

BOARD OF DIRECTORS MEETING

DATE OF MEETING: May 25, 2020

TIME OF MEETING: 9:00 a.m.

PLACE OF MEETING: Video & Audio Conference

CHAIR: Donald A. 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: None

OTHERS PRESENT: 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
Lena Azzou, Chief of Staff to the President & CEO
Sharyn Byrne-Nearing, Director, Brand & Digital Marketing
Stephanie Davies, Executive Vice President, GO Expansion
Maryam Dorafshar, Senior Legal Counsel
Michael Fedchyshyn, Senior Vice President, Transit Oriented Communities Program, Infrastructure Ontario
Trevor Geach, Legal Counsel

Rob Granatstein, Director, Corporate Communications
Steven Hobbs, Chief of Staff to the President & CEO
Ken Kuschei, Director, Customer Insights
Steve Levene, Vice President, Commercial Management
Ashley MacDonald, Director, Capital Planning
Gunta Mackars, Vice President, Design
Michael Norton, Senior Vice President, Development
David Schulze, Senior Legal Counsel I
Gord Troughton, Vice President, Non-AFP Early Works
Richard Tucker, Vice President, Ontario Line
Charl van Niekerk, Deputy Chief Capital Officer
Eve Wiggins, Vice President, Bus Services
Justyna Witek, Deputy Chief Financial Officer

1. Call to Order and Remarks by Chair

Chair Donald Wright called the meeting to order at 9:00 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. CEO/Board In Camera Session

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

3. Finance Update

Staff joined the meeting in progress.

3.1 19/20 Year-end Review

Jennifer Gray, Chief Financial Officer, Justyna Witek, Deputy Chief Financial Officer, Ashley MacDonald, Director, Capital Planning, and Ken Kuschei, Director, Customer Insights, presented a 2019/20 year-end review, including an update on recent financial performance against forecasts from the beginning of the year. Staff confirmed that the year-end results will be formally presented at the June 2020 Board meeting.

Staff described the significant impacts of the COVID-19 pandemic on ridership, fare revenue, and overall operating expenses. Staff also described recent measures taken to better monitor and manage corporate expenditures, including the hiring of a Corporate Controller and completion of a company-wide review to identify and close

out stale projects, budgets and accounts.

The Board discussed non-fare revenue impacts on the 2019/20 year-end results, **[Redacted: Economic and other interests.]**. The Board also considered the implications of project cancellations, such as the Hamilton LRT, **[Redacted: Economic and other interests.]**. Finally, the Board discussed capital projects budget tracking and pressures.

3.2 20-21 Budget Update

Jennifer Gray, Justyna Witek, Ashley MacDonald, and Ken Kuschei presented an update on the 2020-21 budget. Staff reported that only a preliminary update for Q1 2020-21 is available at this time, due to impacts of the COVID-19 pandemic and uncertainties relating to post-pandemic ridership recovery and stimulus initiatives.

Staff summarized some of the observed impacts of the pandemic on the Corporation's financials to date. While ridership and revenue are down overall, recent numbers seem to indicate both are beginning to improve. Current market research has also suggested that as much as 55% of riders said they would return to transit if it can be managed safely. Staff are currently building out an inventory of customer needs, wants, and safety preferences to be considered in planning health and safety initiatives, and ridership recovery, mirrored to the three recovery stages defined by the Province. The Customer Experience Advisory Committee has also been engaged for its view on these initiatives, and a "Safety Never Stops" campaign has been initiated, including setting up roving health information kiosks to provide information to customers.

Staff reported that a modular and scalable approach is being taken to manage operational demands and public health restrictions as ridership begins to recover. These include deploying shorter trains and revising bus routing and scheduling, while closely monitoring ridership. The Board discussed the longer term and potentially permanent impacts to operations.

The Board also discussed what information needs to be provided to employees and riders right now so they can begin feeling safe about returning to public transit again. The Board asked staff to consider opportunities to coordinate with other stakeholders on this issue, including other transit agencies and private sector businesses.

Staff will return in June with further updates on the 2020/21 budget including a more solidified view of the forecast incorporating the impacts of the Business Improvement Plans and ridership recovery expectations.

4. Business Improvement Plans

The Senior Management team presented Metrolinx's Business Improvement Plans

("BIPs") on Health and Safety, Operations, and Return to the Workplace. The BIPs are directed at transforming Metrolinx's operations in response to the COVID-19 pandemic, helping facilitate recovery while ensuring the safety and security of Metrolinx's customers, employees, and assets. Staff expect that at least some of the BIPs will become permanent. There are 18 BIPs in total, with the remainder to return to the Board over the next few meetings. In the short term, staff will be focussed on quantifying and evaluating the costs and benefits of the BIPs.

Staff emphasized the importance of the Health and Safety BIP, but highlighted the interdependencies of the BIPs generally across many areas of the business.

The Board discussed the primary objectives of the BIPs, including service delivery enhancements, related efficiencies, and improvements in health and safety and operational processes and procedures.

The Board considered remote working arrangements and potential short and long-term changes to office spaces and work locations for Metrolinx employees. The Board also considered the broader implications of remote and satellite working on ridership and service demand generally, and potential opportunities for new product/service offerings and enhanced system efficiencies.

The Board discussed local and international benchmarking on what transit organizations are doing to respond to and recover from the pandemic. Staff confirmed they are following global trends closely, and carefully considering the appropriateness and applicability of potential solutions to the Corporation's operations and services.

5. Transit Oriented Development & Communities Update

Leslie Woo, Chief Planning & Development Officer, Michael Norton, Senior Vice President, Development, and Michael Fedchyshyn, Senior Vice President, Transit Oriented Communities Program, Infrastructure Ontario, presented an update on the Transit Oriented Development - Transit Oriented Communities ("TOD-TOC") program. Staff summarized current transactions underway and future opportunities. Staff described at a high level the key terms sought in TOD-TOC arrangements, and the protections employed to ensure the Corporation can effectively and independently manage its assets, service delivery, and other contractual obligations.

[Redacted: Economic and other interests.] In addition, Metrolinx will seek to establish a real estate committee to advise the Metrolinx Board on TOD-TOC opportunities and transactions moving forward. The proposed committee will consist of at least two Board members and will review future transactions and opportunities before advising up to the Board.

The Board discussed the processes and procedures in place to ensure Metrolinx receives fair value for money on TOD-TOC transactions **[Redacted: Economic and other interests.]**

The Board commended staff on the established TOD-TOC framework, including the robust conflict of interest protocol and sophisticated valuation processes in place.

[Redacted: Economic and other interests, Cabinet Records.]

6. OnCorr Update

Matt Clark, Chief Capital Officer, and Charl van Niekerk, Deputy Chief Capital Officer, presented an update on the GO Expansion On-Corridor works (“OnCorr”) delivery strategy.

Following on the presentation made to the Board in February, staff described the evolution of certain aspects of the proposed contract and delivery approach, **[Redacted: Economic and other interests.]**

The Board complimented staff on the evolution of the procurement approach to address market concerns while taking advantage of various delivery methods. **[Redacted: Economic and other interests, Advice to Government.]**

[Redacted: Economic and other interests.]

7. Ontario Line Delivery Partner

Matt Clark and Richard Tucker, Vice President, Ontario Line, presented the Ontario Line delivery strategy. Staff described how the proposed project delivery approach compares to that of OnCorr. **[Redacted: Economic and other interests.]**

Staff will review the proposed approach with the Capital Oversight Subcommittee.

[Redacted: Economic and other interests.]

8. Business Items

[Redacted: Economic and other interests.]

9. Other Business

On behalf of the Board, the Board Chair expressed thanks to staff for their hard work and dedication over the past few months.

There was no other business to discuss.

10. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 11:24 a.m.

Carried

Donald A. Wright, Chair

Alba Taylor, Secretary

c/s