

BOARD OF DIRECTORS

<u>DATE OF MEETING:</u>	Thursday, June 27, 2013
<u>TIME OF MEETING:</u>	8:00 a.m.
<u>PLACE OF MEETING:</u>	Metrolinx 20 Bay Street 6 th Floor Toronto, Ontario M5J 2W3 Executive Boardroom
<u>CHAIR:</u>	J. Robert S. Prichard
<u>PRESIDENT & CEO:</u>	Bruce McCuaig
<u>MEETING SECRETARY:</u>	Mary E. Martin, Vice President, General Counsel and Corporate Secretary
<u>MEMBERS PRESENT:</u>	Rahul Bhardwaj Janet Ecker Richard Koroscil Frances Lankin Marianne McKenna Nicholas Mutton Lee Parsons Rose Patten Bonnie Patterson Howard Shearer Stephen Smith Douglas E. Turnbull (via teleconference 8:00 a.m. – 10:00 a.m.; 12:15 p.m. – 1:15 p.m.)
<u>REGRETS:</u>	Joseph Halstead
<u>OTHERS PRESENT:</u>	Kathy Haley, President, Union Pearson Express Gary McNeil, President, GO Transit Jack Collins, Executive Vice President, Rapid Transit Implementation Robert Hollis, Executive Vice President, PRESTO Fare Card & Interim CIO Robert Siddall, Chief Financial Officer Darryl Browne, Vice President, Vice President, PRESTO Operations & Deployment John Howe, Vice President, Investment Strategy & Project Evaluation

John Jensen, Vice President, Capital Program Delivery, Rapid Transit Implementation
Greg Percy, Vice President, GO Capital Infrastructure
Judy Pfeifer, Vice President, Strategic Communications
Mary Proc, Vice President, Customer Service
Leslie Woo, Vice President Policy, Planning and Innovation
Bill Grodzinski, Director, Safety & Security

CLOSED SESSION

1. CEO Session

The Board met in the absence of staff other than the President and Chief Executive Officer, the Executive Vice President, Rapid Transit Implementation, the Vice President, Strategic Communications and the Vice President, General Counsel and Corporate Secretary.

2. Call to Order and Remarks by Chair

Chair Prichard called the meeting to order at 8 a.m.

Regrets were received from Joseph Halstead.

Chair Prichard confirmed there was quorum and that the required notice of the meeting as stipulated under By-Law No. 1 of the Corporation had been sent.

3. Approval of Minutes

RESOLVED:

THAT the minutes of the following Board meetings be approved: February 14, 2013 and May 27, 2013.

Carried

4. Contract and Transaction Approvals

The Board had a confidential discussion on contract and transaction approval items.

5. Report of Board Standing Committees

5.1 Executive Committee

Robert Prichard reported to the Board.

5.2 Audit, Finance & Risk Management Committee

Stephen Smith reported to the Board.

5.3 Governance Committee

Joseph Halstead reported to the Board.

5.4 Human Resources and Compensation Committee

Rose Patten, Chair, Human Resources and Compensation Committee reported to the Board.

5.5 Customer Service Committee

Nick Mutton reported to the Board.

6. Agenda Proposals for Next Meeting

There were no agenda proposals for the next meeting.

7. Other Business

There was no other business to discuss.

8. Executive Session

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

9. Executive Session

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

PUBLIC SESSION

10. Call to Order and Remarks by Chair

Chair Robert Prichard called the meeting to order at 10:17 am.

Chair Prichard confirmed that quorum was present. No declarations of interest were declared.

Chair Prichard congratulated Board member Frances Lankin on her recent appointment to the Ontario Press Council.

11. CEO's Report

Bruce McCuaig, President and CEO presented the CEO's report. Metrolinx's recent activities include: ongoing efforts to reach out to stakeholders on the Investment Strategy; the 2013-2014 Business Plan; the launch of 30 minute off-peak service on GO Transit's Lakeshore line; the deployment of PRESTO in Ottawa; the successful conversion of PRESTO software in Toronto; the turning on of tunnel boring machines for the Eglinton Crosstown LRT; and developments in the York VIVA project.

The Board inquired about public reception to the investment strategy. The investment strategy has received support from many stakeholders, including the Board of Trade, CivicAction and municipalities. The strategy has also generated debate about the best way to pay for public infrastructure. As intended, while there may be some early decision making in the fall (for example, the introduction of high occupancy tolling), the next steps will likely be determined in the spring of 2014 with the release of the provincial budget.

The Board asked about efforts to correct the misunderstanding among some communities that revenue generated outside the GTA will be used to fund transit in the GTA. CEO McCuaig emphasized the need to clarify that Metrolinx is not recommending that revenue raised outside the GTA be used to pay for transit in the GTA; instead, Metrolinx recommends that revenue be invested in the communities where it is generated.

The Board noted that much of the public debate has centered around the revenue tools with very little consideration of the nearly 30 other recommendations in the Investment Strategy (such as the recommendation that the province consider alternative financing options, including private-public partnership).

CEO McCuaig confirmed that Metrolinx is not recommending any fundamental shift in the Investment Strategy and remains confident in the advice that it gave to the Board and that the Board adopted.

12. GO Transit Report

Gary McNeil, President, GO Transit, presented the GO Transit report including GO Transit's award was issued by the 2013 American Public Transportation Association Award for Outstanding Public Transportation System in North America (large system category). The Board congratulated Gary McNeil on his excellent leadership of the GO Transit team.

The Board inquired about GO's policy for track changes, and in particular about the effect of last minute track changes on people with disabilities. Staff explained that track changes are often a result of train switches made by CN Railway. The challenge is getting the information out to customers in advance. GO is currently trying to take control over some of these track changes, which will allow better communications to its stations and customers.

The Board asked about GO Transit's vulnerability to flooding. Staff confirmed that GO's corridors are generally very well-equipped, but that the track by the Don River is a special case because of the tendency of the Don River to flood. In the long term, GO is looking to strengthen the embankment and elevate the track in this area. In the short term, staff are working with the City Conservation Authority to monitor river conditions so that trains are not sent down the corridor after flooding is predicted.

13. UP Express Update

Kathy Haley, President, Union Pearson Express presented the UP Express report. UP Express is approaching the 2 year countdown to the launch of its services. Staff are pleased with the scheduling of the project. As of July, 100% of construction activities will be underway.

Construction of the UP Express station at the airport is scheduled to be completed by the end of December 2013; the UP Express station at Union Station is expected to be complete by January 2015; and UP Express vehicles are scheduled to arrive in May of 2014.

Staff were pleased to announce that UP Express was awarded the “Project of the Year” at the Global AirRail Awards.

14. PRESTO Update

Robert Hollis, Executive Vice President, PRESTO Fare Card provided a PRESTO Update. As of April, the PRESTO Card is used by over half a million transit riders across the Greater Toronto and Hamilton Area. The Board asked whether guests visiting Toronto for the Pan Am Games would be able to purchase PRESTO cards before the Games. Staff responded that they are working with the Pan Am Games to consider whether PRESTO cards can be made available in advance. The Board asked staff about the challenges involved in moving to an open payment system. Staff explained that there are various rules that apply to debit and credit-card use, and that there are fraud and other risks to be managed. PRESTO is working with credit and debit card associations on these issues and should be in a position to offer a debit/credit card open payment pilot next year. The technology required to facilitate mobile phone payments for PRESTO does not yet exist, but PRESTO is monitoring the market to determine the optimal time for development.

15. Rapid Transit Implementation Report

Jack Collins, Executive Vice President, Rapid Transit Implementation presented the Rapid Transit Implementation report. The Board asked for an update on whether certain community benefit criteria had been introduced in the Eglinton-Crosstown procurement process. Staff confirmed that the Request for Qualifications for the Eglinton-Crosstown requires contractors to explain how they will incorporate certain community benefits into their work, including job training. Staff indicated that they will consider incorporating similar community benefits evaluation criteria in future LRT projects.

Staff also noted that the Eglinton-Crosstown Request for Proposal has been drafted to emphasize the importance of design excellence in the evaluation criteria.

The Board asked about the integration of planning studies on the Eglinton Crosstown. Staff explained that Metrolinx’s planning team is working with the City and Build Toronto to identify key areas for development opportunities. The focus is on understanding how to keep development moving forward without sacrificing quality or scheduling considerations.

16. Customer Service Committee Chair’s Report

Nick Mutton, Chair, Customer Service Committee, provided the Customer Service Update.

17. Quarterly Reports

Chair Prichard announced that Quarterly Reports, which formerly were received in the closed session of the Board, will now be received during the public session. Quarterly Reports for

Union Pearson Express, PRESTO, GO Transit, Policy, Planning and Innovation, Strategic Communications, Rapid Transit Implementation and the Investment Strategy were taken as read.

On the Investment Strategy Report the Board asked whether staff would make any changes to its recommendations. Staff confirmed that it would not recommend changes and is confident that the Investment Strategy recommendations are sound. The Board asked about any ongoing engagement between Metrolinx and the government on the Investment Strategy, and staff confirmed that they are involved in ongoing discussions with the Ministries of Finance, Ministry of Transportation, and Ministry of Infrastructure.

18. 2012-13 Annual Report

Stephen Smith presented the 2012-13 Annual Report. Deloitte, Metrolinx's external auditors, has given Metrolinx a clean audit opinion.

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

1. **THAT** subject to the addition of some description of Metrolinx's work on community engagement and identification of benefits for local areas, the Metrolinx Annual Report 2012/13 be approved; and

THAT the CEO submit the Annual Report to the Minister of Transportation in accordance with the *Metrolinx Act, 2006*; and

2. **THAT** the Audited Financial Statements for Metrolinx for the year ended March 31, 2013 be approved; and

THAT the CEO submit the approved Audited Financial Statements to the Ministers of Finance and Transportation.

Carried

19. Five Year Strategy 2013-2018

Leslie Woo, Vice President Policy and Planning, presented the Metrolinx Five-Year Strategy 2013-2018 (the "Strategy") report. The Board noted that design excellence had been incorporated into the Strategy and congratulated staff on this important initiative. At the Board's request, staff agreed to add a similar focus on community benefits.

RESOLVED:

THAT subject to minor editing and final formatting and to changes necessary to focus on a greater degree of community benefits, the Metrolinx Five-Year Strategy: 2013-2018 (the "Strategy") attached to the report to the Board dated June 27, 2013 from the Vice President, Policy, Planning and Innovation, be approved;

AND THAT that the President and CEO align corporate budgeting, priorities and

performance planning with this strategy;

AND THAT the President and CEO be authorized to post this strategy on the Metrolinx website for public information.

Carried

20. 2013/14 Business Plan and Capital and Operating Plan

Robert Siddall, Chief Financial Officer presented the 2013/14 Business Plan and Capital and Operating Plan (the “Plan”). The Board asked whether the Plan had any fare implications. Staff noted that a fare increase for 2013 was recommended in December of 2012, but that no further fare increases were being recommended for the 2013 period. The Board noted that while ridership is up, fare revenue is down. The advantage of the PRESTO card is that riders only pay for the trips that they take, as opposed to paying for a monthly pass. As a result, many riders have actually experienced a reduction in the number of fares paid.

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

THAT the 2013/2014 Business Plan attached to the June 27th, 2013 report of the Chief Financial Officer be approved for submission to the Minister of Transportation for the Minister’s consideration and approval in accordance with section 32 of the *Metrolinx Act, 2006*;

AND THAT, in the event the Minister requests material amendments to the Business Plan, an amended Business Plan be brought back to the Board for further consideration prior to adoption.

Carried

21. Next Wave Projects Update

Leslie Woo presented the Next Wave Projects Update report. The Board and staff engaged in a discussion on the relief line network study. The Board asked staff to clarify what is meant by the “wider network options” described in the report. Staff explained that the relief line formerly look like a loop connecting to the Bloor line. However, in addition to providing relief to the downtown core, staff have realized that there is an opportunity to address region-wide capacity issues. This may involve changes to the physicality of the relief line, including the beginning and the ending of the corridor. In response to inquiries from the Board, staff confirmed that they are considering capacity issues at Union Station and are exploring expansion options on both the east and the west side of Union Station.

The Board noted that the traditional approach has been focused on building a relief line, and expressed support for considering how other, more sequenced, system-wide approaches might work better. The Board pointed out that there is a better way for people to get downtown without using the subway and asked whether the Relief Line would study would address this point. Staff confirmed that they will try to bring factual evidence to the study to address this concern.

The Board asked whether staff had considered that the UP Express service may be used by people coming from west of the GTA (for example, in Waterloo/Kitchener area) to access the airport from the Bloor West UP Express station. UP Express staff confirmed that, while they are focusing on the catchment area, they are considering all ridership opportunities.

The Board also inquired about two-way all-day GO Transit service for Barrie. Staff explained that they have started parts of the Environmental Assessment process, which will take two years to complete. Staff have not set exact dates for the completion of two-way all-day service on each corridor. At this point, two-way all-day services is expected to be extended as far as East Gwillimbury.

Finally, the Board asked for clarification on the difference between 30-minute and 15-minute headways. Staff explained that 15-minute headways are considered “express rail” and will be part of the next evolution. Express rail service will require a significant amount of additional research in terms of capacity at Union Station. The first focus is to complete two-way all-day service on all seven corridors. CEO McCuaig noted that for both 30-minute and 15-minute headways, service will only be implemented on those corridors where there is demand.

ADJOURNMENT

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

J. Robert S. Prichard, Chair

Mary E. Martin, Secretary

c/s