Regional Transportation Plan.

The project prioritization methodology incorporates assessments of the project's benefit cost ratio, its contribution to network optimization, current implementation

readiness, interconnectivity with strategic priorities, and growth potential. Based on their score, projects will be grouped into one of three bundles: high scoring, medium scoring, and long-term projects.

The process will help identify those projects for which completion of an initial business case is warranted at this stage. Staff described how assumptions become refined as the assessment proceeds, and related impacts on the benefits cost ratio metric as business cases are completed. Staff will continue to work with the municipalities to ensure assessments are based on the most accurate information available.

The Board discussed how Metrolinx's methodology and scoring criteria compare to those of the City of Toronto's "Feeling Congested?" report.

The Board asked staff to provide more context on the methodology and scoring criteria, including alignment with strategic priorities, and to better identify safety as a component of the scoring metrics.

Finally, staff confirmed the Board endorsement sought relates only to the methodology as described at the current time, and not the results of that methodology. A report back is anticipated in June.

RESOLVED:

THAT the Metrolinx Board receives for information the February 7, 2019 presentation "Advancing Transit" from the Vice President, Planning;

AND THAT, the Board direct staff to continue working with the Ministry of Transportation and the Regional Roundtable to evaluate and group transit projects to inform Metrolinx stage gate work planning;

AND THAT, staff report back on progress in June 2019.

Carried

7. Business Items

7.1 Contract Amendment for Routine Track and Signal Maintenance

Matt Clark and Duwayne Williams, Vice President, Engineering & Asset Management, presented a contract extension for the provision of routine track and signal maintenance on all Metrolinx-owned rail corridors outside of the Union Station Rail Corridor (USRC).

Staff confirmed that the additional contract authority relates only to future work required and not work already completed.

RESOLVED:

THAT, as described in the Chief Capital Officer and the Vice President, Engineering's February 7, 2019 report, Metrolinx is authorized to extend the contract with PNR RailWorks Inc. (RFP-2010-RC-029) for routine track and signal maintenance of Metrolinx-owned rail corridors **[Redacted: Economic and Other Interests of Ontario]**

Carried

7.2 Contract Amendment for Routine Track and Signal Maintenance (USRC)

Matt Clark and Duwayne Williams presented a contract extension for the provision of routine track and signal maintenance and rail traffic control services for the USRC.

RESOLVED:

THAT, as described in the Chief Capital Officer and the Vice President, Engineering and Asset Management's February 7, 2019 report, Metrolinx is authorized to extend the agreement with Toronto Terminals Railway Company Limited (NC-2017-PM-175) for routine track and signal maintenance, rail traffic control services and ancillary support for capital projects within the USRC **[Redacted: Economic and Other Interests of Ontario]**

Carried

8. Report of the Board Standing Committees

8.1 Executive Committee

Bryan Davies reminded the Board that Executive Committee meetings and materials are open and accessible to all Board members.

8.2 Audit, Finance & Risk Management Committee

Bryan Davies, Audit, Finance & Risk Management Committee Chair, reported on the Committee's February 6, 2019 meeting.

[Redacted: Economic and Other Interests of Ontario]

Staff briefly summarized this quarter's budget results, and Committee Vice Chair Kathy Bardswick acknowledged the results of a recent Enterprise Risk Management maturity assessment, which has confirmed progress in all areas.

The Committee recommended that the Board approve the following matters:

8.2.1 Capital Projects Approval Policy

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

THAT, as described in the Chief Financial Officer and Director, Investment Panel Office's February 6, 2019 report to the Audit, Finance and Risk Management Committee (the "Report"), the previously approved Capital Project Approval and Monitoring Policy (2012), Capital Project Approval Memorandum (2014), and the Business Case Policy (2016) be repealed and replaced with the process and requirements in the Metrolinx Capital Project Approvals Policy (2019) attached as Schedule D to the Report, effective April 1, 2019;

AND THAT, on April 1, 2019, all Metrolinx capital projects and programs follow the requirements of the Metrolinx Capital Project Approvals Policy (2019). Relevant education and onboarding will be provided prior to this date to minimize business disruption;

AND THAT, in addition to replacing the previously approved policies and documents noted, other relevant financial policies will be reviewed to align with the Metrolinx Capital Project Approvals Policy. With the exception of minor formatting and typo corrections, changes to this policy will be earmarked for future AFaRM oversight and consideration.

Carried

8.2.2 Partnership Policy

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

THAT, as described in the Chief Marketing Officer's February 6, 2019 report to the Audit, Finance and Risk Management Committee (the "Report") and subject to the approval of the Ministry of Transportation, that the revised Partnership Policy attached to the report be approved and replace Metrolinx's existing Partnership Policy effective as of February 7, 2019.

Carried

8.3 Governance Committee

On behalf of the Governance Committee Chair, Bryan Davies reported on the Committee's February 6, 2019 meeting.

The Committee reviewed current and upcoming Board vacancies, agenda topics for upcoming Board meetings, and considered the establishment of an additional board subcommittee.

The Committee recommended that the Board approve the following matter:

8.3.1 Review of Standing Committee Terms of Reference

RESOLVED, as revised, on recommendation of the Governance Committee:

THAT the Executive Committee Terms of Reference be revised to reflect the current practice of distributing meeting materials to the full Board, and permitting all Board members to attend Executive Committee meetings as non-voting members;

AND THAT the current Terms of Reference for each of the Audit, Finance and Risk Management, Customer Experience, Executive, Governance, and Human Resources and Compensation Committees, attached to the Corporate Secretary's February 6, 2019 report to the Governance Committee, be re-affirmed.

Carried

8.4 Human Resources & Compensation Committee

Kathy Bardswick, Human Resources & Compensation Committee Chair, reported on the Committee's February 6, 2019. The Committee reviewed employee engagement survey results and risk management activities, and received staff reports confirming compliance with applicable legislation and human resource policies.

8.5 Customer Experience Committee

Luigi Ferrara reported on the Committee's February 6, 2019 meeting. The Committee recommended that the Board approve the following matter:

8.5.1 Customer Experience Committee Terms of Reference

RESOLVED, on recommendation of the Customer Experience Committee:

THAT as described in the Chief Marketing Officer's February 6, 2019 report to the Customer Experience Committee (the "Report"), the revised terms of reference for the Customer Experience Advisory Committee be approved;

AND THAT the existing By-Law 10 be repealed and replaced with revised By-Law 10 attached to the Report.

Carried

9. TOD Initial Implementation Principles

Lorraine Huinink, Vice President, Corporate Real Estate, Michael Norton, Director, Business Strategy & Land Development, and Nadine Navarro, Stations Program Sponsor, presented the Transit Oriented Development (TOD) Market-Driven Strategy (the "Strategy") initial principles.

The Board asked how broader public interests such as green space and affordable housing will be provided for in the Strategy. Staff acknowledged that municipal policies govern this space. However, the Strategy will look for opportunities to maximize public interests by leveraging the transit infrastructure Metrolinx requires. The Board encouraged staff to further consider these issues, given Metrolinx's pivotal role in city building and the importance of considering a longer trajectory.

The Board asked that design excellence, safety, and sustainability be clearly reflected in the Strategy, together with Metrolinx's commitment to community engagement.

The Board also asked that the Strategy framework describe how proposals will be evaluated, that is, what measures does Metrolinx expect will be necessary to support a successful station development, including surrounding land uses, proposed development uses, etc.

10. 2019 Service Increase

Greg Percy, Chief Operations Officer, presented the proposed 2019 GO service changes. Metrolinx intends to continue growing service while advancing its capital projects program.

RESOLVED:

THAT as described in the Chief Operating Officer's Report February 7th, 2019 report, staff proceeds to plan to implement the proposed 2019 GO service changes taking into account ridership, costs, risks and dependencies as described in the report:

AND THAT staff bring content to the board with implementation plans as increased services are rolled out, including location, routes and frequencies, for Board approval.

Carried

PUBLIC SESSION

11. Call to Order and Remarks by Chair

Chair Wright called the meeting to order at 12:20 p.m.

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

12. Safety Moment

Annalise Czerny, Executive Vice President, PRESTO, reviewed safety and security measures and led the group in a safety moment.

13. CEO's Report

The Chair welcomed His Worship Frank Scarpetti, Mayor of the City of Markham, His Worship Dave Barrow, Mayor of the Town of Richmond Hill, and Ms. Kinga Surma, M.P.P.

On behalf of the Board Chair Wright thanked Rahul Bhardwaj, Marianne McKenna, Howard Shearer, Bonnie Patterson, and Sharleen Stewart for their valuable contributions to the Board during their tenure.

Chair Wright also welcomed new members Luigi Ferrara, Michael Kraljevic, Emily Moore, Robert Poirier, Clio Stram, and Paul Tsaparis.

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

- a) Correspondence from John Henry, Regional Chair and CEO of the Regional Municipality of Durham, dated December 5, 2018 about the GO Expansion Full Business Case, Metrolinx's Transit Oriented Development Strategy, and impacts to the Lakeshore East Extension;
- b) Correspondence from Jeff Winch dated December 27, 2018 regarding PRESTO on the UP Express;

- c) Correspondence from His Worship Frank Scarpitti, Mayor of the City of Markham and Chair of the York Region Rapid Transit Corporation Board, dated February 5, 2019, regarding the Relief Line Business Case Development; and
- d) Correspondence from Peter Miasek, Fred Winequest, and Ricardo Mashregi, members of Keep York Moving, dated February 4, 2019 regarding the Relief Line Business Case Development.

CEO Phil Verster described recent activities including: service increases across the network; improvements in PRESTO's customer satisfaction scores and TTC adoption; launch of the PRESTO app; progress on the TOD strategy and OnCorr procurement; the expansion of the Community Benefits program; and other community engagement activities. CEO Verster also recognized Metrolinx's Human Resources team in light of Metrolinx's being awarded one of Canada's Top Employers for Young People, and thanked the Communications team for a successful Ask Metrolinx session in Kitchener.

The following individuals were recognized for outstanding service and safety contributions all in relation to a safety incident that had occurred at Union Station:

1. Chair Wright presented a letter of recognition to Quinn Hatchey, a customer, for quick action in assisting and comforting a young woman who had fallen on the tracks.
2. Chair Wright presented a letter of recognition to Erin Mould, a customer, for calling 911 and remaining on scene until EMS arrived.
3. Chair Wright presented a letter of recognition to Aimee Morgan, a Customer Service Ambassador, for alerting the Network Operations Control Centre of the incident, and directing EMS and Transit Safety.
4. Ian Schroder and Ocean Le, two customers who were unable to attend the meeting, were also recognized for assisting in this incident.

14. Appointment of Officers

RESOLVED:

THAT the individuals identified below be appointed to the offices set out opposite their name, effective as of the date indicated:

| Name | Office | Effective Date |
|---------------|---|-----------------------|
| Jennifer Gray | Chief Financial Officer | December 6, 2018 |
| Matt Clark | Executive Vice President, GO Expansion | January 7, 2019 |
| | Chief Capital Officer (A) | January 22, 2019 |
| Peter Zuk | Chief Program Officer, Special Programs | January 22, 2019 |

AND THAT after giving effect to the foregoing resolution, the incumbent officers of Metrolinx are confirmed as set out in Schedule "A" to the Corporate Secretary's February 7, 2019 Board report.

Carried

15. Relief Line Business Case Development

Leslie Woo and Mathieu Goetzke presented an update on the Relief Line South alignment. Staff acknowledged the important collaboration between Metrolinx, TTC, City of Toronto, and York Region staff on the project, and welcomed James Perttula, Director, Transit and Transportation Planning, City of Toronto, and Malcolm Mackay, Relief Line South Project Director, TTC, to the meeting.

Staff provided an update on the Relief Line North, Relief Line South, and Yonge Subway Extension project analysis. Business case review for the Relief Line South has yielded a benefits cost ratio close to one (1). However, benefits may be maximized through transit oriented development, integration of stations, and cost management, for example. Final business case results are expected in the spring.

Staff continue to work with City of Toronto and TTC staff on Relief Line North alternatives. A business case is expected by the end of the year.

Staff also continue to assess the overall network effects of the two lines, projecting out to 2041 and informed by recent census results and employment figures.

Staff described how crowding feeds into the business case analysis, considered what a potential safety indicator for overcrowding might be, and how the timing and sequencing of service introduction can impact efficiencies and ultimately the success of the project.

CEO Phil Verster emphasized the need to build both lines as quickly as possible to deliver safe and good service that incentivizes changes in behaviour.

16. PRESTO Law Enforcement Requests

Sara Azargive, Senior Privacy Officer, presented a report on 2018 PRESTO Law Enforcement Requests.

Staff explained why and in what circumstances Metrolinx may not require a court order before disclosing information to law enforcement, based on the permitted grounds of the legislation.

Staff described how such disclosures may be helpful in certain cases such as locating missing people.

Under the policy, staff treat internal (transit safety) and external (police) requests the same. Staff confirmed that information is not otherwise disclosed other than to the cardholder. If a child or other individual is missing, family members may contact police or transit safety for assistance.

The Board asked how Metrolinx ensures it is nimble, effective and efficient in responding to requests. Staff explained that a standard process is followed regardless of the nature of the request, but that requests are categorized and emergencies, for example, are prioritized and expedited accordingly.

17. Ridership +

Mark Childs, Chief Marketing Officer, Ken Kuschei, Director, Customer Insights, and Maureen McLeod, Manager, Customer Analytics, provided an update on ridership and revenue drivers, and how Metrolinx data is being used to derive key customer insights and develop actions in response.

The Board asked about the Kids GO Free trial. Staff reported customer research indicated train travel can be expensive and therefore a deterrent for families taking the GO. Allowing kids to ride for free was seen as a way to remove this barrier, and potentially increase the number adult riders. While staff are still reviewing the data, trial results to date have exceeded expectations.

RESOLVED:

THAT the Metrolinx Board of Director's endorse the insights, strategies and actions set out in the Director of Customer Insights February 7, 2019 report to drive customer insight-focused initiatives to drive ridership and fare sales on GO and UP Express.

Carried

18. Brand Strategy

Mark Childs and Sharyn Byrne-Nearing, Director, Brand & Digital Marketing, presented an update on Metrolinx's brand campaign and how expenditures in this area are tracked to ensure return on investment.

The Board asked how the Metrolinx brand fits with the other family brands, and how brand both influences and reflects behaviour and culture.

The Board acknowledged the progress that has been made on developing sub-brand narratives for the Metrolinx operational divisions, but asked how these will be integrated. Staff confirmed that an integrated design strategy is the next step in this area.

RESOLVED:

THAT the Metrolinx Board of Director's endorse the brand strategy approach and actions set out in the Director of Brand & Digital Marketing's February 7, 2019 report, to develop plans that bring the brand promises to life, driving ridership and customer loyalty.

Carried

19. Customer Experience Committee Report

Greg Percy provided an updated on the customer impacts and lessons learned from recent Kitchener service changes. These issues were also reviewed by the Customer Experience Committee.

In anticipation of and planning for service changes, some of the things staff will do differently in future include: considering the appropriate timing of a service change and communicating those changes well in advance; better understanding entrenched customer behaviour and preferences, and how those will be impacted by the change; and keeping changes as simple as possible (not compounding them with other changes such as platform changes).

Staff described how equipment failures can also compound matters. Overall this experience has highlighted the need to plan service holistically, considering more than just scheduling and logistics but also weather and equipment.

20. Quarterly Reports

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

CLOSED SESSION

21. OnCorr Shortlist

Matt Clark and Charl van Niekerk, Vice President, OnCorr, presented an update on the GO Expansion On Corridor Project including the selection of the shortlisted proponents, and the rationale, risks and opportunities arising from the number of proponents retained through the in-market period

Given the long term contract that will result from this procurement, the Board discussed the importance of driving innovation. **[Redacted: Economic and Other Interests of Ontario]**

[Redacted: Economic and Other Interests of Ontario]

Next steps include commercial meetings with the selected proponents, Treasury Board budget submission, and the release of the RFP in the spring.

22. Program Management Services Contract

Matt Clark and Gerry Chaput, Executive Vice President, Program Management, presented a contract amendment request for Owner's Engineer and Program Management Services for the Metrolinx Capital Program.

[Redacted: Advice to Government, and Economic and Other Interests of Ontario]

Staff confirmed the proposed extension is permitted by the existing contract, which was competitively tendered. **[Redacted: Economic and Other Interests of Ontario]**

RESOLVED:

THAT, as further set out in the report from the Chief Programs Officer, Chief Capital Officer (CCO), Executive Vice President of Program Management and the Vice President of Capital Finance, dated February 7, 2019, Metrolinx is authorized to amend the contract with CH2M Hill Canada Ltd. to provide Owner's Engineer and Program Management support services **[Redacted: Economic and Other Interests of Ontario]**

[Redacted: Economic and Other Interests of Ontario]

Carried

20. Other Business

There was no other business to discuss.

EXECUTIVE SESSIONS

21. Executive Session

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

22. Executive Session

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

23. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 4:00 p.m.

Carried

Don Wright, Chair

Alba Taylor, Secretary

c/s