

BOARD OF DIRECTORS

- DATE OF MEETING:** November 22, 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, Corporate Secretary and Senior Legal Counsel
- MEMBERS PRESENT:** Kathy Bardswick
Bryan Davies
Janet Ecker
Luigi Ferrara
Anne Golden
Michael Kraljevic (via teleconference, a.m. only)
Emily Moore
Reg Pearson
Robert Poirier
Clio Stram
- REGRETS:** Paul Tsaparis
- OTHERS PRESENT:** Mark Childs, Chief Marketing Officer
Matt Clark, Chief Capital Officer
Helen Ferreira-Walker, Chief Human Resources Officer
Mathieu Goetzke, Chief Planning Officer
Martin Gallagher, Chief Safety Officer (A)
Jennifer Gray, Chief Financial Officer
Heather Platt, Executive Vice President and General Counsel
Ian Smith, Chief Operations Officer
Leslie Woo, Chief Development Officer
Charl van Niekerk, Deputy Chief Capital Officer
Justyna Witek, Deputy Chief Financial 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. Revenues

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.

Mark Childs, Chief Marketing Officer, Justyna Witek, Deputy Chief Financial Officer, Candice Troupe, Vice President, Customer & Clients, PRESTO, Rick Radovski, Director, Non-Fare Sales, and Ken Kuschei, Director, Customer Experience, presented a revenue update. **[Redacted: Economic and other interests of Ontario.]**

[Redacted: Advice to Government.]

3. Capital Delivery

Matt Clark, Chief Capital Officer, Andrew Hope, Executive Vice President, Rapid Transit Implementation, Stephanie Davies, Executive Vice President, GO Expansion, and Paul Manhire, Vice President, Rapid Transit - Eglinton Crosstown LRT, provided status reports on current capital projects, including Eglinton Crosstown LRT, Finch West LRT, Kipling Mobility Hub, Bloomington GO Station safety improvements, Stouffville GO Station, and various grade separation projects at Steeles and along the Lakeshore West Corridor. Staff described how the procurement approach can lead to innovation and cost savings, such as those being recognized on the Kitchener corridor 401/409 tunnel. Staff confirmed that recent activities, **[Redacted: Economic and other interests of Ontario.]** have resulted in significant progress on the York Viva bus rapid transit project. **[Redacted: Economic and other interests of Ontario, Advice to Government.]**

The Board considered the risks and challenges posed by each project, including integrating new technology with aging infrastructure, structural and engineering challenges posed by difficult soil conditions and pre-existing infrastructure, and stakeholder coordination and management.

Staff described how lessons learned on the Crosstown project are being carried forward to other projects **[Redacted: Economic and other interests of Ontario.]** Staff also provided an update on construction complexities for the project, and progress

on schedule adherence. **[Redacted: Economic and other interests of Ontario, Advice to Government.]** Staff expect to return to the Board on these issues as discussions progress.

4. GO Expansion

Matt Clark and Ian Smith, Chief Operations Officer, presented an OnCorr Project update. Staff provided an overview of the new project approach, which includes variable pricing and bundling work into smaller parcels to increase market competition and schedule flexibility. Changing market conditions, vendor risk appetite, and the need to ensure a competitive and active market are key drivers underlying this work.

[Redacted: Economic and other interests of Ontario, Advice to Government.]

5. TOD Pipeline

Leslie Woo, Chief Development Officer, Michael Norton, Vice President, Transit Oriented Development, and Michael Fedchyshyn, Vice President, Commercial Projects, presented on the revised approach for delivery of the Toronto SmartTrack stations program. Staff provided an overview of the possible and preferred Transit Oriented Development options for each SmartTrack station, including funding options. Staff also explained adjustments to the GO Expansion stations as a result of the subways program. Staff highlighted strong interest in the recent market solicitation process, and described the various stages of discussions and transactions between Metrolinx and interested parties.

[Redacted: Economic and other interests of Ontario, Advice to Government.]

6. PRESTO

Candice Troupe, Shayne Tryon, Vice President, Commercial Management, Taya Leybman, Vice President, Solution Development & Technology, Rob Granatstein, Director, Corporate Communications, and Greg Murphy, Director, Internal Audit, provided an update on current issues, including TTC equipment functionality and the City of Toronto Auditor General audit recommendations. Staff confirmed that Metrolinx and the TTC have already established a joint working group and other committees to enhance focus on operating governance and work through technical challenges quickly, including addressing the Toronto Auditor General's recommendations. The Board discussed audit governance and collaboration opportunities with the TTC, and the potential for arbitration if resolution on outstanding [commercial matters] **[Redacted: Economic and other interests of Ontario.]** is not possible.

The Board considered progress being made on PRESTO modernization initiatives,

including moving to an account-based system, [and introduction of] open payment[s], and e-tickets. The Board discussed the practical, technical, regulatory and logistical challenges staff are facing in advancing the PRESTO modernization program, including the impact of the [requisite TTC fare equipment] [...] refresh on the projected timeline. Finally, the Board considered the [...] cost and risk allocations (as between Metrolinx and the TTC) [of the refresh], and the opportunities this, along with other modernization initiatives, presents to addressing outstanding TTC issues, addressing customer pain points, and moving the system forward.

PUBLIC SESSION

7. Call to Order and Remarks by Chair

Chair Wright called the meeting to order at 12:30 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, Annishnabe, Chippewa, the Haudenosaunee, and the Huron-Wendat as the original keepers of this territory.

8. Safety Moment

Ian Smith reviewed safety and security measures and led the group in a safety moment.

9. CEO's Report

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

The CEO summarized recent notable Metrolinx activities, including: the emergency simulation carried out at Union Station, which was the largest rail exercise every held in Canada; work to advance the proposed Toronto subway extensions and Toronto City Council's recent approval of the Provincial project plans; and capital project milestones achieved to date - in particular, Eglinton Crosstown LRT track installation, Hurontario LRT contract award to Mobilinx, and early works for Lakeshore West Corridor service expansion.

The CEO recognized Chief Operating Officer Greg Percy, who retired in early November after 19 years of service at Metrolinx. During Mr. Percy's tenure GO Transit acquired nearly 80% of its operating network, built a network operations control centre, and grew capacity over 40% in the last two years alone

The CEO also recognized George Bell, Vice President, Safety who will also be retiring in early January. Mr. Verster thanked Mr. Bell for his 3 years of service, and introduced Martin Gallagher who will take over as acting Chief Safety Officer while recruitment efforts are initiated.

The CEO recognized the Brand and Digital Marketing team for their award from the Design Club of Canada for work on the GO Bus Autoshow and Kids GO Free initiatives.

Finally, the CEO recognized the important role key staff such as Michelin Chau, Anna Empey and Thomas Findlay, Incident/Emergency Management Specialists, Jose Camacho, Senior Supervisor, Security Operational Support, and also James Rogers from Toronto Paramedic Services, and Dan Sell from Toronto Fire Services played in coordinating efforts during the emergency exercise at Union Station.

10. Appointment of Officers

Alba Taylor, Corporate Secretary, reported on recent corporate officer appointments.

RESOLVED,

THAT Ian Smith be appointed to the office of Chief Operating Officer, effective as of November 16, 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 November 22, 2019 Board report.

Carried

11. Ridership Report and Campaign Update

Ken Kuschei and Leslie Millan, Senior Manager, Brand Marketing, provided an update on recent ridership initiatives and trends. Staff described activities contributing to ridership growth, and the importance of customer communication campaigns to facilitate awareness.

12. E-ticketing

Ken Kuschei and Alysha Hille, Senior Manager, Digital Strategy & CRM, provided an update on the e-ticketing pilot program including insights gained through the program, such as the value e-ticket customers appear to place on the opportunity to pre-plan their rides. Staff recognized event-related purchases as driving e-ticket sales, and described cross-promotional efforts online and through mobile devices to further increase sales and awareness.

The Board discussed the impacts of e-tickets on paper ticket sales and PRESTO, and the program's effectiveness in encouraging new ridership. Sales trends for seniors and potential e-ticket promotional partnerships were also reviewed. Staff noted the importance of this program in helping Metrolinx develop an understanding of its customer segments and reactions to different fare structures and services, all of which ultimately assists in future service planning and growth.

13. Customer Satisfaction (CSAT)

Trish Colley, Vice President, Customer Service Delivery, and Candice Troupe provided a customer satisfaction update. Staff reported on the most recent CSAT scores for GO, UP Express, and PRESTO and the impacts of service changes. Platform improvements at Union Station, Lakeshore East Corridor maintenance and construction closures, and other customer safety, communication and change readiness initiatives were also discussed with the Board. Staff described in particular the success of the Lakeshore East Corridor closure, including the work-back schedule and customer communications efforts that went into minimizing customer disruption and assuring its success. This approach to construction work was a first for Metrolinx, and allowed 34 different projects and maintenance work to advance.

14. Emergency Exercise

Bill Grodzinski, Director, Security Division, and Mark Baillie, Director, Network Operations Centre, summarized the successes and lessons learned from the Union Station joint emergency simulation.

The Board discussed the roles played by observers and assessors in identifying gaps and areas for improvement. Inter-agency collaboration challenges and the case for executing more simulations independently and with municipal and Provincial readiness groups were also discussed.

Staff confirmed future simulations are being considered, including table top exercises at the Senior Management Team level to address internal coordination, escalation, and other administrative challenges identified by the simulation. The exercise has also resulted in requests for Metrolinx to participate in other third party emergency management exercises.

15. Winter Readiness

Andre Lalonde, Vice President, Transit Operations, and Rob Fuller, Director, Rail Services, presented Metrolinx's 2019-20 winter preparedness strategies and objectives, based on case studies of the challenges faced by Metrolinx last year. Staff described how these have informed guidance materials for managing operational issues and customer communications for the winter season ahead. Impact studies

and other analyses to improve Metrolinx's program continue. These include studies on salt use and anti-icing solutions, impacts on infrastructure wear and door seal effectiveness, and signalling system resilience.

The Board considered key challenges for this winter from a readiness perspective, including increased service levels and exposure of rolling stock, and related asset maintenance and remediation requirements.

16. Initial Business Case Update: Kitchener & Niagara

16.1 Presentation

Mathieu Goetzke, Chief Planning Officer, and George Papafotis, Manager, Project Planning - Rapid Transit, presented Initial Business Case updates for the Kitchener and Niagara Falls GO Train service extensions including preferred options and approaches. The updates present a different delivery option to the freight corridor originally proposed in the 2015 business case, and seek to take advantage of other GO Expansion program work. Staff confirmed positive findings, including benefits cost ratios, for both projects. Staff described the infrastructure changes required to enable optimized scheduling and service along the corridors, and highlighted some of the challenges. These include third party ownership (CP and CN), and associated coproduction and scheduling issues.

The Board considered the resolution tabled, opportunities for community and stakeholder consultations, and the next steps in advancing the projects.

RESOLVED:

THAT, based on the report prepared by the Chief Planning Officer, entitled "Initial Business Case Updates: Kitchener and Niagara Falls GO Rail Service Extensions," and any further amendments directed by the Board at its meeting on November 22, 2019, the Board pass the following resolution:

THAT the results of the updated Initial Business Cases for the Kitchener GO Rail Service Expansion and Niagara Falls GO Rail Service Extension be endorsed;

AND THAT, based on the updated Initial Business Case for the Kitchener GO Rail Service Expansion, Option 2 be advanced to the Preliminary Design stage and be evaluated through a Preliminary Design Business Case;

AND THAT, based on the updated Initial Business Case for the Niagara Falls GO Rail Service Extension, Option 2 be advanced to the Preliminary Design stage and be evaluated through a Preliminary Design Business Case.

Carried

17. Quarterly Reports

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

CLOSED SESSIONS

18. Approval of Minutes

RESOLVED:

THAT the minutes of the Board of Directors meetings of September 12, 2019, October 3, 2019, and October 10, 2019 be approved.

Carried

19. Regional Roundtable

Mathieu Goetzke and Nicholas Day, Senior Manager, Network Planning, provided an update on the regional transportation plan (RTP) project prioritization exercise underway with the Regional Roundtable. Staff described the evaluation framework and the proposed annual review, which together will establish project groupings based on readiness and other criteria for potential Provincial investment.

The Board discussed the purpose and mandate of the Regional Round Table, and its processes and benefits for socializing potential projects with local municipalities and eliciting feedback.

Staff confirmed the proposed results have been shared with the region, and have resulted in some regional governments reviewing their city planning in an effort to increase scoring for some of the projects. Finally staff described how the prioritization framework fits within the RTP two-year review process.

20. Stakeholder Research and Engagement

Rajesh Khetarpal, Director, Stakeholder Relations, and Devon Khusial, Manager, Market Research, presented the results of Metrolinx's recent stakeholder research and engagement strategy, and next steps to achieving Metrolinx's strategic objectives for community and stakeholder impressions.

The Board discussed the purpose behind the strategy, the stakeholders surveyed, how the metrics compare to other government agencies, and the challenges posed and potential limited insights derived from the study. The Board emphasized the

importance of relationships which may not be measured by 'impression' metrics. Staff acknowledged next steps include 1:1 interviews to better understand those individual aspects driving the metrics.

21. Business Items

21.1 GO Expansion Master Agreement

Mathieu Goetzke and Andrew Posluns, Principal Sponsor, Planning and Design, presented a report on the GO Expansion Master Agreement with the City of Toronto. The purpose of the master agreement is to help de-risk the GO Expansion program by providing for necessary approval processes and timelines to support baselines for subsequent construction agreements and to reflect cost and risk-sharing arrangements.

The Board discussed project budgeting and staff confirmed that any project costs have already been included in the project budgets.

RESOLVED:

THAT, as described in the Chief Planning Officer and Principal Sponsor's November 22, 2019 report (the "Report"), the Board of Directors authorize the completion and execution of the GO Expansion Master Agreement with the City of Toronto (the "Agreement"), based on and substantially in accordance with the mandate described within the Report (the "Mandate");

THAT in the event an Agreement substantially in accordance with the Mandate and the terms described in the Report cannot be reached, the item return for further consideration and approvals;

AND THAT the Chief Executive Officer or any other two corporate officers of Metrolinx are authorized to execute the Agreement and all other necessary legal agreements and related documentation to give effect to the Agreement;

AND THAT staff will report back to the Board with the final terms and conditions of the executed Agreement, for the Board's information.

Carried

22. Report of the Board Standing Committees

22.1 Executive Committee

Donald Wright, Executive Committee Chair, presented a report on the Executive Committee's meetings since September 12, 2019.

22.2 Audit, Finance & Risk Management Committee

Bryan Davies, Audit, Finance & Risk Management Committee Chair, reported on the Committee's November 21, 2019 meeting, highlighting Committee discussions of level crossing safety incidents, a budget update (including impacts of the double discounted fare cancellation and bid fee accounting treatment), and a review of the proposed external auditor's audit plan for this fiscal.

Chair Davies indicated further discussion on two confidential items will take place during the Board-only in camera session.

22.3 Governance Committee

Janet Ecker, Governance Committee Chair, reported on the Committee's November 21, 2019 meeting. The Committee discussed anticipated *Metrolinx Act, 2006* amendments, including operational procedures to be implemented to ensure any legislative authority is properly and fairly exercised and opportunities to ensure stakeholder alignment, Board and Committee meeting planning for the next two years, per diem benchmarking and updates to the Board remuneration policy, and an anticipated review of the PRESTO and Capital Oversight Subcommittee governance.

22.4 Human Resources & Compensation Committee

Reg Pearson, Human Resources & Compensation Committee Chair, reported on the Committee's November 21, 2019 meeting. The Committee reviewed employee engagement survey results and gender balance targets and other inclusion program activities. **[Redacted: Labour Relations, Advice to Government.]** Finally the Committee asked that a report on Metrolinx's whistleblower program effectiveness be provided at the Audit, Finance and Risk Management Committee's next meeting.

22.5 Customer Experience Committee

Luigi Ferrara, Customer Experience Committee Chair, reported on the Committee's November 21, 2019 meeting. The Committee discussed Metrolinx's regional customer experience strategy and the focus on efforts to harmonize the customer experience across the region, 2020 marketing strategies and campaigns, and upcoming fare initiatives (including fare product simplification and harmonization, new loyalty program proposals, and impacts on UP Express commuters).

23. Other Business

[Redacted: Economic and other interests of Ontario.]

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 4:00 p.m.

Carried

Donald A. Wright, Chair

Alba Taylor, Secretary

c/s