

BOARD OF DIRECTORS STRATEGY SESSION

DATE OF MEETING: April 15, 2020

TIME OF MEETING: 8:30 a.m.

PLACE OF MEETING: Video & Audio Conference

CHAIR: Don Wright

PRESIDENT & CEO: Phil Verster

MEETING SECRETARY: Alba Taylor, Corporate Secretary and Senior Legal Counsel

MEMBERS PRESENT: Rick Byers
Bryan Davies
Janet Ecker
Luigi Ferrara
Michael Kraljevic
Tony Marquis
Emily Moore
Reg Pearson
Robert Poirier
Clio Straram
Paul Tsaparis

REGRETS: Anne Golden

OTHERS PRESENT: The Honourable Caroline Mulroney, Minister of Transportation
Mark Childs, Chief Marketing Officer & Communications (A)
Matt Clark, Chief Capital Officer
Annalise Czerny, Executive Vice President, PRESTO
Helen Ferreira-Walker, Chief Human Resources Officer
Martin Gallagher, Chief Safety Officer
Jennifer Gray, Chief Financial Officer
Heather Platt, Executive Vice President and General Counsel
Ian Smith, Chief Operating Officer
Leslie Woo, Chief Planning & Development Officer
Jenny Alfandary, Chief Information Officer
Tom Aylward-Nally, Manager & Senior Advisor to the Chief Operating Officer
Lena Azzou, Chief of Staff to the President & CEO
Sharyn Byrne-Nearing, Director, Brand & Digital Marketing
Stephanie Davies, Executive Vice President, GO Expansion,

Capital Projects Group
Vesna Dobric, Senior Board Coordinator
Maryam Dorafshar, Senior Legal Counsel
Trevor Geach, Legal Counsel
Spencer Gibbens, RER Head Sponsor
Mathieu Goetzke, Vice President, Planning
Rob Granatstein, Director, Corporate Communications
Steven Hobbs, Chief of Staff to the President & CEO
Andrew Hope, Executive Vice President, Rapid Transit
Implementation, Capital Projects Group
Ken Kuschei, Director, Customer Insights
Faheem Mashadi, Manager, I&IT, Infrastructure & Application
Support
Becca Nagorsky, Director, Project Planning
Michael Norton, Vice President, Transit Oriented Development
Lily Pascar, Senior Manager, I&IT Enterprise Architecture
Justyna Witek, Deputy Chief Financial Officer

1. Call to Order and Opening Remarks

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.

Phil Verster, President and Chief Executive Officer, described the early impacts of COVID-19 on Metrolinx operations and projects. Staff noted that COVID-19 has widened the range of initiatives the Corporation is involved in with the Province, including for example sourcing and procurement of protective equipment, opening commuter parking lots for use as truck stops, and using buses to distribute medical equipment. At the same time Metrolinx has maintained a high level of production on construction work, while keeping employee absenteeism low. However, staff anticipate a significant impact to Metrolinx's financial forecast. Staff will review current initiatives, corporate strategic issues, and response and recovery planning with the Board today.

2. Pandemic Response

Martin Gallagher, Chief Safety Officer, Helen Ferreira-Walker, Chief Human Resources Officer, and Ian Smith, Chief Operating Officer, presented a report on Metrolinx's COVID-19 preparedness and response. Staff provided an overview of the Incident Command Team tasked with leading COVID-19 preparedness and response activities. Staff described how the people and processes involved are evolving in

lockstep with the pandemic itself.

Staff also reviewed the impact of COVID-19 on the Corporation's workforce and mitigation measures in place to manage health and safety risks, support employees, and minimize business disruption. Critical considerations for operations and service planning at this time include safety and service needs of the new customer base (now largely essential service workers) and employee health and protection.

The Board commended staff for their response to date, acknowledging the unpredictability and ever-evolving nature of the pandemic. The Board considered front line safety incidents reported by other organizations (such as assaults), and potential risks to the Corporation and its employees. Staff described mitigation and response measures in place to address such risks, and actions taken to empower employees to protect themselves in the current environment such as the distribution of care packages that include personal protective equipment.

3. Success in 2030

Mark Childs, Chief Marketing Officer & Communications (A), Jennifer Gray, Chief Financial Officer, and Annalise Czerny, Executive Vice President, PRESTO, presented the success in 2030 report.

Staff explained the structure of the report and how it will serve as a roadmap for the Corporation's priorities by presenting a longer term 10 year vision of the Corporation, and helping assess how medium- and short-term 1 to 3 year plans can be leveraged to position Metrolinx to achieve this vision. Staff acknowledged the need to revise the document to incorporate Bowmanville service planning, which was inadvertently missed.

The Board considered the current and potential long-term impacts of COVID-19 on ridership and revenue, and the implications for the Corporation's strategic planning, business priorities, and operations at large. Relatedly, the Board discussed **[Redacted: Economic and other interests.]**, key considerations in restoring public confidence in mass transit, and how Metrolinx can be part of the larger economic recovery through stimulus initiatives.

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

Staff are also working on strategies to stabilize the business and reduce operating costs over the next 9 months, building on the substantial operational savings realized through review activities over the past 2 years. Staff acknowledged the need to revisit Metrolinx's value proposition to the community and be responsive to customer wants and needs over the longer term. The Board also noted the likelihood that low ridership combined with fixed costs may reduce savings opportunities at some point. Staff briefly described ridership projections over the next six months and the

challenges faced to recovering ridership by other jurisdictions when operational activities were reduced.

The Board discussed the importance of community engagement and public consultation as a means of disseminating information and canvassing communities on key issues. The Board asked staff to consider how engagement initiatives may need to change as a result of the pandemic. The Board also emphasized the importance of a marketing and communications strategy to help recover ridership, potentially focussed on customer health and safety and building trust.

The Board asked when there would be an opportunity to review impacts and options for Metrolinx. Staff agreed to work on usage and cost profiles and return to the Board for discussion.

4. Key Success Factors for the Next Three Years

Matt Clark, Chief Capital Officer, Mathieu Goetzke, Vice President, Planning, Helen Ferreira-Walker, Martin Gallagher, Ian Smith, and Mark Childs presented nine key success factors (KSF) to guide Metrolinx's business over the next three to five years, including improved health and safety targets, LEAN processes (to drive operational efficiencies), employee engagement, customer satisfaction, digital transformation (including enhanced and targeted customer communications), service delivery planning, and operational and capital delivery improvements. Staff have reviewed the KSFs in light of the pandemic and believe all remain relevant, but some may require more effort to achieve.

Staff provided an update on key initiatives such as PRESTO Open Payment and Ontario Line procurement strategy and timelines. The Board discussed market impacts and Provincial approval challenges arising as a result of the pandemic, and some of the interim measures and solutions developed in collaboration with the Ministry to ensure projects and initiatives can proceed at pace.

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

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5. 2020/2021 Strategic Objectives

Heather Platt, Executive Vice President and General Counsel, Martin Gallagher, and Leslie Woo, Chief Planning and Development Officer, introduced Metrolinx's draft strategic objectives for 2020/21, which represent a slight shift from last year and aim to continue progress in key areas such as employee engagement and safety. Staff confirmed that the draft is expected to evolve as it is reviewed and refined in light of

COVID-19 and other factors. It will return to the Board in due course.

[Redacted: Economic and other interests, Advice to Government.]The Board discussed the importance of employee buy-in, compliance management (through established procedures), and behavioural change as key pillars of a safety culture. To that end, the Board commended staff on the progress being made on Metrolinx's safety culture cultural shift, and offered to work with staff to continue this evolution.

6. Minister's Session

The Chair introduced the Honourable Caroline Mulroney, Minister of Transportation.

The Minister thanked the Board and staff for Metrolinx's assistance in responding to the pandemic, including the donation of personal protection equipment, use of procurement staff to source essential goods and services, and provision of facilities to support essential and lifeline services. The Minister encouraged the Board and staff to continue working on projects and proposals to grow infrastructure, recover ridership and stimulate the economy.

[Redacted: Economic and other interests.]

The Board Chair thanked the Minister for meeting with the Board today. The Minister in turn thanked the Board Chair and the Board for its continued leadership and support.

7. Capital Program Delivery

Matt Clark, Andrew Hope, Executive Vice President, Rapid Transit Implementation, Capital Projects Group, and Stephanie Davies, Executive Vice President, GO Expansion, Capital Projects Group, presented an update on Metrolinx's capital program delivery, including **[Redacted: Cabinet records.]** and key projects' status, risks and claims.

Staff reported that Capital Program delivery is generally progressing as expected. **[Redacted: Economic and other interests.]** However, transit construction has been deemed an essential service during the pandemic and work continues in compliance with government restrictions helping to mitigate delays and schedule creep.

Staff confirmed that there is an open dialogue with contractors to help manage risks and challenges resulting from COVID-19. **[Redacted: Economic and other interests.]** Finally, staff described activities underway to identify potential stimulus projects in the pipeline such as state of good repair work, grade separations, etc.

The Board considered the key risks identified on the program risk register, and the adequacy of mitigation measures and internal resources and capabilities. The Board

had a general discussion about project claims monitoring and management techniques, including early warnings.

8. Business Technology Strategy

Jennifer Gray, Jenny Alfandary, Chief Information Officer, Lily Pascar, Senior Manager, I&IT Enterprise Architecture, and Faheem Mashadi, Manager, I&IT, Infrastructure & Application Support, presented a report on Metrolinx's Business Technology strategy. Staff described key priorities and expected benefits, work completed to date, action plans currently in flight, and outstanding milestones. Staff confirmed that a more complete action plan will return to the Board in June to address the final structure and governance framework of the department, and key performance indicators.

The Board commended staff on the progress made to date. The Board emphasized the importance of giving the same level of oversight and scrutiny to technology initiatives as to other capital projects. The Board considered the proposed mix of in-house and external resourcing **[Redacted: Economic and other interests.]**

9. Transit Oriented Communities

9.1 Update

Leslie Woo, and Michael Norton, Vice President, Transit Oriented Development, presented an update on what is now referred to as the Transit Oriented Communities Program ("TOC"). Staff provided an update on the **[Redacted: Economic and other interests.]** Woodbine transactions, and described efforts underway to analyze current market trends and identify opportunities and mitigate risks emerging as a result of COVID-19.

9.2 Smart Track Implementation

Leslie Woo, Michael Norton, and Spencer Gibbens, RER Head Sponsor, presented an update on the SmartTrack Station Program. Staff summarized preliminary procurement plans and staggered timing for the Metrolinx-led stations, and efforts with the City of Toronto and the Province to ensure the program continues to advance. The Board discussed key milestones and approvals still outstanding, and other potential challenges remaining.

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

9.3 Unsolicited Proposals Intake Process and Conflict of Interest

Leslie Woo and Heather Platt presented the TOC unsolicited proposals conflicts of interest process. The process is intended to promote transparency and ensure that

those involved in decision-making related to transit oriented development/communities are not conflicted, including Metrolinx and Infrastructure Ontario staff, Ministers, Ministers office, and Ministry staff.

The Board discussed the need to ensure the process is completed quickly to facilitate the greatest opportunity to mitigate potential conflicts.

Staff also described the TOC program division between Metrolinx and Infrastructure Ontario (IO), including Metrolinx's program leadership under the Chief Planning & Development Officer (who has returned to Metrolinx) and proposed Board oversight through a focussed Board standing committee that will include participation from Messrs. Kraljevic and Poirier.

Mr. Kraljevic expressed support for the program division based on Metrolinx and IO's different mandates, and confidence that transactions will be aligned between the organizations since both require similar Provincial approvals.

Staff confirmed that notwithstanding the program division they expect Metrolinx and IO program efforts will remain collaborative.

10. Business Items

[Redacted: Advice to Government.]

11. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 12:30 p.m.

Carried

Donald A. Wright, Chair

Alba Taylor, Secretary c/s