

BOARD OF DIRECTORS

DATE OF MEETING:	December 6, 2018
TIME OF MEETING:	10:00 a.m.
PLACE OF MEETING:	Union Station West Wing 97 Front Street West Toronto, Ontario M5J 1E6 J. Robert S. Prichard, 4 th Floor
CHAIR:	Don Wright
PRESIDENT & CEO:	Phil Verster
MEETING SECRETARY:	Heather Platt, Executive Vice President, General Counsel and Corporate Secretary
MEMBERS PRESENT:	Kathy Bardswick Rahul Bhardwaj Bryan Davies (until 4:10 p.m.) Janet Ecker Anne Golden Marianne McKenna (until 4:00 p.m.) Rose Patten (until 2:30 p.m.) Bonnie Patterson Howard Shearer
REGRETS:	Sharleen Stewart
OTHERS PRESENT:	Upkar Arora, Guest of the Board Mark Childs, Chief Marketing Officer Annalise Czerny, Executive Vice President, PRESTO Helen Ferreira-Walker, Chief Human Resources Officer Jennifer Gray, Chief Financial Officer (A) Greg Percy, Chief Operations Officer Jamie Robinson, Chief Communications & Public Affairs Officer (A) Leslie Woo, Chief Planning & Development Officer Peter Zuk, Chief Capital Officer Joshua Engel-Yan, Director, Research & Planning Analytics Spencer Gibbens, Head Sponsor Mathieu Goetzke, Vice-President, Planning

Lorraine Huinink, Vice President, Corporate Real Estate
Greg Murphy, Director, Internal Audit (A)
Michael Norton, Director, Business Strategy & Land
Development
Jessalynn Selby, Director, Customer Care
Alba Taylor, Sr. Legal Counsel & Associate Corporate Secretary
Trevor Geach, Legal Counsel

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. Fall Economic Statement and Budget

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

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

Jennifer Gray, Chief Financial Officer (A), and Ann Short, Director, Strategic Business Planning, presented an update on the Province's Fall Economic Statement and the Metrolinx 2019-20 Business Plan. Staff described options and preferred recommendations to achieve requested savings targets.

The Board discussed the budget planning horizon and significance of the capital savings identified as a result of Metrolinx's revised commercial approach with the freight operators.

Greg Murphy, Director, Internal Audit, Leslie Woo, Chief Planning & Development Officer, and Peter Zuk, Chief Capital Officer, described the results of the Auditor General's 2018 audit recommendations and provided an update on staff activities in response including: work on Metrolinx's business case evaluation framework and guidance documents; the acknowledged need to seek formal direction when appropriate; and improving program forecasting and documentation to enhance risk-based decisions. Staff also described the important input they were able to provide throughout the audit process.

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

Authorizes management to resubmit a proposal consistent with the information in the Metrolinx 2019-20 Budget Summary dated December 6, 2018;

AND authorizes management to discuss the components contained in the Metrolinx submission with MTO;

AND directs management to report back on the results of the provincially approved Operating Subsidy and 10-year Capital Plan as the process continues.

Carried

3. Mandate Review

Heather Platt, Executive Vice President, General Counsel and Corporate Secretary, and Alba Taylor, Sr. Legal Counsel & Associate Corporate Secretary, summarized the *Metrolinx Act, 2006* changes proposed in Bill 57, Restoring Trust, Transparency and Accountability Act, 2018 and next steps.

The Board considered how the proposed changes might impact the Board's perspective and processes. The Board also discussed how conflicts of interest for the proposed Ministry representative could be managed.

4. On-time Performance

Greg Percy, Chief Operations Officer, reported on Metrolinx's on-going commitment to delivering consistent on-time service. Staff described the importance of upgrading and maintaining signalling and track assets, and related work underway. Staff also described how LEAN methodology is being adopted and applied to drive innovation and sustainability to this business challenge. This includes the use of control rooms to set and track targets. Staff expressed confidence that the proposed actions will help Metrolinx meet its on-time performance target by mid-2019.

5. Fare Policy

5.1 Kids Ride Free

Mark Childs, Chief Marketing Officer, and Sharyn Byrne-Nearing, Director, Brand & Digital Marketing, reported on the kids ride free Barrie pilot results including impacts to ridership. Based on the success of that pilot, staff are recommending a regional rollout the program, which would also align child fare pricing to UP Express and TTC. Staff described expected ridership and revenue implications of the system-wide rollout. Staff also described considerations relating to program deployment through PRESTO, including potential partnership opportunities.

RESOLVED:

THAT the Board endorse the Kids GO Free program implementation as described in the Chief Marketing Officer's December 6, 2018 report (the "Report");

AND THAT subject to necessary approvals, staff proceed to implement the program as described in the Report.

Carried

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

PUBLIC SESSION

6. Call to Order and Remarks by Chair

Chair Wright reconvened the meeting to order at 1:30 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 Board reviewed safety and security procedures, and Jennifer Grey, Chief Financial Officer (A) lead the Board in a safety moment.

On behalf of the Board, Chair Wright and Phil Verster, President and CEO, acknowledged the recent departures of Ms. Rose Patten and Messrs. Upkar Arora, Carl Zehr, and William Fisch from the Board. Chair Wright and CEO Verster expressed their deep gratitude for their commitment and contributions to the Board. In recognition of their service, each was presented with framed photographs.

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

- a) Letter from Peter Tabuns, MPP, Toronto-Danforth, dated December 3, 2018, regarding the environmental impacts of the GO Expansion;
- b) Correspondence from Dario Sunseri, dated November 20, 2018, regarding GO train service to York University on the Barrie line;
- c) Correspondence from Justin Davis, dated November 8, 2018, requesting a monthly printed TTC PRESTO card and a refundable PRESTO card fee;

- d) Correspondence from the Lakeshore East Corridor Community Advisory Committee, regarding various public safety concerns arising from Metrolinx's service expansion plans;
- e) Correspondence from Mike Sullivan, dated November 9, 2018, regarding PRESTO limited-use-media tickets and related impacts to TTC fare media and concession fares; and PRESTO card and fare media distribution through Shoppers Drug Mart locations;
- f) Correspondence from Susan Lawrence, dated November 9, 2018, regarding UP Express fares and ticket policies; and
- g) Sample correspondence from the YU Ride petition initiated by York University students, dated November 22, 2018, regarding the cancellation of GO bus services to the York University Keele Campus.

7. Safety Moment

The Board reviewed safety and security procedures and held a safety moment as described above.

8. CEO's Report

CEO Phil Verster acknowledged the day as a national day of action for violence against women, in remembrance of the École Polytechnique tragedy in 1989. Mr. Verster briefly described Metrolinx's education and awareness campaign to protect against harassment and discrimination.

Mr. Verster provided updates on various Metrolinx projects and programs including: service expansion efforts that have increased capacity by 22%; the completion of recent parking expansions; recent significant bridge work including the replacement of eight bridges that were over 100 years old; Eglinton Crosstown milestones achieved; the launch of the PRESTO perks program and the paper-based PRESTO ticket pilot; and improved customer satisfaction scores for TTC passengers using PRESTO.

The following individuals were recognized for outstanding service and safety contributions:

1. Anne Golden presented a letter of recognition to Julie Tilley, a bus operator, for staying with a customer and giving her a cellphone so that the customer would not be alone in the middle of the night.

2. Bonnie Patterson presented a letter of recognition to Pam Janjua, a bus operator, for her quick and calm actions when an individual boarded her bus with a knife.
3. Kathy Bardswick presented a letter of recognition to Sylvie Gravelle, Customer Service Ambassador, Kevin Yip, Acting Sergeant – Transit Safety, Special Constables Michael Holdbrook, Brandon Turner, Tyler Kay, and Brenton Hoffman, and Transit Safety Officer Recruits Desiree Davis, Tihana Karanovic, and Lloyd Samuel for the arrest of an individual accused of sexual assault on-board a train.

Marianne McKenna presented a letter of recognition to Meaghan Mendonca, Senior Advisor, Network Program Sponsor at Metrolinx, for being recently named one of Corporate Knights Magazine's Top 30 under 30 in Sustainability for 2018. Meaghan has also been listed one of the Top 25 emerging public transit leaders by the American Public Transit Association class of 2019.

Finally, Mr. Verster noted various awards received by Metrolinx from the Canadian Urban Transit Association including an innovation award for the Transit Special Constables Women Symposium hosted with York Region Transit and the Toronto Transit Commission and a marketing and communications award for the GO Transit etiquette book. The Finch West LRT project has also won a 'silver' award from the Canadian Council for Public-Private Partnership for project financing.

9. Appointment of Officers

RESOLVED:

THAT the individuals identified below be appointed to the offices set out opposite their name, effective as of the dates indicated:

Name	Office	Effective Date
Heather Platt	Executive Vice President, General Counsel	November 3, 2018
Jaimie Robinson	Chief Communications and Public Affairs Officer (A)	November 23, 2018
Jessalyn Selby	Vice President, Customer Service Delivery (A)	October 9, 2018
Alba Sandre Taylor	Corporate Secretary	December 7, 2018

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 and General Counsel's December 6, 2018 Board report.

Carried

10. GO Expansion Full Business Case

Leslie Woo, Spencer Gibbens, Head Sponsor, Joshua Engel-Yan, Director, Research & Planning Analytics, and Matt Routley, Director, Research & Planning Analytics, presented the GO Expansion Full Business Case (FBC), reviewing the analysis completed to date including peer review and sensitivity analysis, and the resulting benefits expected from the project which are estimated at \$42B and include various measures such as time spent and environmental and health benefits.

The FBC anticipates that revenues will exceed costs in 2030-2031.

Staff described key drivers and enablers on which the benefits rely, including enhanced service, electrification, and level boarding.

Staff summarized the two types of peer review undertaken, and their results on the FBC document.

Staff described how the FBC service plan could support different customer markets such as off-peak riders. Part of the challenge will be to understand and develop those markets.

Staff also described how the ridership forecasts have been validated.

Staff noted that new stations business case analysis is being undertaken separately. However, if stations were incorporated in the FBC there would be positive impacts to ridership and revenue. The impacts of new stations was analyzed and incorporated through a sensitivity analysis. Treating the construction of individual stations separate from the GO Expansion program was necessary to separate issues and impacts of considerations such as funding from the broader discussion of the merits of the GO Expansion program. Staff confirmed that population and employment data underlying the stations analysis have been verified with the related municipalities.

The Board asked about the status of the GO extensions currently underway, including through Durham. Staff confirmed that this work is also proceeding independently, and is currently at an earlier stage of analysis. Staff described how this work is dependent on discussions with the freight operators and corridor owners, who may impact how the services are planned and provided and may require modifications to the environmental assessment already completed.

Staff confirmed that notwithstanding that the new stations and GO extensions business cases are proceeding independently, the benefits of the FBC should remain as projected based on the sensitivity analysis completed.

The Board considered the procurement approach and the role of Metrolinx and the private sector in delivering the GO Expansion program.

The Board asked staff elaborate on the benefits of electrification and the potential impacts of new technology and alternatives. Staff are confident that electrification will yield the high positive impacts anticipated in the FBC independent of the technology used to deliver it. These benefits arise from greater operating efficiencies, reduced operating expenditures (lower maintenance costs), and increased ridership (from increased service levels).

RESOLVED, based on the recommendations in the report prepared by the Chief Planning and Development Officer, entitled "GO Expansion Business Case", and any further amendments directed by the Board at its meeting on December 6, 2018;

THAT the Board endorses the results of the GO Expansion Full Business Case;

AND THAT the Board direct staff to submit the GO Expansion Full Business Case to the Ontario Minister of Transportation to inform decision-making and to seek further direction;

AND THAT the Board direct staff to report back on the status of the GO Expansion program in February 2019;

AND THAT the Board direct staff to transmit the GO Expansion Full Business Case to the municipal Regional Roundtable for information.

Carried

11. Transit Oriented Development Strategy

Leslie Woo, together with Lorraine Huinink, Vice President, Corporate Real Estate, and Michael Norton, Director, Business Strategy & Land Development, presented an update on the Transit Oriented Development (TOD) Strategy including opportunities to integrate land use and transportation planning and the adoption of a market driven strategy to delivering transit infrastructure.

Staff described the various approaches to TOD, the different roles Metrolinx may play under the strategy, and the key risks including reliance on the real estate market and timing (and priority) of infrastructure delivery. Notwithstanding the source of project funding, staff confirmed that each project will still proceed through Metrolinx's stage-gate benefits management process over the project lifecycle, to ensure other impacts and benefits are evaluated.

As TOD is a new endeavour for Metrolinx, the Board encouraged staff to look to leaders in the field for guidance. To this end, staff have already begun discussions

with London and Hong Kong transit authorities to understand and incorporate their learnings.

The Board also asked how Design Excellence and a consistent customer experience will be reflected in the strategy. Staff acknowledged that Design Excellence is critical to the success of the strategy, and will be working on the delivery side to ensure Metrolinx's requirements are clear.

Staff will return to the Board with a TOD strategy framework including implementation plan and a process for engaging third parties.

RESOLVED:

THAT the Board direct staff to:

- Advance a TOD Market Driven Strategy for transit infrastructure, as set out in this December 6th 2018, presentation prepared by the Chief Planning & Development Officer.
- Develop a comprehensive implementation plan for this strategy, including a process for engaging third party delivery of transit infrastructure.
- Direct the Metrolinx President & CEO, to undertake the necessary third-party negotiations, needed to advance this TOD Market Driven Strategy.
- Report back regularly on progress.

Carried

12. Initial Business Cases

Leslie Woo and Mathieu Goetzke, Vice-President, Planning, presented the initial business cases for Highway 27 - Woodbine and Walkers Line.

The Highway 27-Woodbine business case (BC) has yielded a high benefit-cost ratio, providing a strong basis for pursuing this initiative. The BC reflects potential demand from Humber College ridership, existing and future employment in the area, and the pending closure of Etobicoke North GO Station.

Conversely the Walkers Line BC has yielded a negative benefits-cost ratio, impacted significantly by the development of surrounding stations and the related travel time impacts of adding the station.

Staff confirmed that the BC analysis reflects the development potential around the proposed stations. Staff confirmed that for Highway 27-Woodbine, the

recommendation is to proceed to the next stage of the project subject to third party investment.

RESOLVED:

THAT based on the report prepared by the Chief Planning and Development Officer entitled “Initial Business Cases: Highway 27 - Woodbine and Walkers Line”, and any further amendments directed by the Board at its meeting on December 6, 2018, the Board pass the following resolution:

THAT, based on the Initial Business Case for a station at Highway 27-Woodbine in Toronto:

(a) The station should advance to the Preliminary Design stage, subject to availability of third party investment, including preparations for an environmental assessment, preliminary design, and a Preliminary Design Business Case.

(b) Planning, design, and construction of infrastructure for the GO Expansion program should not preclude a new station in the vicinity of the Highway 27-Woodbine location.

AND THAT, based on the Initial Business Case for a station at Walkers Line in Burlington, this location should not be advanced at this time;

AND THAT staff share the relevant Initial Business Cases accompanying this report to the municipalities of Toronto and Burlington and advise of the Board’s decision;

AND THAT staff be directed to include the Highway 27 - Woodbine station in the Metrolinx Transit-Oriented Development (TOD) Market Driven Strategy (December 6, 2018).

Carried

13. Pet Policy

Jessalynn Selby, Vice President, Customer Service Delivery (A), presented the recommendation to adopt a formal pet policy for GO Transit based on the success of a recent pilot. Staff described the key aspects of the policy, which will allow passengers to bring their leashed dogs with them on GO vehicles off peak and on weekends.

Staff confirmed that the policy will be monitored and feedback solicited through Metrolinx's customer surveys.

RESOLVED:

THAT as described in the report of the Vice President, Customer Service Delivery dated December 6, 2018 (the "Report"), By-law No. 2 be amended to implement the pet policy on GO Transit, pursuant to and in accordance with the written policy attached to the Report, to be posted online at www.gotransit.com;

AND THAT By-law No. 2 be repealed and replaced with By-law No. 2 attached to the report in order to reflect the amendments required to implement the pet policy;

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

Carried

14. Auditor General Report Follow-up

Jennifer Gray and Greg Murphy, Director, Internal Audit (A), summarized the results of the Auditor General's recent activities on GO Station Selection, LRT Planning and Delivery and contract awards and oversight. Staff confirmed they worked collaboratively with the Auditor General to ensure a thorough analysis was conducted.

Staff accepted the Auditor General's 2018 recommendations and noted that many actions have already been implemented in response to the identified recommendations.

Staff also provided an update on action plans to respond to earlier audits. The Board asked about the length of time it has taken to implement the Auditor General's 2012 recommendations. Staff noted that improvements are being made to better track, monitor, and implement all recommendations. Staff will report quarterly to the senior management team and the Audit, Finance and Risk Management Committee to ensure that all remaining recommendations are addressed.

15. Customer Experience Committee Chair Report

Marianne McKenna, Customer Experience Committee Chair, presented a report on recent Customer Experience Committee activities including review of key marketing initiatives and branding. The Committee also noted the important and valuable contributions made by the Customer Experience Advisory Committee who provide feedback on key customer initiatives.

16. Quarterly Reports

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

At the request of the Board, staff described initiatives to ensure Metrolinx's projects provide benefits to the local community such as apprenticeship and employment opportunities. Provisioning for such opportunities has been included in Metrolinx's community benefits program which was first implemented under the Eglinton Crosstown LRT project.

CLOSED SESSION

17. Approval of Minutes

RESOLVED:

THAT the minutes of the Board of Directors meetings of September 14, 2018 and October 22, 2018 be approved.

Carried

18. Business Items

18.1 GO Expansion

As a result of a previously disclosed conflict, Howard Shearer was recused from the meeting room.

Leslie Woo, together with Spencer Gibbens, Head Sponsor, and Charl van Niekerk, Senior Vice President - Project Delivery, Infrastructure Ontario, reviewed the GO Expansion budget and described work underway to further refine the budget based on the project reference concept design. Staff confirmed that the original scope of work is well within the proposed budget.

[Redacted: Advice to Government]

[Redacted: Economic and Other Interests]

18.2 AFP Contract Award for the Rutherford Station and Grade Separation Project

Peter Zuk, Chief Capital Officer, together with Nadine Navarro, Stations Program Sponsor, presented the Rutherford Station and Grade Separation Project design and construction contract award request. Staff described the proportion of costs

allocated to the various elements of the work, and reasons for advancing this work now, under a separate contract.

RESOLVED:

THAT, as further set out in a report from the Chief Capital Officer, the Vice President of Early Works AFP, and the Stations Project Sponsor, dated November 8, 2018, Metrolinx is authorized to jointly award a contract with Infrastructure Ontario for the Rutherford Station and Grade Separation Project to EllisDon Infrastructure Transit (EDIT) for \$239,695,197, excluding contingency and applicable taxes.

AND THAT the signing officers of Metrolinx are authorized to execute the Design-Build-Finance contract and all the necessary legal agreements and related documentation to give effect to this resolution.

[Redacted: Economic and Other Interests]

Carried

18.3 Contract Extension for Program Management Services

This item was deferred to a future meeting.

19. Report of the Board Standing Committees

19.1 Executive Committee

Don Wright, Executive Committee Chair, confirmed no Executive Committee meetings were held since September 15, 2018.

19.2 Audit, Finance & Risk Management Committee

Bryan Davies, Audit, Finance & Risk Management Committee Chair, reported on the Committee's December 5, 2018 meeting including: review of changes to how Metrolinx allocates and manages project and program contingencies; update on Metrolinx's safety program and key safety metrics; review of Metrolinx's top enterprise risks; and review of the External Auditor's scope of work for the March 31, 2019 fiscal year-end audit.

Staff described how contingency is controlled at various levels throughout the organization. A report on contingency usage will continue to be prepared for the Audit, Finance and Risk Management Committee, to provide oversight on how contingency is being allocated and consumed. The Board asked staff to clarify what the new policy will mean for the Board, in terms of Executive Committee contract

approvals, and how much contingency mobility will be permitted under the new policy.

The Committee recommended that the Board approve the following matter:

19.2.1 Contingency Policy

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

THAT as described in the Chief Capital Officer's, Chief Financial Officer (A)'s and Vice President Capital Finance (A)'s December 5, 2018 report to the Audit, Finance and Risk Management Committee, the contingency management policy (the "Policy") for Capital Projects Group be approved;

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

Carried

19.3 Governance Committee

Rahul Bhardwaj, Governance Committee Chair, reported on the Committee's December 5, 2018 meeting. The Committee reviewed upcoming Board and Committee vacancies, impacts of recent changes to Metrolinx's mandate and the Conflict of Interest guidelines, coverage under Metrolinx's Directors and Officers insurance, the content for the new Board members' orientation program, and the timing and potential topics and activities for the upcoming April and May Board meetings.

The Committee asked staff to consider a future Board session on Metrolinx's cyberinsurance policy.

19.4 Human Resources & Compensation Committee

This report was deferred to the in camera executive sessions where Rahul Bhardwaj reported on the Committee's December 5, 2018 meeting on behalf of the Human Resources and Compensation Committee Chair.

19.5 Customer Experience Committee

On behalf of the Customer Experience Committee Chair, Anne Golden reported on the Committee's December 5, 2018 meeting including: the Committee's review of Metrolinx's Transit Oriented Development Strategy; work on the GO Expansion customer value proposition; and review of Marketing and Design Excellence's key performance indicators and measures of success.

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.

23. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 5:00 p.m.

Carried

Don Wright, Chair

Heather Platt, Secretary

c/s