

**BOARD OF DIRECTORS**

- DATE OF MEETING:** September 12, 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, 4<sup>th</sup> Floor
- CHAIR:** Don Wright
- PRESIDENT & CEO:** Phil Verster
- MEETING SECRETARY:** Alba Taylor, Corporate Secretary and Senior Legal Counsel
- MEMBERS PRESENT:** Bryan Davies  
Janet Ecker  
Luigi Ferrara  
Anne Golden (until 3 p.m.)  
Michael Kraljevic  
Emily Moore (until 2:30 p.m.)  
Reg Pearson  
Robert Poirier  
Clio Straram  
Paul Tsaparis
- REGRETS:** Kathy Bardswick
- OTHERS PRESENT:** Mark Childs, Chief Marketing Officer  
Laura Cooke, Chief Communications Officer  
Annalise Czerny, Executive Vice President, PRESTO  
Helen Ferreira-Walker, Chief Human Resources Officer  
Mathieu Goetzke, Chief Planning Officer  
Jennifer Gray, Chief Financial Officer  
Greg Percy, Chief Operations Officer  
Heather Platt, Executive Vice President and General Counsel  
Leslie Woo, Chief Development Officer  
Trevor Geach, Legal Counsel

## **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. CPG Program Update**

Chair Donald Wright called the meeting to order at 9:15 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.

#### **2.1 Program Update**

Charl van Niekerk, Deputy Chief Capital Officer, Stephanie Davies, Executive Vice President, GO Expansion, Paul Manhire, Vice President, Eglinton Crosstown LRT, and Duncan Law, Program Sponsor, Subways, provided an update on Metrolinx's Capital Program including GO Expansion and the bus and light rail rapid transit projects.

The Board reviewed projects underway, including developments on the On-Corridor procurement, progress on the Davenport Diamond Grade Separation and public realm requirements, and station access priorities and construction safety issues recently addressed at the Cooksville GO parking structure.

Staff provided an update on new procurement approaches, such as evaluating bidder safety and performance ratings as a material part of contract award criteria, and the deployment of the Alliance Procurement Model (Alliance Model) for the Union Station Enhancement Project (USEP). The Board acknowledged safety and performance as key Metrolinx priorities, and supported the refinement of evaluation criteria accordingly, noting in particular the importance of ensuring contract economics match Metrolinx's priorities.

Staff explained how the Alliance Model facilitates greater collaboration between contracting parties and allows for a more equitable sharing of risks and responsibilities in circumstances where many risks may be unknown. Staff described the circumstances in particular that have led to the recommendation that the Alliance Model be used to address procurement challenges for USEP.

Staff acknowledged that USEP will be the first deployment of the Alliance Model in the North American rail industry. It will be important to ensure there is a wide-spread understanding of why the Alliance Model is best for this project. The Board encouraged staff to work closely with the Province and the Auditor General to ensure

that this understanding is shared.

Staff summarized recent measures supporting enhanced contract and claims management practices **[Redacted: Economic and other interests of Ontario]**.

Finally, staff provided a brief update on the subways projects generally including work scope (defining early works versus project work), procurement and construction scheduling, market impacts and capacity, and immediate priorities. Jennifer Gray, Chief Financial Officer, described due diligence underway to facilitate the transfer of the existing subway project contracts to Metrolinx. **[Redacted: Economic and other interests of Ontario]**

## 2.2 Yonge North Subway Extension

Mathieu Goetzke, Chief Planning Officer, Duncan Law, Shama Naqushbandi, Project Sponsor, and Becca Nagorsky, Director, Project Planning, provided a project status update for the Yonge North Subway Extension. **[Redacted: Advice to Government, Economic and other interests of Ontario]**

The Board considered route alignment, project sequencing, technology choice and timing implications arising from the Ontario Line. The Board also discussed potential TOD opportunities, developer socialization and intake processes, and the benefits and current market for such opportunities.

## 2.3 Niagara and Kitchener Business Case Update

Mathieu Goetzke and Spencer Gibbens, RER Head Sponsor, provided an update on the revised Initial Business Cases (IBCs) for Kitchener and Niagara GO Rail Service Extensions. Staff described the changes to the earlier business cases, the revised business case results, and the path to full business case completion and Treasury Board approval(s).

The Board discussed the revised options proposed for each initiative, including risks, costs, and infrastructure challenges, and the changes in approach that have made these options feasible. The Board also discussed resulting service levels, and the results of consultations with municipal staff.

## 3. Operations Update

**[Redacted: Advice to Government.]**

## 4. Customer Digital Transformation Plan

Mark Childs, Chief Marketing Officer, Sharyn Byrne-Nearing, Director, Brand and Digital Marketing, Candice Troupe, Vice President, Customer & Clients, PRESTO,

Jenny Alfandary, Chief Information Officer, Gilles Chong, Senior Manager, I&IT Product Planning, Alysha Hille, Senior Manager, Digital Strategy & CRM, and Leslie Millan, Manager, Group Portfolio, presented the Customer Digital Transformation Strategy. Staff described the initiative as a customer service program supported by

technology, as opposed to a technology program. Its prime objectives are to improve customer experience by increasing customer information, personalization and choice, while providing Metrolinx with more data about and a better understanding of its customers. Additional benefits include better analytics, sales, and marketing capabilities, increased opportunities for customer service channel offerings, information on customer conversions, improved technical efficiencies, and reduced operating costs.

The Board discussed the importance of leveraging regional ridership data to promote offerings, creating the look and feel of a “smart” transit system, and the risks and challenges of such complex and transformational projects generally. Data governance, data protection, and privacy issues were also discussed. Staff confirmed that change management processes and procedures have been put in place to help guide the transformation, with the business leading the plan and technology acting as a key enabler. Implementation will be phased to manage expectations, minimize pain points (through lessons learned), mitigate risks, and maximize optimization for future phases. Staff also described the important role PRESTO plays as part of the plan.

Staff provided additional context on the approval being sought, the budget envelope in question, and the anticipated cost savings and payback period. Going forward, the Board asked that staff provide more cost-benefit analysis and return-on-investment/pay-back information when seeking similar approvals. **[Redacted: Advice to Government, Economic and other interests of Ontario]**

Luigi Ferrara, Customer Experience Committee (CEC) Chair, confirmed that the CEC had reviewed and provided input on the proposal.

#### **RESOLVED:**

**THAT** as described in the Chief Marketing Officer and Director, Brand & Digital Marketing’s September 12, 2019 report (the “Report”), the Board endorses the results of the Customer Digital Transformation Strategy Business Case;

**AND THAT**, as further described in the Report and subject to Provincial approvals, the Board approves the Customer Digital Transformation Strategy program capital and operating budget requirement of **[Redacted: Economic and other interests of Ontario]**;

**AND THAT** subject to confirmation of funding, staff proceed to implement the Customer Digital Transformation Strategy as described in the Report.

**Carried**

## **PUBLIC SESSION**

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

Chair Wright called the public session 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.

The Chair 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.

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

- a) Correspondence from Matthey Bailey dated September 4, 2019 regarding Metrolinx's zero tolerance policy for fare evasion;
- b) Correspondence from Justin Davis dated August 26, 2019 requesting a monthly printed TTC PRESTO card; and
- c) Correspondence from Sharon Yetman dated September 10, 2019 regarding transit innovation.

### **6. Safety Moment**

Laura Cooke, Chief Communications Officer, reviewed safety and security measures and led the group in a safety moment.

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

Phil Verster, President and Chief Executive Officer, presented the CEO's report highlighting recent activities, including: recent service expansions to Niagara, Kitchener and Brampton; progress on Eglinton Crosstown; the publication of the Ontario Line business case; the success of "Ask Metrolinx" town hall meetings on GO Expansion plans and other initiatives; and the introduction of a Transit Safety canine unit at Union Station.

The CEO recognized Annalise Czerny for her acceptance as a fellow to the International Women's Forum; and Lorraine Huinink for being named a Champion of Toronto's Urban Land Institute's Women's Leadership Initiative.

Jamie Robinson, Director, Community Relations, and Luiza Sadowski, Senior Manager, Community Relations, shared a unique spoken-word video that was developed to promote the Finch West LRT line.

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

- a) Luigi Ferrara presented a letter of recognition to Jason Green for assuming personal responsibility in returning a customer's wallet;
- b) Clio Straram presented a letter of recognition to Chris Giamou for assisting a customer with a guide dog in locating the correct platform after a last-minute change;
- c) Emily Moore presented a letter of recognition to Jesse Geldart, Forest Hill Station Superintendent, Crosslinx Transit Solutions, for his team's achievement of 365 days with no lost time due to injury; and
- d) Michael Kraljevic presented letters of recognition to Steve Cavanaugh, Senior Manager, Rail Equipment Engineering, Grant McGrath, Manager Occupational & Operational Safety, and Karen Millington, Manager, Customer Programs Training & Change Management, for their team's commitment to Metrolinx's Safety Charter and for Metrolinx's Throttle Control Program, which was recently selected by the Railway Association of Canada for the 2019 Environment Award for the Passenger.

## **8. Ontario Line Initial Business Case**

Mathieu Goetzke, Duncan Law, Becca Nagorsky, Annalise Czerny, Lorraine Huinink, and Malcolm MacKay presented the Ontario Line Initial Business Case (IBC). Staff described the work that underpinned the development of the IBC, including consideration of different solutions, delivery models, and alignments. Staff explained how the project will impact and improve transit needs, and contribute more broadly to the economy.

The Board considered the benefit cost ratio (BCR) of the project, how it was determined, and what it represents. Staff described the various inputs to the BCR, including the strategic, economic, financial and deliverability cases. Staff acknowledged that the BCR will continue to be refined as the next stage of the business case is developed. The IBC results have also been independently reviewed.

Staff described how the BCR results compare to other subway projects, and other benefits the project confers.

Staff also summarized project governance, work performed to date and next steps. Staff described how work is being planned to keep the project on schedule, including delivery of early works and leveraging existing contracts and TOD opportunities. Staff expect environmental approvals will need to be updated, and have developed a plan to complete this work within the project timelines.

The Board discussed the challenges of the project, and the collaboration required between Metrolinx and the City of Toronto to ensure the project's success. Staff confirmed that much of what was learned by the City and TTC through early planning and design work on the Relief Line project has been shared with Metrolinx and will be very useful for the Ontario Line.

Staff confirmed that at this stage of analysis, there do not appear to be any challenges that would threaten the viability of the project.

The Board discussed how the project will address congestion concerns on TTC's Line 1, and what other activities are currently underway in this regard.

**RESOLVED**, based on the report prepared by the Chief Planning Officer, entitled "Subway Program - Ontario Line Update", and any further amendments directed by the Board at its meeting on September 12, 2019:

**THAT** the Board endorses the results of the Ontario Line Initial Business Case;

**AND THAT**, the Ontario Line project be advanced to the Preliminary Design stage and further evaluated through a Preliminary Design Business Case.

**Carried**

## **9. Service Expansion**

Mark Childs and Ian Smith provided an update on recent GO Service Expansion activities and related marketing and communication activities, to promote awareness and access. Staff described how Metrolinx is preparing customers for service changes to ensure their success, based on recent lessons learned.

## **10. Ridership Initiatives**

Ken Kuschei, Director, Customer Insights, and Sharyn Byrne-Nearing presented recent and planned customer initiatives targeted at increasing ridership and revenue. Staff provided an overview of current ridership data, benchmarked against other North American jurisdictions. An update on digital ticket sales, brand recognition

activities, and the results of recent event campaigns (such as Honda Indy and Veld) were also provided.

## 11. Appointment of Officers

### RESOLVED:

**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
Laura Cooke	Chief Communications Officer	July 8, 2019
Jennifer Gray	Treasurer	September 12, 2019
Linda Irsack	Corporate Controller	July 29, 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 September 12, 2019 Board report.

Carried

## 12. Quarterly Reports

Quarterly Reports for PRESTO, Operations, Planning, Capital Projects, Communications and Marketing were taken as read. Staff provided a brief update on recently completed PRESTO initiatives, such as implementation of cross boundary services with York and Mississauga, and increased sales of PRESTO tickets (limited use media or LUMs). PRESTO card usage and customer satisfaction have increased. Staff are working with the TTC and other municipal partners on PRESTO's future roadmap. Finally, staff confirmed ongoing discussions with the TTC to resolve existing issues and move the program forward.

### CLOSED SESSIONS

## 13. Approval of Minutes

### RESOLVED:

**THAT** the minutes of the Board of Directors meeting of June 27, 2019 be approved.

Carried

## 14. Business Items

### 14.1 Cost-sharing with GTAA

Mathieu Goetzke, Becca Nagorsky, and Kaya Sabag, Senior Planning Officer, Rail Corridor Planning, presented a request to approve a cost-sharing agreement with Greater Toronto Airports Authority (GTAA) for technical advisor work to study a potential connection from the Kitchener GO rail corridor to the airport.

The Board discussed the cost, scope and purpose of the work under the agreement, and the governance controls in place to protect Metrolinx's interests. Staff confirmed that notwithstanding some risks (arising largely from the complexity of existing operations and the need to coordinate), both parties are very motivated to complete the work.

Due to a potential conflict of interest, Robert Poirier abstained from voting.

#### RESOLVED:

**THAT**, as further set out in a report from the Chief Planning Officer dated September 12, 2019 (the "Report") and subject to Treasury Board approval, Metrolinx is authorized to enter into a cost-sharing agreement with the Greater Toronto Airports Authority ("GTAA") **[Redacted: Economic and other interests of Ontario]**.

Carried

## 15. Report of the Board Standing Committees

### 15.1 Executive Committee

Donald Wright presented a report on the Committee's meetings since June 27, 2019.

### 15.2 Audit, Finance & Risk Management Committee

Bryan Davies reported on the Committee's September 11, 2019 meeting, highlighting safety and suicide prevention activities, and updates on Metrolinx's Cybersecurity, Business Continuity Management, and Enterprise Risk Management (ERM) programs (including the revised ERM Policy and Framework).

The Committee Chair also reviewed the latest updates on implementation of the Auditor General's recommendations (with approximately 80% of recommendations implemented), the follow-on audit anticipated in 2020, and the Q1 budget results.

The Committee Chair recommended that the Board approve the following matter:

### 15.2.1 Risk Policy and Framework

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

**THAT** as described in the Chief Financial Officer's September 11, 2019 report to the Audit, Finance and Risk Management Committee, the revised Enterprise Risk Management Policy and Framework be approved.

Carried

### 15.3 Governance Committee

Janet Ecker reported on the Committee's September 10, 2019 meeting. The Committee Chair highlighted the Executive Committee Terms of Reference updates intended to facilitate committee review of the substance of Treasury Board submissions, the Committee's recommendations on Board appointments/renewals **[Redacted: Advice to Government]**.

The Committee recommended that the Board approve the following matters:

#### 15.3.1 Executive Committee Terms of Reference Review

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

**THAT**, as described in the Corporate Secretary and Chief Financial Officer's September 10, 2019 report to the Governance Committee, the revised Executive Committee Terms of Reference be approved, subject to clarification that the Executive Committee's approval authority extends to the substance of all Treasury Board submissions that fall within its purview (as set out in the revised Terms of Reference) and not to the specific Treasury Board submission document itself.

Carried

#### 15.3.2 NEW - Customer Experience Advisory Committee Member Appointment

**RESOLVED**, on recommendation of the Governance Committee:

**THAT** Clio Straram be appointed to the Customer Experience Advisory Committee effective as of September 12, 2019.

## 15.4 Human Resources & Compensation Committee

Reg Pearson reported on the Committee's September 11, 2019 meeting. The Committee Chair summarized the Committee's discussions on the organization's talent management strategies and workplace harassment program review, including related investigation and disciplinary activities. The Committee Chair highlighted HR's use of the risk report to identify and mitigate enterprise risks.

Approval items were deferred to the Board-only in camera session.

## 15.5 Customer Experience Committee

Luigi Ferrara reported on the Committee's September 11, 2019 meeting, summarizing discussions on non-fare revenue strategies and other revenue opportunities (including station naming program benchmarking), **[Redacted: Advice to Government, Economic and other interests of Ontario]**, initiatives being considered to gain better understanding of the Design program and its impacts on customer experience/satisfaction, and upcoming marketing and branding campaigns.

The Board considered the latest ridership and revenue numbers compared to budget projections. Staff confirmed that forecasting tools have been improved to ensure increased accuracy going forward. Staff acknowledged the impacts of recent fare structure adjustments, but confirmed their necessity in growing ridership and optimizing revenue generation over the longer term.

## 16. Other Business

The Board passed the following revised resolution:

**WHEREAS** the Province of Ontario has prescribed the following subway projects as rapid transit projects that are the sole responsibility of the Corporation:

- a) the subway line located in the City of Toronto known as the Relief Line, including, for greater certainty, both the portion of the project known as the Relief Line South and the portion of the project known as the Relief Line North;
- b) the subway extension located in the City of Toronto known as the Scarborough Subway Extension and also known as the Line 2 East Extension; and
- c) subway extension extending from within the City of Toronto to within the Regional Municipality of York known as the Yonge Subway Extension and also known as the Yonge North Subway Extension;

collectively the "Subway Projects";

**AND WHEREAS** the Subway Projects are at various stages of planning and development, with work products and other property completed through staff work and under contracts awarded by the City of Toronto and the Toronto Transit Commission;

**AND WHEREAS** under section 47 of the *Metrolinx Act, 2006*, the Lieutenant Governor in Council may, by order, transfer to the Corporation, all or some of the City of Toronto's and its agencies' assets, liabilities, rights and obligations with respect to the Subway Projects, including intellectual property, contractual rights, interests, approvals, registrations and entitlements, originals or copies of reports, documents and data, and any other real or personal property;

**AND WHEREAS** under section 47(7) any such transfer is binding on Metrolinx, the City of Toronto and its agencies, among others;

**RESOLVED THAT**, in the event of a transfer under section 47 of the *Metrolinx Act, 2006* for the Subway Projects (a "Transfer"), Metrolinx is authorized to execute such contracts and all necessary legal agreements and related documentation and to take such actions as may be necessary to give effect to the Transfer;

**AND THAT**, subject to confirmation of funding and any related Provincial approvals, the CEO is authorized, in his sole discretion, to approve and issue such purchase orders and make such payments in excess of \$20M as may be necessary to satisfy any contracts, agreements or other instruments so transferred to Metrolinx under the Transfer;

**AND THAT**, for greater certainty, the authority provided above relates only to existing City of Toronto and/or Toronto Transit Commission contracts and other instruments conveyed to Metrolinx by such a Transfer, and not to any other or additional contracts or transactions for the Subway Projects which may be procured and/or entered into by Metrolinx under Metrolinx's applicable policies and delegations of authority;

**AND THAT** staff will report back on the contracts, agreements or other instruments so transferred to Metrolinx, including their total value, transferred value, and any costs or liabilities accruing to Metrolinx as a result of the Transfer.

**Carried**

## **EXECUTIVE SESSIONS**

### **17. Executive Session**

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

### **18. Executive Session**

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

**RESOLVED**, on recommendation of the Human Resources and Compensation Committee:

**[Redacted: Employee and labour relations.]**

**Carried**

### **19. 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