

**BOARD OF DIRECTORS**

- DATE OF MEETING:** June 27, 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:** Bryan Davies, *Vice Chair*
- PRESIDENT & CEO:** Phil Verster
- MEETING SECRETARY:** Alba Taylor, Corporate Secretary and Senior Legal Counsel
- MEMBERS PRESENT:** Janet Ecker  
Luigi Ferrara  
Emily Moore (via teleconference; a.m. only)  
Reg Pearson  
Robert Poirier (a.m. only)  
Clio Straram  
Paul Tsaparis
- REGRETS:** Kathy Bardswick  
Anne Golden  
Michael Kraljevic  
Don Wright
- OTHERS PRESENT:** Mark Childs, Chief Marketing Officer  
Matt Clark, Chief Capital Officer  
Annalise Czerny, Executive Vice President, PRESTO  
Helen Ferreira-Walker, Chief Human Resources Officer  
Mathieu Goetzke, Chief Planning Officer (A)  
Jennifer Gray, Chief Financial Officer  
Greg Percy, Chief Operations Officer  
Heather Platt, Executive Vice President and General Counsel  
Jamie Robinson, Chief Communications & Public Affairs Officer (A)  
Leslie Woo, Chief Development Officer (A)  
David Buisson, Executive Vice President, Rapid Transit Program

Stephanie Davies, Executive Vice President, GO Expansion  
Trevor Geach, Legal Counsel  
Lorraine Huinink, Vice President, TOD Program Management  
Andre Lalonde, Vice President, Transit Operations  
Steve Levene, Vice President, Commercial Management  
Jessalynn Selby, Vice President, Customer Service Delivery  
Richard Tucker, Vice President, Commercial Management  
Karen Woo, Vice President, Capital Finance (A)

## **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. Advancing Transit Priorities**

Bryan Davies, Vice Chair, called the meeting to order at 9:00 a.m. The Vice 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.

Mathieu Goetzke, Chief Planning Officer (A), provided an update on on-going work to develop a framework for evaluating and prioritizing the 2041 Regional Transportation Plan's (RTP) rapid transit projects.

The Board asked about the Regional Round Table's role, its governance framework, accountability, and its decision-making authority. Staff described the panel's advisory capacity and its primary functions as a mechanism for communicating with municipal decision-makers, developing consensus, and identifying and addressing concerns.

### **3. Transit Planning Update**

Mathieu Goetzke, Becca Nagorsky, Director, Project Planning, Richard Tucker, Vice President, Commercial Management, and Michael Lindsay, President Project Delivery, Infrastructure Ontario, provided a subway program progress update.

The Board considered the draft initial business case for the Ontario Line and reviewed the differences between the previous analysis on the relief line and the current Ontario Line proposal. The Board discussed routing, technology and interchange options (connecting with other transit services), and transit oriented and other development opportunities along the proposed alignment.

Staff confirmed the business case was being developed in compliance with Metrolinx's business case guidance document. The Board discussed the various reasons for the preliminary results, and other considerations that could impact its outcomes.

Timing, next steps and the work underway to advance procurement and delivery were also discussed by the Board.

Staff committed to providing an update at the September Board meeting.

#### **4. TOD Program**

Leslie Woo, Chief Development Officer (A), Lorraine Huinink, Vice President, TOD Program Management, Michael Norton, Vice President, TOD, and Michael Fedchyshyn, Sr. Vice President, Transit Oriented Development, Infrastructure Ontario, presented the Transit Oriented Development (TOD) Program update.

Staff provided an update on the Woodbine and Mimico projects, both of which are tracking as expected, and described other upcoming opportunities.

The Board considered barriers to implementation and achievement of full program benefits, and initiatives to facilitate market interest in TOD.

**[Redacted: Economic and other interests of Ontario.]**

The Board clarified the implications of the approval sought, and discussed governance and next steps for the TOD program.

**WHEREAS** the Chief Development Officer has prepared the report, dated June 27, 2019, entitled, "Transit Oriented Development Program," (the "Report"):

**RESOLVED THAT**, as described in the Report and subject to any further amendments, the Board support staff in advancing the TOD Program Framework, **[Redacted: Cabinet records.]**

**AND THAT** staff provide a TOD Program update in September 2019.

**Carried**

#### **5. Operating Costs and Revenue**

Jennifer Gray, Chief Financial Officer, Mark Childs, Chief Marketing Officer, Annalise Czerny, Executive Vice President, PRESTO, Greg Percy, Chief Operating Officer, Andre Lalonde, Vice President, Transit Operations, Leslie Woo, and Justyna Witek, Deputy Chief Financial Officer, presented the 2019/20 Operating Budget Plan.

Staff described revenue and expense targets, and explained how Metrolinx's fare revenue strategy fits within Metrolinx's overall approach to understanding its ridership and expanding its service offering through partnerships, co-promotional events, and improved products and services.

The Board discussed fare and non-fare revenue opportunities and challenges, including in advertising, operations, and TOD. Staff provided a preliminary update on recent fare initiatives, which continue to be analyzed to better understand outcomes and apply learnings to future opportunities. The Board complimented staff in developing Metrolinx's data and analysis and using these tools as enablers for the business.

**[Redacted: Economic and other interests of Ontario.]**

Finally, the Board asked how tensions between cost reduction measures, safety, and service levels have been managed, and how staff have been involved and engaged in the process.

## **6. Capital Program Management**

Jennifer Gray, Matt Clark, Chief Capital Officer, David Buisson, Executive Vice President, Rapid Transit, and Stephanie Davies, Executive Vice President, GO Expansion, Capital Projects Group presented the 2019/20 Capital Program Plan.

**[Redacted: Economic and other interests of Ontario.]**

The Board considered the new risk-based approach to contingency setting and management and its impact on budget monitoring and adherence. The Board discussed benchmarking and how Metrolinx compares to other organizations in the capital projects space.

**[Redacted: Economic and other interests of Ontario.]**

## **7. Fare Policy**

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

## **8. Risk Appetite and Tolerance**

Jennifer Gray and Genefer Behamdouni, Director, Risk, Insurance and Records, presented the proposed corporate Risk Appetite Statements and Risk Tolerance Levels.

The Board commended the bottom-up approach taken by staff to determine

Metrolinx's risk appetite and tolerances, ensuring employees at all levels of the organization understand the regime. The Board also considered the iterative nature of the appetite assessment and determination process, and how it must allow for change over time. The Audit, Finance and Risk Management Committee will monitor the application of the risk appetite and tolerances through the quarterly risk report, and report back from time to time on how they are working to inform Metrolinx's top risks.

The Board considered external risk factors, such as climate change, and how these fit into the broader enterprise risk management framework.

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

**THAT**, as described in the Chief Financial Officer's June 27, 2019 report to the Board, the corporate Risk Appetite Statements and Risk Tolerance Levels be approved.

**Carried**

## **PUBLIC SESSION**

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

The Vice Chair called the meeting to order at 12:30 p.m.

The Vice 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 Vice 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 peoples as the original keepers of this territory.

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

- a) Correspondence from Mike Sullivan dated June 25, 2019 regarding recent fare changes for customers traveling between Weston, Bloor and Union stations;
- b) Correspondence from Sharon Yetman dated June 25, 2019 regarding transit innovation;
- c) Correspondence from Ken Bousfield dated June 26, 2019 regarding use of the former CP lines in the Don Valley; and

- d) Copy of a petition from Bolton residents entitled “Keep the 38 and 38A GO Bus Routes in Bolton!”

## **10. Safety Moment**

Mathieu Goetzke reviewed safety and security measures and led the group in a safety moment.

## **11. CEO’s Report**

Phil Verster, President and Chief Executive Officer, reviewed recent Metrolinx activities and achievements, including: the record number of fans that GO moved into and out of Toronto for the historic Raptors 2019 NBA Championship parade; the selection of the four shortlisted proponents to bid on the GO Rail Expansion program and the agreement reached with the Canadian Infrastructure Bank for up to a \$2B investment to help finance the program; the opening of the ION LRT line in Kitchener-Waterloo; and the hosting the third public “Ask Metrolinx” town hall in Vaughan.

Metrolinx staff also celebrated Indigenous History Month and participated in Toronto’s Pride parade.

The CEO recognized Carly Mohr for outstanding service and safety contributions. Bryan Davies presented Carly with a letter of recognition for alerting staff to a safety breach on the Kitchener corridor.

The CEO also recognized several departments for their work and contributions during Raptors parade, noting that both demand and ridership records were broken that day.

## **12. 2018-19 Annual Report**

Jennifer Gray and Jamie Robinson, Chief Communications & Public Affairs Officer (A), presented Metrolinx’s 2018-19 Annual Report.

The Vice Chair confirmed that the Audit, Finance and Risk Management Committee (AFARM) had met with the external auditor, reviewed and, subject to certain clean-up changes, was satisfied with the Annual Report, including the audited financial statements. Upon Board approval, the Annual Report will be submitted to the Minister of Transportation. The Annual Report will be available to the public on Metrolinx’s website.

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

**THAT**, subject to any comments received from the Metrolinx Board of Directors and the Audit, Finance and Risk Management Committee, the Metrolinx Annual Report 2018-19 be approved; and

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

**Carried**

### **13. 2019-20 Business Plan**

Jennifer Gray presented the 2019-20 Business Plan. The proposed plan was prepared in collaboration with MTO staff, complies with the requirements of the *Agencies & Appointments Directive*, and reflects both the transit priorities of the Government and the strategic priorities of Metrolinx (i.e. 2019-20 Strategic Objectives and 2041 RTP). Staff noted that the budget information presented in the business plan aligns with the information previously presented to the Board.

The Vice Chair confirmed that AFARM had reviewed and was satisfied with the Business Plan.

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

**THAT** the 2019-20 Metrolinx Business Plan attached to the June 27, 2019 report of the Chief Financial Officer, be adopted by Metrolinx and submitted 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.

**Carried**

### **14. Ridership Initiatives**

Ken Kuschei, Director, Customer Insights, Sharyn Byrne-Nearing, Director, Brand & Digital Marketing, and Steve Naylor, Director, Marketing Account Management & Operations, presented recent and planned customer initiatives targeted at increasing ridership and revenue.

Staff highlighted initiatives to enhance the PRESTO PERKS program, the benefits of working with social media influencers, and the upcoming “Find Your GO” campaign. The Board considered recently expanded service offerings and integration with local tourism, such as Niagara’s WEGO service.

## **15. Safety Strategic Priorities**

George Bell, Vice President, Safety and Security, presented a report on Metrolinx’s safety performance and activities.

Mr. Bell introduced Martin Gallagher, the new Director of Construction Safety, and discussed Metrolinx’s commitment to safety performance.

Staff highlighted recent achievements, including improvements on rail operating rule violations, lost time injury frequency rates, employee first aid training and safety orientation training, and the incorporation of safety requirements in procurement processes.

Staff described goal setting and measurement as key drivers of change at Metrolinx. The Board considered other possible drivers of change, and discussed opportunities to raise general standards of safety performance in the construction industry including Metrolinx’s establishment of a CEO-level construction safety committee and participation in the Ontario General Contractors Association safety committee.

## **16. Employee Engagement**

Helen Ferreira Walker, Chief Human Resources Officer, Sandra Porteous, Director, Inclusion and Engagement, Jason S. Lee, Manager, Employee Engagement, and Annalise Czerny presented an update on Metrolinx’s Employee Engagement Plan. Employee engagement is crucial to Metrolinx’s ability to deliver on its commitments.

Staff described the results of the latest survey results, how these have evolved into the five leadership actions (which are focussed on increasing communication and access to leadership through consistent behaviours), how these actions have been linked to employee performance, and other activities to promote employee engagement and performance. Staff described Human Resources and PRESTO’s employee engagement activities as case studies.

The Board considered the program objectives against the results of various components of the Employee Engagement Plan, and impacts observed to date.

## **17. Quarterly Reports**

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



Staff highlighted various activities and achievements including recent discussions with the TTC on PRESTO deployment, Metrolinx's publication of the Business Case Guidance document at the end of April, and work underway to assess the structure of the Capital Projects Group (CPG) to facilitate the subway program. Staff also summarized recent community engagement and communication activities, including rebranding the Metrolinx blog to "Metrolinx News" to provide comprehensive and accurate information about Metrolinx programs.

## **CLOSED SESSIONS**

### **18. Approval of Minutes**

#### **RESOLVED:**

**THAT** the minutes of the Board of Directors meetings of April 10, 2019 and May 15, 2019 be approved.

**Carried**

### **19. Airport Rail Service and GO Expansion Program**

Trevor Anderson, Union Station Program Sponsor, Spencer Gibbens, GO Expansion Head Sponsor, and Ken Kuschei presented the Airport Rail Service integrated concept for the GO Expansion Program aimed at increasing service to Pearson through the additional GO services planned as part of the expansion program. Staff explained the optimization benefits of the proposal and potential drawbacks.

The Board asked about operational, customer experience, and brand impacts to current services.

Staff described the results of customer ridership and preferences research, and the preliminary impacts of recent changes to customer behaviour. The Board considered the challenges of building out accurate projections over the long term, given the pace of change. Finally, the Board discussed next steps and the need to consult and socialize with key stakeholders.

#### **RESOLVED:**

**THAT**, as described in the GO Expansion Head Sponsor and Union Station Program Sponsor's June 27, 2019 report, staff proceed to modify the GO Expansion Program to implement the Integrated Service concept for airport rail service, within the existing Provincial Approvals for the OnCorr procurement.

Carried

## 20. Alliance Procurement Model

[Redacted: Economic and other interests of Ontario.]

## 21. Commercial Update

[Redacted: Economic and other interests of Ontario.]

## 22. Report of the Board Standing Committees

### 22.1 Executive Committee

Bryan Davies reported on the Committee's meetings since February 7, 2019.

### 22.2 Audit, Finance & Risk Management Committee

Bryan Davies, Audit, Finance & Risk Management Committee Chair, reported on the Committee's June 26, 2019 meeting. The Committee reviewed Metrolinx's 2018-19 Audited Financial Statements prepared by Metrolinx's external auditor, PricewaterhouseCoopers LLP. The external auditor confirmed that the financial statements present fairly, in all material respects, the financial position of Metrolinx in accordance with applicable accounting standards and principles.

[Redacted: Economic and other interests of Ontario.]

The Committee recommended that the Board approve the following matter:

#### 22.2.1 Approval of the Audited Financial Statements for the Year Ended March 31, 2019

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

**THAT** the Audited Financial Statements for Metrolinx for the year ended March 31, 2019 be approved;

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

Carried

## 22.3 Governance Committee

Janet Ecker reported on the Committee's June 26, 2019 meeting. The Committee recommended a new Governance Committee Chair be appointed. The Committee also reviewed the current role and composition of Infrastructure Ontario's Credit and Real Estate Committee (CREC), and the appointment of Board members to the CREC for the purposes of Transit Oriented Development (TOD) discussions.

The Committee recommended that the Board approve the following matter:

### 22.3.1 Board Appointments

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

**THAT** Janet Ecker be appointed Governance Committee Chair effective as of June 27, 2019, and that Don Wright remain a Governance Committee member.

**AND THAT**, subject to consultation with the Governance Committee, the Board Chair be authorized to identify and appoint up to two (2) Metrolinx's Board member representatives for the purposes of Infrastructure Ontario's (IO) Credit and Real Estate Committee (CREC), effective as of June 27, 2019, to attend as invited guests for the purposes of any Transit Oriented Development (TOD) discussions.

Carried

## 22.4 Human Resources & Compensation Committee

Reg Pearson, Human Resources & Compensation Committee Chair, reported on the Committee's June 26, 2019 meeting.

**[Redacted: Labour relations.]**

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

## 22.5 Customer Experience Committee

Luigi Ferrara, Customer Experience Committee Chair, reported on the Committee's June 26, 2019 meeting. The Committee reviewed the proposed non-fare revenue strategy for 2019-20, including potential growth areas and opportunities, preliminary timelines, risks, and key performance indicators (KPIs). The Committee also reviewed certain service change customer readiness initiatives, including the suite of fare products and offerings available to customers, the focus on being more targeted and proactive in addressing customer needs, and the customer service shift to being

more visible and helpful to customers through mobile customer service ambassadors.

### **23. Other Business**

There was no other business to discuss.

### **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.

**[Redacted: Labour relations.]**

#### **26. Adjournment**

There being no further business before the Board of Directors, the meeting was adjourned at 4:15 p.m.

**Carried**

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Don Wright, Chair

\_\_\_\_\_  
Alba Taylor, Secretary

c/s