

BOARD OF DIRECTORS

DATE OF MEETING:	September 14, 2018
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:	Don Wright
PRESIDENT & CEO:	Phil Verster
MEETING SECRETARY:	Heather Platt, Executive Vice President, General Counsel and Corporate Secretary (A)
MEMBERS PRESENT:	Kathy Bardswick Rahul Bhardwaj Bryan Davies Janet Ecker (until 10:40 a.m.) Anne Golden Marianne McKenna Rose Patten (from 12:30 p.m.)
REGRETS:	Bill Fisch Bonnie Patterson Howard Shearer Sharleen Stewart
OTHERS PRESENT:	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 Officer Peter Zuk, Chief Capital Officer Antoine Belaieff, Director, Regional Planning George Bell, Vice President, Safety & Security

Carol Deveney, Principal Sponsor
Don Dinnin, Vice President, Procurement Services
Spencer Gibbens, Head Sponsor
Mathieu Goetzke, Vice-President, Planning
Rob Granatstein, Director, Corporate Communications
Ken Kuschei, Director, Customer Experience
Steven Levene, Freight Sponsor
Gunta Mackars, Vice President, Design Excellence
Greg Murphy, Director, Internal Audit (A)
Peter Paz, Manager, Regional Partnerships
Mary Proc, Vice President, Customer Service Delivery
Lisa Salsberg, Senior Manager, Systems Planning
David Schulze, Senior Legal Counsel
Ann Short, Director, Strategic Business Planning & Enterprise
Risk Management
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.

PUBLIC SESSION

2. Call to Order and Remarks by Chair

Chair Wright called the meeting to order at 9:45 a.m.

Chair Wright 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 Wright welcomed the Board and members of the public, and introduced himself to the gallery.

On behalf of the Board, Chair Wright and CEO Phil Verster expressed their deep gratitude to Mr. Robert Prichard for his important contributions and tireless commitment to Metrolinx and the people of the Greater Toronto and Hamilton Area. In recognition of his service, the Metrolinx boardroom has been renamed in his honour.

Mr. Prichard thanked the Board and staff for their support over the years, and wished everyone well as they continue to deliver on Metrolinx's mandate.

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

- a) Correspondence from Grant Evers, dated March 7, 2018, relating to the proposed naming for stops on the Finch West LRT;
- b) Correspondence from the Fair Fare Coalition, dated June 27, 2018, requesting a public information session on PRESTO ticket implementation; and
- c) Correspondence from Fight Gridlock in Brampton, dated September 13, 2018, with various comments on Board reports and in particular certain programs and projects impacting Brampton such as Kitchener Corridor service, the Highway 401/409 tunnel, and the Hurontario LRT.

3. Safety Moment

George Bell, Vice President, Safety and Security, reviewed safety and security measures and Mark Childs, Chief Marketing Officer, led the group in a safety moment.

4. CEO's Report

Phil Verster noted with solemnity the recent passing of Mr. Gordon Chong, a Toronto city councillor and past chairman of GO Transit and the TTC.

Phil Verster presented the CEO's report highlighting recent Metrolinx achievements, including: deployment of new PRESTO products including the TTC 2-hour transfer; preliminary results on Metrolinx's partnership with Ontario Northland; design work underway to facilitate expansion of services to Niagara; the successful completion of the first annual transit special constables women's symposium, and the conclusion of an agreement with CrossLinx Transit Solutions on delivery of the Eglinton Crosstown.

CEO Verster also recognized the important contributions Vice President of Customer Service Delivery Mary Proc, who has announced her retirement effective November, 2018.

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

- 1. Don Wright presented letters of recognition to Acting Sergeant Fatih Kilic, Sergeant Obaidullah Faizi-Ishakzay, Sergeant Christopher Chong-St. Amant, Transit Safety Officers Leroy Persaud, Dusan Rudic and Justin O'Neill, Customer Care Coordinators Roshawn Balgrove, Andre Riley, and Jessica Beauchamp, Katherine Irvine, Supervisor Station Operations Central, and Plant

Servicepersons Gabriel Juttla and Selva Arumuganath, for acting quickly to protect customers during the flooding in and around Union Station on August 7, 2018.

2. Bryan Davies presented a letter of recognition to Crosslinx Transit Solutions in recognition of 2.6 million hours of no lost time due to injury.
3. Anne Golden presented a letter of recognition to Bus Driver Rachelle Kas for her quick and calm actions during an incident affecting her bus on the highway.
4. Anne Golden presented a letter of recognition to service person James Sackett for going above and beyond in helping a customer retrieve their car keys from a manhole near the Georgetown GO station.
5. Kathy Bardswick presented a letter of recognition to station attendant Aquina Jaidoo for assisting a customer in distress at Bloor GO station.
6. Rahul Bhardwaj presented letters of recognition to Guest Services Representative Britney Wright, and Transit Safety Officer Charankamal Jassal for providing assistance with two medical emergencies on an UP Express train.
7. Janet Ecker presented letters of recognition to Transit Safety Officers Stefan Fahel, Brent Strachan, and Arjun Kapadiya, for intervening in an alleged robbery at Union Station.
8. Marianne McKenna presented a letter of recognition to Becca Nagorsky, Director, Project Planning at Metrolinx, for being chosen by Progressive Railroading magazine as a "Rising Star" of 2018.

5. 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
Annalise Czerny	Executive Vice President, PRESTO	July 17, 2018
Carol Deveney	Principal Sponsor	July 16, 2018
Fawad Ebraemi	Vice President, Operations and Deployment, PRESTO	March 26, 2018

Spencer Gibbens	Head Sponsor	May 28, 2018
Mathieu Goetzke	Vice President, Project Planning	August 7, 2018
Gunta Mackars	Vice President, Design Excellence	August 2, 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 & General Counsel's September 14, 2018 Board report.

Carried

6. 2017-2018 Annual Report

Bryan Davies, Chair, Audit, Finance and Risk Management Committee, presented Metrolinx's 2017-2018 Annual Report. Staff summarized key 2017/18 achievements, and noted a significant amount of work effort focussed on supporting delivery of Metrolinx's capital program to achieve targets, and increasing service. Mr. Davies confirmed that the Committee had met with the external auditor, reviewed and was satisfied with the Annual Report, including the audited financial statements.

RESOLVED:

THAT, subject to any comments received from the Metrolinx Board of Directors and the Audit, Finance and Risk Management Committee, the Metrolinx Annual Report 2017-18 be approved; and

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

Carried

7. Corporate Key Performance Indicators

Jennifer Gray, Chief Financial Officer (A), and Ann Short, Director, Strategic Business Planning & Enterprise Risk Management, presented Metrolinx's Corporate Key Performance Indicators (KPIs) and described their evolution from Metrolinx's strategic objectives.

The Board discussed the current KPI metrics, trends, and activities in place to meet targets. Staff described how Metrolinx's culture is evolving in response to the KPIs, and how off-target KPIs are being used to identify opportunities for improvement.

The six corporate KPIs fit within a broader set of divisional KPIs, which provide visibility on how Metrolinx is achieving its objectives. Staff expect the KPIs to evolve over time.

RESOLVED:

THAT in accordance with the Chief Financial Officer's September 14, 2018 report, the six key performance indicators, measuring progress against Metrolinx's Safety, People, Plan & Build and Customer Experience strategic objectives, be approved.

Carried

8. RTP/"Making it Happen" Update

Leslie Woo, Chief Planning & Development Officer, Mathieu Goetzke, Vice-President, Planning, and Antoine Belaieff, Director, Regional Planning, presented a progress update on implementing the 2041 Regional Transportation Plan, including the results of the first Regional Roundtable. Staff described how the Regional Roundtable will help facilitate a collaborative approach to regional alignment and decision making, and set priorities for RTP implementation by establishing a prioritization framework based on Metrolinx's business case methodology.

The Board commented on the important municipal perspectives this group will bring to the table. The Board asked about the relationship between fare and service integration. Staff acknowledged that while the two are intertwined, staff intend to use the business case methodology to broaden the focus on costs to benefits. Staff confirmed that at this point fare and service integration are proceeding independently.

RESOLVED:

THAT, based on the recommendations in the September 14, 2018 report (the "Report") prepared by the Vice-President, Planning, the Metrolinx Board endorse the establishment of the Regional Roundtable as a forum for Metrolinx to collaborate and work with its municipal transit partners on implementing the 2041 Regional Transportation Plan;

AND THAT, as described in the Report, staff work with the Regional Roundtable to develop and recommend a strategy for implementation of the project and program priorities in the 2041 Regional Transportation Plan.

AND THAT staff report back on the Regional Roundtable activities in early 2019.

Carried

9. UP Express Ridership & Fare Sales Growth

Mark Childs, Chief Marketing Officer, and Ken Kuschei, Director, Customer Experience, presented an update on UP Express ridership and fare sales growth, and described initiatives underway driving these results. Staff confirmed they have been working collaboratively with the airport on this work, including reviewing passenger flows to identify where interventions might be most effective.

RESOLVED:

THAT the Metrolinx Board of Director's endorse the strategies and actions set out in the Chief Marketing Officer's September 14, 2018 report to increase customer-focused initiatives to drive ridership and fare sales on UP Express.

Carried

10. Auditor General Report Follow-up

Jennifer Gray and Greg Murphy, Director, Internal Audit (A), provided an update on activities to address the Auditor General's 2016 recommendations on construction contract awarding and oversight. Staff also summarized other Ontario Auditor General (OAG) activities underway including a value-for-money audit on light rail transit planning and construction and GO stations selection, and follow-up reviews in response to the 2012 and 2014 regional transportation plan audits.

Staff confirmed that engagement with the OAG has been positive. Staff assured the Board OAG recommendations are being addressed. However, some items may be reported as outstanding because of the time between policy development and full implementation, and the OAG preference to see revised practices in place for a year.

11. Customer Experience Committee Chair Report

Marianne McKenna, Customer Experience Committee Chair, presented a report on recent Customer Experience Committee activities highlighting recent inputs received from the Customer Experience Advisory Committee, Marketing's shift in focus from the commuter market segment to customer trip purposes, and progress on design excellence including establishing the importance of universal design and setting station design standards.

CEO Verster thanked Ms. McKenna for her leadership on design excellence, which has challenged the organization to think differently about design.

12. Quarterly Reports

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

The Board asked about PRESTO impacts arising from the TTC's deployment of a two (2) hour fare transfer, and asked staff to report back once results have been analyzed. Staff described how this policy forms an important part of the larger fare integration strategy, and should include analysis of broader benefits.

Staff also described PRESTO's Voucher product, and its potential application to secondary and post-secondary schools.

Lastly, staff described how they have been exploring opportunities for increasing services by testing with "shadow" services.

CLOSED SESSION

13. Approval of July 12, 2018 Minutes

RESOLVED:

THAT the minutes of the Board of Directors meeting of July 12, 2018 be approved.

Carried

14. Commercial Management

Heather Platt, Steven Levene, Freight Sponsor, and David Schulze, Senior Legal Counsel, provided an update on Metrolinx's Commercial Management initiative and activities. Staff described how the initiative will build a coordinated commercial approach to contract management. As a pilot, a gap analysis was completed for one of Metrolinx's key vendors. This analysis identified a number of "quick wins" including centralizing the contract management function to provide holistic oversight, including early identification of issues across contracts and improved ability to capture benefits.

The Board asked how Metrolinx will develop the skills needed for this initiative. Staff described how resources will be integrated from various internal and external teams, and will include skills development within the joint Metrolinx and Infrastructure Ontario (IO) team, and broader training more generally.

Staff illustrated how the program, once established, will improve KPI, business and project performance, risk, and claims monitoring and reporting, and help facilitate proactive interventions to mitigate issues from the beginning.

The Board asked staff to consider whether the input of the Capital Oversight Subcommittee would be useful.

The Board discussed how the number of contract change requests will be impacted, for example. Staff confirmed an assessment is underway to identify areas of high exposure with key vendors, and that a claims related KPI is under development. The Board would like to see a system that takes a holistic view, and can provide them with an early warning of material issues. Staff described how project monitoring and reporting have improved. As the framework and governance matures, staff expect issues will be identified and managed earlier, resulting in less issues being brought to the Board.

15. Contract Rigour

Don Dinnin, Vice President, Procurement Services, Greg Murphy, Gunta Mackars, Vice President, Design Excellence, Spencer Gibbens, Head Sponsor, and Carol Deveney, Principal Sponsor, presented a report on governance processes used to ensure that Metrolinx contracts are the result of a rigorous process.

The Board discussed procurement evaluation criteria how design requirements are reflected in the documents, and how and when proponent teams are evaluated during the AFP process.

In future, the Board requested that staff use specific examples to demonstrate the processes, and how they have changed.

16. Report of the Board Standing Committees

16.1 Executive Committee

Bryan Davies presented a report on the Committee's meetings since March 8, 2018.

16.2 Audit, Finance & Risk Management Committee

Bryan Davies, Audit, Finance & Risk Management Committee Chair, reported on the Committee's September 13, 2018 meeting.

The Committee recommended that the Board approve the following matters:

16.2.1 PRESTO Subcommittee Terms of Reference and Member Appointments

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

THAT the updated PRESTO Subcommittee Terms of Reference to reflect the addition of marketing expertise as attached to the Report are approved effective as of June 26, 2018.

Carried

16.2.2 Capital Oversight Subcommittee Terms of Reference

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

THAT in accordance with the Chief Capital Officer and Associate Corporate Secretary's September 13, 2018 report to the Audit, Finance and Risk Management and Governance Committees (the "Report"), Howard Shearer be appointed to the Capital Oversight Subcommittee effective June 27, 2018, for a term ending December, 2020, and that the resignation of Upkar Arora be accepted effective June 27, 2018;

AND THAT the revised Capital Oversight Subcommittee Terms of Reference as attached to the Report be approved.

Carried

16.3 Governance Committee

Rahul Bhardwaj, Governance Committee Chair, reported on the Committee's September 13, 2018 meeting and proposed agenda topics for the October Board meeting.

The Committee recommended that the Board approve the following matters:

16.3.1 Customer Experience Committee Terms of Reference

RESOLVED, on recommendation of the Governance and Customer Experience Committees:

THAT the revised Customer Experience Committee Terms of Reference (TORs) as set out in the Chief Marketing Officer, Vice President, Customer Service Delivery, and Associate Corporate Secretary's June 26, 2018 report to the

Customer Experience and Governance Committees (the "Report") be approved.

Carried

16.3.2 Board Appointments and Skills Matrix

RESOLVED, on recommendation of the Governance Committee:

THAT Don Wright be appointed a member of each of the Audit, Finance and Risk Management, Customer Experience, Governance and Human Resources and Compensation Committees, effective September 14, 2018.

Carried

16.4 Human Resources & Compensation Committee

Rose Patten, Human Resources & Compensation Committee Chair, presented a report on the Committee's September 13, 2018 meeting including review of Metrolinx's Fitness for Duty policy, the impacts of recent compensation restrictions, and employee pulse check results and activities to increase employee engagement.

16.5 Customer Experience Committee

Marianne McKenna reported on the Committee's September 13, 2018 meeting including work completed to improve customer satisfaction, the results of a recent brand study, and design excellence activities.

17. Agenda Proposals for Next Meeting

There were no agenda proposals for the next meeting.

18. Other Business

There was no other business to discuss.

EXECUTIVE SESSIONS

19. Executive Session

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

20. Executive Session

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

21. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 2:30 p.m.

Carried

Don Wright, Chair

Heather Platt, Secretary

c/s