

BOARD OF DIRECTORS

- DATE OF MEETING:** May 15, 2019
- TIME OF MEETING:** 8:30 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, Corporate Secretary and Senior Legal Counsel
- MEMBERS PRESENT:** Kathy Bardswick
Bryan Davies
Janet Ecker
Luigi Ferrara
Anne Golden (until 12 p.m.)
Michael Kraljevic
Emily Moore
Reg Pearson
Robert Poirier
Clio Straram
- REGRETS:** Paul Tsaparis
- OTHERS PRESENT:** Mark Childs, Chief Marketing Officer
Matt Clark, Chief Capital Officer
Annalise Czerny, Executive Vice President, PRESTO
Helen Ferreira-Walker, Chief Human Resources Officer
Mathieu Goetzke, Chief Planning Officer (A)
Jennifer Gray, Chief Financial Officer
Heather Platt, Executive Vice President and General Counsel
Jamie Robinson, Chief Communications & Public Affairs Officer (A)
Leslie Woo, Chief Development Officer, Transit Oriented Development (A)
Ian Smith, Deputy Chief Operating Officer
Justyna Witek, Deputy Chief Finance Officer

George Bell, Vice President, Safety and Security
Fawad Ebraemi, Vice President, Delivery
Brian Guest, Vice President, Commercial Management (CPG)
Andre Lalonde, Vice President, Transit Operations
Steven Levene, Vice President, Commercial Management (Operations)
Taya Leybman, Vice President, Solution Development & Technology
Jessalynn Selby, Vice President, Customer Service Delivery
Candice Troupe, Vice President, Operations Deployment
Richard Tucker, Vice President, Commercial Management (PRESTO, I&IT and Marketing)
Petek Oktem, Director, Vendor Management
Deepta Rayner, Director, PRESTO Customer
Helena Ashberry, RER Network Program Sponsor
Trevor Geach, Legal Counsel
Spencer Gibbens, Head Sponsor, Planning & Development
Devon Khusial, Manager, Market Research
Charl van Niekerk, On-Corridor Lead
Sharyn Byrne-Nearing, Director, Brand & Digital Marketing
Nicholas Day, Director, Regional Planning
Ann Short, Director, Financial Planning & Analysis

CLOSED SESSION

Chair Donald Wright called the meeting to order at 8:30 a.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.

No conflicts of interest were declared.

1. Modernizing PRESTO

Annalise Czerny, Executive Vice President, PRESTO, Taya Leybman, Vice President, Solution Development & Technology, Richard Tucker, Vice President, Commercial Management (PRESTO, I&IT and Marketing), Petek Oktem, Director, Vendor Management, Fawad Ebraemi, Vice President, Delivery, and Candice Troupe, Vice President, Operations Deployment, presented an update on the PRESTO 2025 strategy.

The Board considered PRESTO's future operational and contractual framework, and challenges and areas for improvement such as: transitioning the TTC from project implementation to steady state, addressing customer service issues and expectations, updates to better reflect current technology, and transitional issues required to implement future solutions and expand the PRESTO program.

The Board discussed the reasons for the program restructuring, resulting challenges and benefits, and some of the hurdles remaining. Staff highlighted the cost-savings and increased operational efficiencies realized through the reorganization, meant to best position PRESTO for modernization and expansion and ensure the right team is in place for the future. Staff described how PRESTO's three lines of business (payment processing, equipment, and customer experience) have adopted different business strategies and targets to support PRESTO's future business.

The Board considered the challenges staff face in terms of adopting new and evolving technology for service delivery, while maintaining service levels and customer expectations. Staff described how increasing customer channels will expand PRESTO's business offering. The Board challenged staff to consider how PRESTO could emerge as a leader in the space.

The Board asked about the potential technical and service solutions being sought, procurement design, and timing. Staff agreed to provide the Board with frequent updates and key messaging that can be shared publicly in support of procurement activities while respecting the confidentiality and fairness of the process.

The Board discussed recent customer experience and satisfaction issues including machine placement and cash collection. Staff described activities underway to improve these issues and related timelines.

The Board asked if any benchmarking has been done on other organizations that have attempted similar technology changes, and whether Metrolinx has a technology roadmap and timeline. Staff confirmed that benchmarking in the transit sector has been performed, and technology and transformation roadmaps are in development. Staff committed to considering additional comparators outside of the transit sector, such as the financial services industry. Staff noted that the biggest technology challenge arises from the unique complexity of the region's fare governance and structure, which complicates decision-making and potential solutions - although some progress has been made in this area through the new PRESTO operating agreements.

2. Commercial Management

Heather Platt, Executive Vice President and General Counsel, Steven Levene, Vice President, Commercial Management (Operations), Brian Guest, Vice President, Commercial Management (CPG), and Richard Tucker, Vice President, Commercial Management (PRESTO, Marketing), provided an update on Commercial Management activities.

Staff explained what is meant by "commercial management", the goals of the program, and its role in maximizing value, including through better, more efficient

and integrated decision making that takes into account a variety of interests and potential impacts across the enterprise to add value.

Staff described some of the changes implemented as a result of the commercial management program, including improved governance and collaboration through the three Commercial leads, improved procurement specifications and quality assurance, improved vendor performance management and accountability, and improved employee skills and training.

Staff described the factors typically considered when identifying whether skills should be built up internally versus procured through consultants. Staff acknowledged that this requires a balance, however, certain internal foundational skills are necessary to support appropriate oversight of external resources.

Staff described employee training streams that will support different levels of commercial skills development and contract and claims management. Review of lessons learned will facilitate continuous improvement, implemented through appropriate documentation, changes to contract documents and processes, and ongoing monitoring. Staff expect these activities will change Metrolinx's approach to claims and risk identification and management. Measures of success might include lower value claims and less claims overall.

Finally, the Board considered how recent changes in Metrolinx's leadership outlook and perspective, including through the commercial approach, have resulted in different solutions to existing problems. Staff asserted that these examples underscore the importance of building up a commercial competency within the organization.

3. CEO/Board In Camera Session

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

4. Metrolinx Future Planning

[Redacted: Advice to Government]

5. OnCorr Procurement (RFP Issuance)

Matt Clark, Chief Capital Officer, Spencer Gibbens, Director, Project Planning, and Charl van Niekerk, On-Corridor Lead, presented the RFP approval request for the GO Expansion OnCorr Project.

Staff confirmed that Infrastructure Ontario's Board has also approved the issuance of the RFP.

The Board discussed the estimated value of the project and proposed honorariums, the planned staggered release of the procurement documents, and related risks.

RESOLVED:

THAT, as further set out in a report from the Program Sponsors, the Chief Capital Officer and the On-Corridor Program Lead (“the Report”), dated May 15, 2019, Metrolinx is authorized to jointly issue the RFP with Infrastructure Ontario, through the phased release approach, for the GO Expansion On-Corridor Project, using a Design-Build-Finance-Operate-Maintain (DBFOM) Public Private Partnership (PPP) model to the four qualified shortlisted applicant teams: MTR-Kiewit Partners, ONxpress Transportation Partners, ONcore Transit and EnTransit.

[Redacted: Economic and Other Interests]

Carried

PUBLIC SESSION

6. Call to Order and Remarks by Chair

Chair Wright called the public session of the meeting to order at 1:00 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.

Chair Wright acknowledged that the Board of Directors was meeting on lands traditionally occupied by Indigenous People and expressed his respect, in particular for the Mississaugas of the Credit, the Haudenosaunee, and the Huron-Wendat as the original keepers of this territory.

7. Safety Moment

Matt Clark reviewed safety and security measures and led the group in a safety moment, describing the safety leadership group established by Metrolinx and comprised of leading construction company presidents and chief executive officers, to discuss Metrolinx’s initiatives to improve safety in the industry and drive change in safety culture.

8. CEO’s Report

Phil Verster, President and Chief Executive Officer, presented the CEO’s report. The

CEO highlighted the substantial increase in service and performance achieved by Metrolinx within its existing financial envelope, including increased PRESTO adoption (exceeding targets), new rail services introduced, and increased ridership. Mr. Verster noted the completion of the second regional Ask Metrolinx session in Whitby, and the publication of the revised Business Case Guidance document, which guides how Metrolinx makes project decisions.

Mr. Verster noted recent work with Toronto, the TTC, Infrastructure Ontario and the Region of York to discuss the subway projects and share the business case for the recently announced Ontario Line and Scarborough Subway extension.

Mr. Verster commended a number of Metrolinx women employees for their recent participation in the Habitat for Humanity’s Women’s Build, and thanked Marion Matthias, a member of the public, for her commitment and dedication, having attended almost all of the Metrolinx Board meetings over the past ten years.

The CEO recognized the following individuals for outstanding service, achievement, and safety contributions:

1. Kathy Bardswick presented a letter of recognition to Roma Malik, Sustainability Senior Advisor, for the Planning team’s commitment to developing sustainable practices within operations and implementing environmental programs.
2. Clio Straram presented letters of recognition to Melinda Shiers and Daniel Sooley for their contributions to the Customer Experience Advisory Committee. Saki Otsubo was also recognized but was unable to attend.

9. Appointment of Officers

RESOLVED, as revised:

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

Name	Office	Effective Date
Matt Clark	Chief Capital Officer	May 6, 2019
Mathieu Goetzke	Chief Planning Officer (A)	April 15, 2019
Ian Smith	Deputy Chief Operating Officer	April 22, 2019
Leslie Woo	Chief Development Officer, Transit Oriented Development (A)	April 15, 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 May 15, 2019 Board report, revised only to identify the newly appointed Chief Capital Officer .

Carried

10. Revenue Protection

George Bell, Vice President, Safety and Security, described Metrolinx's efforts to enhance its revenue protection program and reduce fare evasion on the GO Transit system. Current analysis estimates the GO Transit fare evasion rate is approximately 3%. Planned activities seek to reduce it to 2.5%

The Board discussed planned fare enforcement staff changes, such as separation of duties and increased staffing to facilitate focussed attention on fare inspection, the shift to a zero-tolerance approach for fare evasion and related customer communications, and expected impacts to customer satisfaction.

The Board asked how penalties are set, how and why individuals challenge tickets, how much is collected and how these processes could be simplified or improved, including through self-service, automation, and escalation processes.

11. On-Time Performance

Andre Lalonde, Vice President, Transit Operations, presented a train performance update, including an analysis of historical GO train performance and areas of focus and improvement for the next year to help achieve Metrolinx's 95% on-time performance target.

12. Customer Satisfaction

Ian Smith, Deputy Chief Operating Officer, Jessalynn Selby, Vice President, Customer Service Delivery, Deepta Rayner, Director, PRESTO Customer, and Devon Khusial, Manager, Market Research, presented an update on customer satisfaction measures and trends. Staff described action plans to help drive improvements based on identified challenges, such as construction and on-time performance.

The Board discussed how data analytics are currently being used in planning, scheduling, and for communications purposes, to drive customer satisfaction and product and service improvements. The Board asked staff to consider opportunities to leverage what customers like about some Metrolinx services to drive improvements across the other service brands.

13. CPG Project Delivery

Matt Clark and Charl van Niekerk provided an update on project delivery. Staff highlighted the quality and quantity of projects underway, key milestones, and the important work being done to improve safety in the transportation and construction industries including evaluating contractors on safety measures during the procurement process.

The Board challenged staff to do more to share capital project milestone achievements and successes. On this point, staff shared a few initiatives already in flight such as community events to celebrate station re-openings and media tours.

The Board asked about design excellence in the projects described and how Metrolinx could better incorporate architectural and urban design excellence and place-making aspects. Staff clarified that many of the projects presented pre-date the design excellence program, which was more formally underway at the time the Eglinton Crosstown was being procured and has therefore been incorporated in a design language that provides continuity throughout the project. Metrolinx's transit oriented development program will also provide an opportunity to improve these elements across the transit system.

The Board asked staff to provide an overview of the design excellence program and how it has evolved.

CLOSED SESSIONS

14. TOD Program Update

Leslie Woo, Chief Development Officer, Transit Oriented Development (A), presented an update on the Transit Oriented Development (TOD) program. Staff are continuing to work on the TOD policy framework and key transactions in order to report back to the Province in July. Staff also provided an update on the transaction pipeline, and the types of transactions to be included within the program. Finally, staff described how the joint IO and Metrolinx program staff are being integrated to support the program, with each TOD transaction overseen by a sponsor to ensure Metrolinx's needs are met.

[Redacted: Advice to Government]

WHEREAS the Chief Development Officer has prepared the report, dated May 15, 2019 entitled "Transit Oriented Development (TOD) Update" (the "Report"):

[Redacted: Advice to Government]

15. 2019/20 Business Planning

Jennifer Gray, Chief Financial Officer, Justyna Witek, Deputy Chief Financial Officer, Ann Short, Director, Financial Planning & Analysis, Karen Woo, Vice President, Capital Finance, Mirjana Pantic, Senior Manager, Budget Planning & Analysis, and Teddy Tang, Senior Advisor, provided an update on the 2019/20 Business Plan.

The Board discussed the operational plan, current savings initiatives and targets, and risks and mitigation measures associated with the savings targets. Staff are also monitoring action plans to ensure Metrolinx stays on track.

The final plan will return to the Board for approval at the June 27, 2019 Board meeting.

16. Stakeholder Session

The Board held a session with the Minister of Transportation. The Board discussed key areas of focus including customer experience, job creation, and communicating successes.

17. Other Business

There was no other business to discuss.

EXECUTIVE SESSIONS

18. Executive Session

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

19. Executive Session

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

20. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 5:00 p.m.

Carried

Don Wright, Chair

Alba Taylor, Secretary

c/s