

BOARD OF DIRECTORS

DATE OF MEETING:	December 7, 2017
TIME OF MEETING:	8:00 a.m.
PLACE OF MEETING:	Union Station West Wing 97 Front Street West Toronto, Ontario M5J 1E6 Peter R. Smith Boardroom, 4 th Floor
CHAIR:	J. Robert S. Prichard
PRESIDENT & CEO:	Phil Verster
MEETING SECRETARY:	Mary Martin, Executive Vice President, General Counsel and Corporate Secretary
MEMBERS PRESENT:	Upkar Arora Kathy Bardswick Rahul Bhardwaj Bryan Davies Janet Ecker Anne Golden Marianne McKenna Rose Patten Bonnie Patterson Sharleen Stewart Carl Zehr
REGRETS:	Bill Fisch Howard Shearer
OTHERS PRESENT:	Robert Hollis, Executive Vice President, PRESTO Greg Percy, Chief Operations Officer Judy Pfeifer, Chief Communications & Public Affairs Officer Anita Sultmanis, Chief Customer & Marketing Officer Leslie Woo, Chief Planning Officer Peter Zuk, Chief Capital Officer Peggy Gilmour, Director, Internal Audit Alba Taylor, Sr. Legal Counsel & Associate Corporate Secretary

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. Call to Order and Remarks by Chair

Chair Prichard called the meeting to order at 9 a.m.

Chair Prichard confirmed there was quorum and that the required notice of the meeting as stipulated under the By-Law of the Corporation had been sent.

There were no conflicts of interest declared.

3. Strategic Objectives

Phil Verster, President and CEO, along with members of the senior management team, presented Metrolinx's new vision and mission statements, and 2017/18 strategic objectives. Going forward staff will provide updates on the strategic objectives at each Board meeting.

Current areas of focus include expanding Metrolinx's safety program, improving capital program reporting, developing RTP progress reporting, recruiting and retaining the right talent and expertise, building on partnerships in the rail and regulatory industry, and retaining Metrolinx's customer focus.

The Board discussed how the Board can help staff deliver on the strategic objectives, and whether the proposed goals are achievable and sufficiently focussed on longer term objectives. The Board asked what tools and metrics are needed to support reporting commitments, and to ensure the "right" deliverables are measured.

Finally, the Board emphasized that Metrolinx retain a focus on goods movement and effective land use planning. The Board briefly discussed Metrolinx's transit oriented development projects, related goals, and work currently underway (such as reviewing Metrolinx's parking and access strategies).

Staff believe the strategic objectives will provide clarity for the organization and promote greater integration and collaboration, which will in turn help build success.

The Board considered how the Strategic Objectives may present an opportunity for Metrolinx to reposition itself more broadly.

PUBLIC SESSION

4. Call to Order and Remarks by the Chair

Chair Prichard called the meeting to order at 10:00 a.m.

Chair Prichard confirmed there was quorum and that the required notice of the meeting as stipulated under the By-Law of the Corporation had been sent.

Chair Prichard welcomed Sharleen Stewart, SEIU International Vice President, to the Metrolinx Board of Directors.

Chair Prichard congratulated Board Member Bryan Davies on his appointment as the Vice Chair of the Board.

Chair Prichard acknowledged receipt of correspondence from Aliraza Asrani regarding the Stouffville line service changes. Copies have been distributed to the Board.

5. CEO's Report

Phil Verster presented the CEO's report.

Mr. Verster commended Transit Safety Officers Caleb Hannah, Steve Cauwenbergs, William Ng and Acting Sgt. Devon Spiers for their bravery and professionalism in dealing with a security incident at Rouge Hill GO station on December 6, 2017.

Mr. Verster highlighted recent Metrolinx accomplishments, including: platform and trainshed roof work completed as part of the Union Station revitalization program; issuance of the Requests for Qualifications for the Milton and Meadowvale GO stations and new Stations Operations West facility projects; completion of the Renforth Station Gateway transit hub; commencement of the Cooksville GO Station redevelopment project; and the successful Hydrail Symposium.

Mr. Verster noted that the inaugural "Ask Metrolinx" Town Hall meeting will take place on December 12th. The session will provide a new forum for communities to communicate with Metrolinx.

Mr. Verster noted several employee achievements. In recognition of the New Mobility Background Paper, Leslie Woo, Chief Planning Officer, was named by the Women's Executive Network as one of Canada's Most Powerful Women in the Public Sector category. Antoine Beliaeff, Director, Regional Planning, Lisa Salsberg, Senior Manager, Regional Planning, and the Systems Planning team received an Excellence

in Planning Award from the Ontario Professional Planners Institute. Finally, Sabrina DiNicolantonio, Junior Analyst, Customer Experience, was selected by the Canadian Council for Public Private Partnerships as a Next Generation Infrastructure Leader in Canada.

Mr. Verster also congratulated Board Member Upkar Arora on his prestigious designation as a Fellow of the Chartered Professional Accountants of Ontario (FCPA).

Mr. Verster thanked outgoing Toronto Transit Commission CEO Andy Byford for his leadership and collaboration with Metrolinx over the last several years, and wished him the best in his new role as President of the New York City Transit Authority. The Board agreed that a letter of thanks would be sent to Mr. Byford.

RESOLVED:

THAT the Metrolinx Board of Director's extend its thanks to the Toronto Transit Commission's CEO Andy Byford for his important work and collaboration with Metrolinx.

Carried

6. Appointment of Officers

RESOLVED:

THAT Hope Spadora be appointed Vice President of Corporate Real Estate, effective as of November 1, 2017;

AND THAT Mark Ciavarro be appointed Vice President of Regional Express Rail Implementation, effective as of November 28, 2017;

AND THAT after giving effect to the foregoing resolution, the incumbent officers of Metrolinx are confirmed as set out in Schedule "A" to the Executive Vice President, General Counsel, and Corporate Secretary's December 7, 2017 Board report.

Carried

7. Board Governance

Rahul Bhardwaj, Governance Committee Chair, provided an update on recent Governance Committee discussions and recommendations on transparency and Metrolinx's board decision-making.

Mr. Bhardwaj noted that under the Metrolinx Act, few matters require consideration at public board meetings. Metrolinx exceeds these minimum requirements by holding quarterly public Board sessions, broadcasting those public Board sessions online, receiving and distributing all public correspondence and making meeting reports, correspondence, and final decisions available to the public.

However, Metrolinx is committed to public service and continuous improvement of its governance practices. Therefore, the Governance Committee has recommended that the Board adopt several additional measures to improve transparency, including building a governance webpage on the Metrolinx website to make key governance documents available to the public, and posting Board meeting minutes within thirty days of Board approval, redacted as appropriate. Starting in January, and subject to certain limited exceptions, Metrolinx will provide five business days' advance notice of Board meetings and post Board agendas and reports within the same five day period. Each Board meeting will incorporate a public component. Finally, Metrolinx will make business cases publicly available before Board decision-making.

Staff are currently reviewing the 2017 Board meeting minutes and expect to post redacted minutes by January 30, 2018.

8. PRESTO Privacy Review

Alba Sandre Taylor, Senior Legal Counsel and Associate Corporate Secretary, presented recommended revisions to PRESTO's privacy policy to provide greater clarity and transparency on PRESTO's information-sharing practices with law enforcement.

The revised policy and protocols incorporate lessons learned through a review of the practices of other organizations, and input received through public consultations on Metrolinx Engage and a stakeholder session held on October 20th, 2017. Ontario's Information & Privacy Commissioner's Office has also been engaged and has agreed to provide comments on the proposed changes in the coming weeks.

Staff summarized the proposed changes. The first report on law enforcement requests will be presented to the Board in February, 2018.

The Board discussed the challenge of balancing privacy with the desire to provide assistance in urgent situations. The Board asked whether requiring forms and approvals would hinder Metrolinx's ability to respond promptly. The Board also identified the need for appropriate resources to be in place to ensure coverage of requests over holidays and weekends. Staff confirmed that sufficient coverage is in place and that urgent requests are actioned in a timely manner.

Staff acknowledged that disclosing information without a warrant remains controversial notwithstanding existing legislation, which does not require warrants. Staff described the disclosure process for incidents occurring on the transit system, such as assaults or other criminal acts. Many voluntary disclosures to law enforcement are based on victim or complainant requests.

The Board discussed the improvement to transparency provided by the introduction of the annual report on law enforcement requests and disclosure. Staff confirmed that the report will provide a general description of the types of incidents forming the basis of law enforcement requests, and the parties requesting the information.

Metrolinx will continue to consider the balance between privacy, safety and operational flexibility as the revised policy and protocol is put into practice.

RESOLVED as revised:

THAT the PRESTO privacy policy revisions, and recommendations relating to receiving, responding to and reporting on law enforcement requests as described in the Executive Vice President, General Counsel and Corporate Secretary, and Chief Privacy Officer's December 7, 2017 report be approved (the "Report");

AND THAT staff be authorized to further revise the policy and protocols described in the Report based on comments received from the Information and Privacy Commissioner, provided that such revisions are minor in nature and do not impact the general strategy or directions described in this Report;

AND THAT subject to additional revisions as described above, staff proceed to implement the policy revisions and recommendations effective as January 1, 2018, with the first annual report back on PRESTO law enforcement statistics to be provided at the February 2018 Board meeting.

Carried

9. Hydrogen Technology Analysis

Peter Zuk, Chief Capital Officer, together with Ian Sutherland and Duncan Mills, CH2M, presented an update on Metrolinx's hydrogen technology analysis and the results of Metrolinx's recent hydrail symposium held on November 16, 2017.

Staff provided an overview of the components of a hydrail system and presented early findings on grid demand and energy consumption. Staff clarified that the business case portion of the feasibility study will be an economic analysis.

The Board discussed whether the symposium provided an opportunity for a balanced discussion. Staff confirmed that while the attendees were enthusiastic about hydrogen technology, counter perspectives were also discussed. Metrolinx's feasibility study will also explore areas of challenge, such as commercial feasibility, technological interfaces, and integration risks. Staff expect the feasibility study will be completed and available in February, 2018.

The Board discussed safety concerns. Staff confirmed that safety issues have been closely considered and will be addressed in the feasibility study. Metrolinx has engaged with Transport Canada to ensure the system design takes into account all existing safety rules, regulations and standards applicable to the production, storage and use of hydrogen. However, as hydrogen is an innovative technology, there may need to be further development of safety rules and regulations.

Staff confirmed that no jurisdiction has successfully implemented hydrail to the scale required by Metrolinx's Regional Express Rail program.

Mr. Verster confirmed Metrolinx's current position is neutral on the method of electrification, whether via traditional means such as catenary systems or hydrogen technology. Metrolinx's feasibility study will explore the potential of hydrogen technology, to enable the market to seriously consider it and respond accordingly through future Metrolinx procurement activities. The Board considered the current state of research and development on hydrail, and the pool of potential proponents for this work. Staff believe that there is interest in hydrogen technology which should help grow the pool of potential bidders over the next two years. Staff confirmed that consideration of impacts to public realm have been included as part of the electrification program.

10. RER On-Corridor Works Procurement Strategy

Peter Zuk, Ian Sutherland, and Duncan Mills, presented Metrolinx's Regional Express Rail ("RER") On-Corridor Works Procurement Strategy. Metrolinx intends to employ a design, build, finance, operate and maintain ("DBFOM") delivery model for network on-corridor infrastructure and the delivery of enhanced train services to minimize integration and operational risks by allocating such risks to the one party best positioned to ensure the successful implementation of infrastructure with ongoing operations and maintenance of the system.

The DBFOM model has been successfully used in the delivery of railway projects in Canada and internationally in the United Kingdom, U.S.A. and a number of South East Asian countries.

As currently contemplated, the successful proponent will be responsible for all activities required to deliver train services to and between stations, including train driving, control, operations and dispatch. Metrolinx will retain responsibility for customer-facing staff, fare collection, customer communications and wayfinding. The Board discussed the timing of service transition(s) from Metrolinx to the DBFOM proponent.

Metrolinx and Infrastructure Ontario ("IO") market soundings are underway to gather feedback on the deal structure and key project issues. RFQ release is currently targeted for March 2018, with RFP release in Fall 2018 and contract award in Spring 2020. Metrolinx remains on track for electrification by 2024-20205.

11. Auditor General Report Follow-up

Peggy Gilmour, Director, Internal Audit, provided an update on activities to address the Auditor General's 2016 recommendations on construction contract awarding and oversight. Staff are on track to address all recommendations by early 2018, in time for the Auditor General's follow up review. Staff are also reviewing to ensure recommendations from prior audits have been completed.

12. Customer Experience Committee Chair Report

Marianne McKenna, Customer Experience Committee Chair, provided an update on recent Customer Experience Committee activities including: review of GO buses and trains on-time performance; rollout of the GO etiquette campaign; introduction of bilingual automated announcements on buses and trains; the continued growth of UP Express ridership; service additions for more weekday, evening and weekend options; service increases implemented for community events such as Nuit Blanche and the Santa Clause Parade; PRESTO's recent marketing campaign and increased PRESTO card adoption; and launch of the GO safety marketing campaign.

13. Quarterly Reports

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

Judy Pfeifer, Chief Communications and Public Affairs Officer, acknowledged the importance of Metrolinx's community partners and the Toronto Community Benefits Network to achieving Metrolinx's community benefits commitments.

14. Business Case Analysis and Benefits Management

Leslie Woo, Chief Planning Officer, and Joshua Engel-Yan, Director, Research & Planning Analytics, presented a report on Metrolinx's benefits management framework. The framework requires the completion of progressive business cases during the project development process to guide decision-making and ensure that the declared benefits for any project with a capital cost of over \$50 million are sustained throughout project design, delivery and service. Staff expect that business cases will change throughout the project lifecycle, as more information is gathered and the project matures. The methodology is a best practice across other jurisdictions, and incorporates feedback from the Institute for Transport Studies in Leeds and the transport economics office of the Ontario Ministry of Transportation.

Mr. Verster highlighted that project business cases are only one factor in the decision-making process. There may be other factors that officials will consider when making a decision on infrastructure development, including economic and socioeconomic considerations, and policy alignment.

To support the benefits management framework at Metrolinx various governance mechanisms have been implemented, including the appointment of project sponsors and the establishment of an internal investment panel.

The Board asked about the \$50 million threshold for publication. Staff explained that this threshold is based on the Province's definition of a major capital project. It is proposed as a minimum requirement for publication of business case analysis, but not a limitation. Smaller projects of other strategic importance may still have business cases released.

At the Board's request, staff agreed to revisit the \$50 million threshold.

RESOLVED as revised:

THAT the Board affirm support for adopting the staff report prepared by the Director, Research and Planning Analytics entitled, "Business Case Analysis and Benefits Management".

AND THAT subject to staff's review of the appropriate threshold, the Board direct staff to ensure all business cases, over the lifecycle of Metrolinx projects and programs above \$50 million, be publicly released prior to any relevant Board decision-making.

Carried

15. Draft RTP

Leslie Woo, Antoine Belaieff, Director, Regional Planning, Rajesh Khetarpal, Director, Stakeholder Relations, Lisa Salsberg, Senior Manager, Regional Planning, and Joshua Engel-Yan, presented the results of consultations and related recommendations for the Draft 2041 Regional Transportation Plan ("RTP"). A revised plan and implementation proposal will be provided to the Board for comment and approval at the next Board meeting.

Results from stakeholders and the public consultations expressed support for the vision, goals, and five strategies outlined in the draft RTP. However, there were many questions about the "Making it Happen" section of the document, which considers decision-making and funding for the RTP. Staff are therefore recommending that this section form the basis of a further discussion paper which will be presented to the Board at the next Board meeting, following further consultations. Metrolinx will facilitate continued discussions on these topics through meetings and forums with stakeholders.

A number of key themes came out of the consultation. Participants expressed a general impatience over the timing of projects, with a desire for projects to be commenced and completed more quickly. There was support for service seamlessness and door-to-door trips through integration across municipal boundaries, and support for further integration of on land use and transportation planning. Some felt there should be greater emphasis on desired outcomes, and more clarity on roles and responsibilities. Finally, others asked that there be a better understanding of how RTP projects and initiatives will be implemented.

The Board discussed the need for further discussions with stakeholders including elected officials and transit operators, and the importance of collaboration and consensus. Staff will continue to engage the region's councils, and will provide each with a report clarifying which issues have been addressed through the final RTP.

The Board requested that the revised RTP be circulated to the Board for its review and comment ten days before posting.

RESOLVED:

THAT based on the recommendations in the report prepared by the Director, Regional Planning, entitled "Draft 2041 Regional Transportation Plan", and any further amendments directed by the Board, that staff be requested to present a Draft Final 2041 Regional Transportation Plan (RTP) at the February 2018 Board meeting for approval;

AND THAT staff be requested to present a “Making it Happen” Discussion Paper to the February 2018 Board meeting for approval to release for public consultation. The “Making it Happen” Discussion Paper will propose options for analysis and engagement to support decision making that would realize the 2041 RTP.

Carried

CLOSED SESSION

16. Approval of Minutes

RESOLVED:

THAT the minutes of the Board of Directors meetings of September 14, 2017 and October 26, 2017 be approved.

Carried

17. Supplier Progress

Phil Verster presented a report on supplier progress and provided a summary of the revised key business terms supporting staff’s recommendation to execute an amending agreement with Bombardier to provide for the delivery of the Crosstown light rail vehicles.

The Board directed that staff return to the Board should the proposed terms differ materially from those presented in the report.

[Redacted: Advice to Government, Economic and Other Interests]

18. Report of the Board Standing Committees

18.1 Executive Committee

Robert Prichard, Executive Committee Chair, presented a report on the Committee’s October 5, October 11, November 10 and November 19, 2017 meetings.

Due to a previously disclosed conflict, Anne Golden left the meeting room. The Board briefly discussed Metrolinx’s proposed transaction with Ryerson University.

18.2 Audit, Finance & Risk Management Committee

Bryan Davies, Audit, Finance & Risk Management Committee Chair, provided a report on the Committee's December 6, 2017 meeting.

The Committee recommended that the Board approve the following matters:

18.2.1 Contract Approval Authorization and Document Execution Policy Revisions

The Committee recommended revisions to Metrolinx's Contract Approval Authorization and Document Execution Policy to increase the CEO's contract value authorization level (from \$10M to \$20M for competitively bid contracts) and complete a number of other minor clarifications and housekeeping amendments.

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

THAT effective January 1, 2018, the Contract Approval Authorization and Document Execution Policy (the "Policy") revisions be approved as described in the report to the Audit, Finance and Risk Management Committee from the General Counsel and Corporate Secretary and Chief Financial Officer on December 6, 2017 (the "Report");

AND THAT the Board authorizes those individuals identified in the Report 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 all previous versions of the Policy be repealed and replaced by the revised Policy as described in the Report.

Carried

18.3 Governance Committee

Rahul Bhardwaj presented a report on the Committee's December 6, 2017 meeting including review of Board meeting member attendance (currently averaging at 90%). Staff have also been asked to review meeting requirements to assess the suitability of semi-annual strategy sessions and whether one meeting might be sufficient.

The Committee also recommended that the Board approve the following matters:

18.3.1 Capital Oversight Subcommittee – Board Member Appointments

The Audit, Finance and Risk Management Committee has selected a subcommittee chair and appointed non-Board members to the Capital Oversight Subcommittee. As required by the Board, the Governance Committee must recommend two Board member appointments, for Board approval.

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

THAT Sharleen Stewart be appointed a member of the Customer Experience and Human Resources and Compensation Committees;

AND THAT the resignation of Upkar Arora from the Customer Experience Committee be accepted;

THAT, subject to their consent, Carl Zehr and Upkar Arora be appointed as Board member representatives to the Capital Oversight Subcommittee in accordance with its Terms of Reference.

Carried

18.3.2 Board Charter Review

The Governance Committee recommended revisions to the Board Charter to clarify the Board's role in risk management and align it with Metrolinx's recently revised Enterprise Risk Management policy, which was approved by the Board on September 14, 2017.

RESOLVED, on recommendation of the Governance Committee:

THAT the revised Board Charter attached to the Senior Legal Counsel & Associate Corporate Secretary's December 6, 2017 report to the Governance Committee be approved.

Carried

18.4 Human Resources & Compensation Committee

Rose Patten, Human Resources & Compensation Committee Chair, presented a report on the Committee's December 6, 2017 meeting. The Committee reviewed progress on Metrolinx Diversity and Inclusion program, including the recent approval of a D&I Strategy, proposed governance structure, and key roles.

Staff have been asked to return to the Committee with a report on employee turnover, and a review of Metrolinx's sexual harassment policy.

[Redacted: Labour Relations]

18.5 Customer Experience Committee

Marianne McKenna presented a report on the Committee's December 6, 2017 meeting. The Committee discussed Metrolinx's brand strategy and the importance of workplace cultural alignment.

19. Agenda Proposals for Next Meeting

There were no agenda proposals for the next meeting.

20. Other Business

There was no other business to discuss.

EXECUTIVE SESSIONS

21. Executive Session

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

22. Executive Session

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

[Redacted: Labour Relations]

23. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 2:45 p.m.

Carried

J. Robert S. Prichard, Chair

Mary Martin, Secretary

c/s