

**BOARD OF DIRECTORS**

<b>DATE OF MEETING:</b>	February 20, 2020
<b>TIME OF MEETING:</b>	8:00 a.m.
<b>PLACE OF MEETING:</b>	Union Station West Wing 97 Front Street West Toronto, Ontario M5J 1E6  J. Robert S. Prichard, 4 <sup>th</sup> Floor
<b>CHAIR:</b>	Donald Wright
<b>PRESIDENT &amp; CEO:</b>	Phil Verster
<b>MEETING SECRETARY:</b>	Alba Taylor, Senior Legal Counsel and Corporate Secretary
<b>MEMBERS PRESENT:</b>	Rick Byers Bryan Davies (via teleconference, until 9:15 a.m.) Janet Ecker (until 11 a.m.) Luigi Ferrara Anne Golden Michael Kraljevic Tony Marquis Emily Moore (from 2:30 p.m.) Reg Pearson Robert Poirier (from 1pm) Clio Straram Paul Tsaparis
<b>REGRETS:</b>	Kathy Bardswick
<b>OTHERS PRESENT:</b>	Mark Childs, Chief Marketing Officer & Communications (A) Matt Clark, Chief Capital Officer Annalise Czerny, Executive Vice President, PRESTO Helen Ferriera-Walker, Chief Human Resources Officer Martin Gallagher, Chief Safety Officer Mathieu Goetzke, Chief Planning Officer (A) Jennifer Gray, Chief Financial Officer Heather Platt, Executive Vice President & General Counsel Ian Smith, Chief Operating Officer Leslie Woo, Chief Development Officer

Sharyn Byrne-Nearing, Director, Brand & Digital Marketing  
Trish Colley, Vice President, Customer Service Delivery  
Tom Curtis, Manager, Real Estate Management  
Nicholas Day, Director, Regional Planning  
Michael Fedchyshyn, Senior Vice President, Transit Oriented  
Communities Program, Infrastructure Ontario  
Trevor Geach, Legal Counsel  
Spencer Gibbens, RER Head Sponsor  
Bill Grodzinski, Director, Security, Operations  
Beatrice Herwats, Rapid Transit Program Sponsor  
Michael Hodge, Manager, Project Policy and Delivery -  
Hamilton LRT  
Andrew Hope, Executive Vice President, Rapid Transit (A)  
Ken Kuschei, Director, Customer Insights  
Malcolm MacKay, Project Sponsor  
Becca Nagorsky, Director, Project Planning  
Michael Norton, Vice President, Transit Oriented Development  
Steven Robins, Program Commercial Director, Infrastructure  
Ontario  
Ann Short, Director, Financial Planning & Analysis  
Shayne Tryon, Vice President, Commercial Management  
Richard Tucker, Program Director, Subways  
Justyna Witek, Deputy Chief Financial Officer  
Karen Woo, Vice President, Capital Finance

## **CLOSED SESSION**

### **1. CEO/Board In Camera Session**

Chair Donald Wright called the meeting to order. The Chair confirmed there was quorum and that the required notice of meeting as stipulated under the By-Law of the Corporation had been sent.

No conflicts of interest were declared.

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

#### **1.1 CEO Memo**

CEO Phil Verster provided an update on recent activities as described in the CEO Memo.

## 1.2 Document Control Update

CEO Phil Verster provided an update on document control initiatives.

## 2. Budget 2020

Staff joined the meeting in progress at 9:30 a.m.

Jennifer Gray, Chief Financial Officer, Justyna Witek, Deputy Chief Financial Officer, Karen Woo, Vice President, Capital Finance, Andrew Hope, Executive Vice President, Rapid Transit (A), Leslie Woo, Chief Development Officer, Tom Curtis, Manager, Real Estate Management, and Michael Hodge, Manager, Project Policy and Delivery - Hamilton LRT, provided an update on the Provincial Multi-Year Planning process, the Metrolinx 2020-21 Budget, and the Q3 Forecast (including operating requirements, revenues and expenses).

Staff highlighted the Corporation's recent financial performance against the projected revenue shortfall that was largely expected as a result of ambitious savings stretch targets. Still, current performance is tracking much closer than previously projected, which is a significant success in terms of savings and cost control for the Corporation. The projected shortfall includes cancelled bid fee amounts as operating expenses due to their revised accounting treatment, which was not originally budgeted for. On the other hand, PRESTO performance has also resulted in increased cost recovery and revenues in excess of target. Staff reviewed the operational subsidy allocation for the 2020-21 budget and the move to profit and loss accounts for various aspects of the business, to further drive efficiencies and track to budget. A further budget update is scheduled for the June Board meeting.

Staff also presented an update on the capital program's schedule and budget performance, **[Redacted; Economic and other interests, Cabinet records.]**

The Board discussed challenges and opportunities relating to increasing Metrolinx's operating revenues, the Double Discounted Fare (DDF) program and other fare offerings, associated cost responsibilities, and the impact of the DDF cancellation on the 2020-21 budget.

Finally, staff presented the proposed property strategy for the cancellation of the Hamilton LRT procurement. The Board considered the overall wind down process for the Hamilton LRT Project, including the discontinued procurement process, property valuation and asset management strategy, and redeployment of staff. **[Redacted: Cabinet records.]** Staff will report back to the Board with a final strategy including assessment of disposition values, heritage properties or properties with community significance, and project costs and expenses, as requested by the Board, at a future

date.

**RESOLVED**, as described in the Chief Financial Officer's February 20, 2020 report to the Board:

**THAT** the Property Plan for the Hamilton LRT project, set out in the Report be approved;

**AND THAT** staff continue to assess costs and opportunities for such properties and, subject to Provincial input, return to the Board with the final property management and disposition strategy for the Hamilton LRT.

**Carried**

### **3. Capital Delivery**

[Redacted: Economic and other interests, Solicitor-Client privilege.]

### **4. Toronto Update**

[Redacted: Economic and other interests, Solicitor-Client privilege.]

### **5. OnCorr**

Matt Clark presented the revised procurement strategy for the OnCorr project. Staff summarized key changes, including revisions to the proponent teams, project agreement, commercial structure, security arrangements, and benefits calculation. [Redacted: Economic and other interests, Advice to Government.]

Staff also discussed the possibility and benefits of procuring a delivery partner to support vendor performance management, particularly where owner-retained risk is greater than in the traditional P3 format. Staff explained how this type of support and expertise is not typically available in-house.

The Board considered benchmarking from other jurisdictions and projects where delivery partners have been employed. Staff confirmed the concept is used internationally, but is new to Canada. Work is underway with Infrastructure Ontario to identify how delivery partners are leveraged across the globe. However, staff acknowledged that such arrangements are highly bespoke and direct comparisons may be limited.

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

## 6. Subways

Matt Clark, Richard Tucker, Program Director, Subways, Malcolm MacKay, Project Sponsor, and Steven Robins, Program Commercial Director, Infrastructure Ontario, presented the recommended procurement strategy for the Ontario Line program. **[Redacted: Economic and other interests.]**

Staff described the rationale supporting the procurement strategy, the procurement method for each scope, the incorporation of the delivery partner concept, and the proposed project schedule. Staff also noted timing, sequencing and interface/integration challenges, and related approval requirements.

The Board considered the results of market soundings, and discussed market capacity to deliver what the Corporation needs at a competitive price point. The Board also discussed key project risks, including market interest, contract management/oversight including claims management, timely approvals and scheduling challenges. Staff described activities intended to support the market and potential bidders on some of these issues. **[Redacted: Economic and other interests, Advice to Government.]**

**[Redacted: Economic and other interests, Cabinet records, Advice to Government]**

## 7. Transit Oriented Communities

### 7.1 TOC Pipeline and Forecast Value

Leslie Woo, Chief Development Officer, Michael Norton, Vice President, Transit Oriented Development, and Michael Fedchyshyn, Senior Vice President, Transit Oriented Communities Program, Infrastructure Ontario, presented on Transit Oriented Communities ("TOC") valuation approaches and methodology. Staff also provided an update on current and potential TOC opportunities, including Woodbine, **[Redacted: Economic and other interests, Advice to Government.]**

The Board commended staff for their efforts **[Redacted: Economic and other interests, Advice to Government.]** and considered other potential TOC opportunities in relation to the subway extensions, acknowledging that alignments are still under review. Staff confirmed further information on alignment and TOC recommendations would be provided to the Board once available.

### 7.2 Subway Direct Deals

Leslie Woo, Michael Norton, and Michael Fedchyshyn provided a review of Direct Deal transactions (including site specific issues and challenges) for the TOC portfolio

pipeline across all four expansion projects: Ontario Line (OL), Yonge Subway Extension (YSE), Scarborough Subway Extension (SSE), and Eglinton Crosstown LRT West Extension (ECLRTW).

The Board received an update on the vetting process for TOC proposals/opportunities, including an explanation of the prescribed evaluation criteria and other guiding principles. The Board discussed competitive processes versus direct deals, when each might be entertained or prioritized for commercial and/or strategic reasons, and how value for money is evaluated in each case. The Board considered how the TOC program has shifted the way the market is engaged on certain projects.

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

## **8. Barrie GO Train Service Update**

Mathieu Goetzke, Chief Planning Officer (A), Spencer Gibbens, RER Head Sponsor, and Becca Nagorsky, Director, Project Planning, provided an update on Barrie GO Train Service **[Redacted: Economic and other interests.]**

Finally Ian Smith, Chief Operating Officer, Bill Grodzinski, Director, Security, Operations, provided an update on a recent fare evasion incident. Staff are reviewing arrest procedures, staff conduct, and related policies in response, including staff escalation procedures and training.

## **PUBLIC SESSION**

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

Chair Wright called the meeting to order at 12:45 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, Anishnabe, Chippewa, the Haudenosaunee, and the Huron-Wendat as the original keepers of this territory.

The Chair welcomed Rick Byers and Tony Marquis as recent appointees to the Metrolinx Board of Directors, and thanked Kathy Bardswick and Anne Golden for their valuable contributions to Metrolinx during their tenure on the Board.

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

1. Correspondence from Justin Davis dated February 13, 2020 requesting a monthly printed TTC PRESTO card;
2. Correspondence from Erwin Waldinsperger dated February 18, 2020 regarding GO Expansion in Durham Region and the proposed Bowmanville service extension;
3. Correspondence from the Humber Bay Shores Residents Association dated February 19, 2020 regarding the Discounted Double Fare program between GO Transit and TTC;
4. Correspondence from the South Etobicoke Transit Action Committee dated February 19, 2020 regarding the Discounted Double Fare program between GO Transit and TTC;
5. Correspondence from Sharon Yetman dated February 17, 2020 regarding transit innovation for free transit;
6. Correspondence from the Drew family dated February 19, 2020 regarding the proposed Bowmanville service extension;
7. Correspondence from the University of Toronto Students' Union dated February 19, 2020 regarding the Discounted Double Fare program between GO Transit and TTC;
8. Correspondence from various organizations including ATU, TTCriders, York University Students' and Staff Associations, Agincourt Village Community Association, Keep York Moving, and MPP Jessica Bell, among others, regarding the Discounted Double Fare program between GO Transit and TTC; and
9. Correspondence from the City of Brampton dated February 19, 2020 regarding the Frequent Rapid Transit Network Prioritization Framework.
10. Correspondence from the City of Brampton dated February 19, 2020 regarding the Queen Street-Highway 7 BRT.

## **10. Safety Moment**

Martin Gallagher, Chief Safety Officer, reviewed safety and security measures and led the group in a safety moment.

## 11. CEO's Report

Phil Verster, President and CEO, presented on recent notable Metrolinx events and things to come for 2020, including: service increases on the Kitchener, Stouffville and Lakeshore West (to Niagara) lines; cancellation of the Hamilton LRT; execution of a connection study agreement with the Greater Toronto Airports Authority to explore potential transit connections to Pearson Airport; upcoming event partnerships, and other ridership initiatives such as the Lyft partnership designed to fuel growth through 2020; planned opening of the new Union Station Bus Terminal; Bay Concourse opening at Union Station; improvements coming to Bloomington and Bramalea GO Stations; and the launch of Wi-Fi on GO Buses and Trains tracking for Spring 2020.

The CEO also reported on the 2019 customer satisfaction ("CSAT") survey results, highlighting a 91% CSAT score for UP Express and strong increases in PRESTO adoption rates. Metrolinx has also initiated COVID-19 mitigation strategies in response to the developing circumstance, including the creation of an Incident Command Team and a series of action plans to ensure the continued safety of staff and customers.

Finally, the CEO recognized the following individuals for outstanding service and safety contributions:

1. Reg Pearson presented a letter of recognition to Jesse Murphy, GO Train Operator, Clint Nicholson, GO Train Operator, and Matt Boucher, Operations Supervisor, for their quick thinking and commitment to passenger safety in intervening on two suicide attempts in a single shift, saving two lives in one day.
2. Michael Kraljevic presented a letter of recognition to Bryan Jeresano, Bus Driver, for assisting a young woman who was being followed at a city bus stop by two men after dark, and reporting the men and their vehicle to the authorities.

## 12. Appointment of Officers

### RESOLVED:

**THAT** Martin Gallagher be appointed to the office of Chief Safety Officer, effective as of January 31, 2020;



**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 February 20, 2020 Board report.

**Carried**

### **13. Advancing Transit Priorities**

Mathieu Goetzke and Nicholas Day, Director, Regional Planning, provided an overview of the Frequent Rapid Transit Network (FRTN) Prioritization Framework, including 2019 results and key outcomes, and proposed next steps to identify actions to advance high and medium scoring projects.

Staff explained how projects are evaluated considering network integration, operational readiness, and Benefit-Cost Ratios. Staff briefly described the top 9 projects identified to date, and municipal engagement and involvement in the process.

The Board considered how Metrolinx's business case review process relates to the FRTN framework and evaluation methodology, and how and when budgeting activities, including affordability and Provincial assessment of wider benefits, feed into the process.

The Board briefly discussed the data and modelling used for the framework.

**RESOLVED**, based on the report and presentation prepared by the Chief Planning Officer entitled "Advancing Transit Priorities: Frequent Rapid Transit Network (FRTN) Prioritization" and any further amendments directed by the Board at its meeting on February 20, 2020:

**THAT** the Board endorse the FRTN Prioritization Framework and its results as a consistent annual approach to build an early evidence base to inform business case sequencing for unfunded projects;

**THAT** the 2019 Prioritization Framework results be provided to the Ministry of Transportation to help inform the ongoing Greater Golden Horseshoe Transportation Plan; and

**THAT** staff progress the identified actions for High and Medium scoring projects in order to continue to advance FRTN projects.

**Carried**

#### **14. Bowmanville Initial Business Case**

Mathieu Goetzke, Spencer Gibbens and Becca Nagorsky presented the Bowmanville Rail Service Extension Initial Business Case ("IBC").

Staff provided summary of the IBC options, and highlighted the preferred option based on optimization of route alignment and benefits (including revenue generation, deliverability, and operational readiness). Staff noted, however, that the IBC does not include the costs of new stations which are expected to be pursued in partnership with third parties.

Staff acknowledged the Region, local municipalities, Canadian National Railways and Canadian Pacific Railways for their collaboration on the proposal.

The Board considered key metrics assessed by staff in arriving at their recommendation, including traffic and customer impacts, and maintenance requirements.

#### **RESOLVED:**

**THAT** based on the report prepared by the Chief Planning Officer entitled "Initial Business Case Update: Bowmanville Rail Service Extension" and any further amendments directed by the Board at its meeting on February 20, 2020, the Board pass the following resolution:

**THAT**, the results of the updated Initial Business Case for the Bowmanville Rail Service Extension be endorsed;

**AND THAT**, Option 2 be advanced through the Business Case development process and be evaluated through a Preliminary Design Business Case.

**Carried**

#### **15. Ridership Report and Campaign Update**

Sharyn Byrne-Nearing, Director, Brand & Digital Marketing, and Ken Kuschei, Director, Customer Insights, presented an update on insights and actions to drive customer initiatives to promote ridership on GO and UP Express, highlighting reasons supporting recent ridership growth, off-peak (discretionary and weekend) ridership, fare affordability, and e-ticketing sales results supporting off-peak ridership initiatives. Staff described spring initiatives to leverage major sporting and entertainment events to drive ridership. Finally, staff provided an update on customer satisfaction, on-time performance, and increased weekend service.

The Board considered the application of the zero tolerance fare enforcement policy, ridership tracking for specific events and initiatives, and the use of pilots to test products and programs.

## **16. By-law Amendments**

Ian Smith, Bill Grodzinski and Trish Colley, Vice President, Customer Service Delivery, described proposed by-law amendments to align GO Transit and UP Express fare enforcement policies, and clarify and streamline existing provisions to ensure seamless application of the amended by-laws to both services. On-board ticket sales for UP Express will also cease with these amendments.

The Board considered the proportion of out-of-town visitors using UP, and how the changes will be communicated with such visitors.

### **RESOLVED:**

**THAT** as more fully described in the February 20, 2020 report from the Vice President, Customer Service Delivery (the "Report"), staff be authorized to revise By-law No. 2 and By-law No. 2A (the "By-Laws"), to:

- a. Reflect updates to the Tariff of Fares, which sets out the fares to be charged on the transit system for travel between identified points or fare zones, simplifying the fare structure of GO Transit and formally including UP Express zones and base fares to support enforcement activities as described in the Report; and
- b. Implement additional administrative revisions to the By-laws, including to clarify and streamline existing provisions and ensure seamless application of the By-Laws to both GO Transit and UP Express for enforcement purposes;

**AND THAT** By-law No. 2 be repealed and replaced with By-law No. 2 attached to the Report as Appendix A, effective as of February 22, 2020;

**AND THAT** By-law No. 2A be repealed and replaced with By-law No. 2A attached to the Report as Appendix B, effective as of February 22, 2020;

**AND THAT** the Chairman and Secretary be authorized to sign the By-laws.

**Carried**

## **17. PRESTO Law Enforcement Requests**

Alba Taylor and Annalise Czerny presented the 2019 PRESTO Law Enforcement Requests report. Staff described the request process and criteria that must be complied with to obtain records. Staff confirmed the process complies with the *Freedom of Information and Protection of Privacy Act*, and guidance provided by the Information and Privacy Commissioner of Ontario.

Staff summarized the request and disclosure rates comparatively, and noted that the majority of requests are related to missing persons. Based on current numbers, staff believe the policy and processes strike the appropriate balance between protecting customer privacy and complying with the Corporation's obligations.

## **28. Quarterly Reports**

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

The Board discussed capital project geotechnical risks and due diligence and procurement practices in place to manage risk transfer/allocation with contractors. The Board also discussed Metrolinx's Regional Round Table, including the formality, cadence and hosting of the meetings, and the benefits generally achieved. Finally, the Board congratulated staff on the successful transition, for the first time, of corridor dispatching to Metrolinx, noting the significance of this step for Metrolinx.

## **CLOSED SESSION**

After a short break, the meeting reconvened at 2:10 p.m. for the closed session.

## **19. Approval of Minutes**

### **RESOLVED:**

**THAT** the minutes of the Board of Directors meetings of November 22, 2019 and January 23, 2020 be approved.

Carried

## **20. Report of the Board Standing Committees**

### **20.1 Executive Committee**

Donald Wright presented a report on the Executive Committee's meetings since

December 6, 2019.

## **20.2 Audit, Finance & Risk Management Committee**

On behalf of the Audit, Finance and Risk Management Committee Chair, Donald Wright reported on the Committee's February 14, 2020 meeting.

The Committee recommended that the Board approve the following matters:

### **20.2.1 Contract Approval Authorization and Document Execution Policy**

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

**THAT, subject to the revisions proposed by staff relating to Metrolinx and seconded employee authority and restrictions on delegation of authority to non-Metrolinx employees**, the revised Contract Approval Authorization and Document Execution Policy (the "Policy") be approved as described in the report to the Audit, Finance and Risk Management Committee from the General Counsel and Chief Financial Officer on February 14, 2020 (the "Report");

**AND THAT** the Board authorizes those individuals identified in the Policy to execute contracts (as described in the Policy) on behalf of Metrolinx pursuant to section 2.3(a)(iii) of By-Law No. 1;

**AND THAT** the Board authorizes staff to update the Policy on an ongoing basis to reflect changes in role titles or to add new roles to the appropriate approval authority levels;

**AND THAT** all previous versions of the Policy be repealed and replaced by the revised Policy as described in the Report.

**Carried**

### **20.2.2 Contingency Management Policy**

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

**THAT** as described in the Chief Financial Officer and Chief Capital Officer's February 14, 2020 report to the Audit, Finance and Risk Management Committee, the Contingency Management Policy (the "policy") be approved.

**AND THAT** staff proceed to implement the policy as described in the report.

**Carried**

### **20.2.3 Fraud Policy Overview**

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

**THAT**, as described in the Director, Internal Audit's February 14, 2020 report to the Audit, Finance and Risk Management Committee, the revised Fraud Policy be approved and replace the existing Metrolinx Fraud Policy effective February 15, 2020.

**Carried**

### **20.3 Governance Committee**

On behalf of the Governance Committee Chair, Donald Wright reported on the committee's February 19, 2020 meeting, highlighting initiating discussions with the Minister of Transportation on Metrolinx's Memorandum of Understanding and recruitment plans and priorities to fill the two vacancies left by Anne Golden and Kathy Bardswick's departures.

The Committee recommended that the Board approve the following matter:

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

**THAT** effective February 20, 2020 the following individuals be appointed to the Board standing committees and advisory subcommittees identified below:

<b>Board Member</b>	<b>Committee(s)</b>
Rick Byers	<u>Audit, Finance and Risk Management Committee</u>
	<u>Capital Oversight Subcommittee</u>
Tony Marquis	<u>Audit, Finance and Risk Management Committee</u>
	<u>Human Resources and Compensation Committee</u>

**Carried**

## 20.4 Human Resources and Compensation Committee

Reg Pearson, Human Resources and Compensation Committee Chair, reported on the Committee's February 19, 2020 meeting, **[Redacted: Labour relations and employment-related.]**

The Board discussed the pending Alstom purchase of Bombardier Transportation, **[Redacted: Economic and other interests.]**

**[Redacted: Labour relations and employment-related.]**

## 20.5 Customer Experience Committee

Luigi Ferrara, Customer Experience Committee Chair, reported on the committee's February 19, 2020 meeting, highlighting: opening plans for the new Union Station Bus Terminal; creation of a Product and Service Development Process to improve how the Corporation delivers timely products and services; Station Service Delivery initiatives, including increased automation and self-service options, and asset and employee maximization; and Digital Transformation activities.

## 21. Other Business

There was no other business to discuss.

## EXECUTIVE SESSIONS

### 22. Executive Session

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

Reg Pearson presented the Human Resources and Compensation Committee's recommendations **[Redacted: Labour relations and employment-related.]**

### 23. Executive Session

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

**[Redacted: Labour relations and employment-related.]**

### 24. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 3:00 p.m.

**Carried**

\_\_\_\_\_  
Donald A. Wright, Chair

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

c/s