

BOARD OF DIRECTORS STRATEGY SESSION

- DATE OF MEETING:** February 11, 2021
- TIME OF MEETING:** 8:00 a.m.
- PLACE OF MEETING:** Video & Audio Conference
- CHAIR:** Don Wright
- PRESIDENT & CEO:** Phil Verster
- MEETING SECRETARY:** Alba Sandre Taylor, Vice President & Corporate Secretary
- MEMBERS PRESENT:** Rick Byers
Bryan Davies
Janet Ecker
Luigi Ferrara
Diana Fletcher
Michael Kraljevic
Tony Marquis
Emily Moore
Reg Pearson
Robert Poirier
Clio Straram
Sylvie Tessier
Paul Tsaparis
- REGRETS:** None
- OTHERS PRESENT:** The Honourable Caroline Mulroney, Minister of Transportation
Karla Avis-Birch, Chief Planning Officer (A)
Mark Childs, Chief Marketing Officer
Matt Clark, Chief Capital Officer
Annalise Czerny, Chief of PRESTO
Helen Ferreira-Walker, Chief Human Resources Officer
Martin Gallagher, Chief Safety Officer
Jennifer Gray, Chief Financial Officer
Steve Levene, Chief Operating Officer, Rapid Transit
Heather Platt, Chief Legal Officer
Ian Smith, Chief Operating Officer
Jennifer van der Valk, Chief Communications Officer (A)
Trevor Anderson, Union Station Early Works Program Sponsor

Tom Alyward-Nally, Senior Manager & Advisor to the Chief Capital Officer
Lena Azzou, Chief of Staff to the President & CEO
Michael Beaton, Chief of Staff to The Honourable Caroline Mulroney, Minister of Transportation
Genefer Behamdouni, Director, Risk, Insurance & Records
Rose Butler, Manager & Senior Advisor to the Chair
Mike Derry, Director, Real Estate Management
Vesna Dobric, Senior Advisor, Board Governance
Fawad Ebraemi, Vice President, Delivery, PRESTO
Trevor Geach, Legal Counsel
Jennifer Gray, Chief Financial Officer
Steven Hobbs, Chief of Staff to the President & CEO
Andrew Hope, Executive Vice President, Rapid Transit Implementation
Angus Johnston, Director, Program Management Office
Ken Kuschei, Director Customer Experience
Audrey Lemieux, Senior Advisor to Chief Financial Officer
Taya Leybman, Vice President, Solution Development & Technology, PRESTO
Jennifer Mandilag, Executive Assistant, PRESTO
Nadiah Nida, Senior Manager, Enterprise Risk Management
Michael Norton, Chief of Development (A)
Robert Pattison, Senior Vice President - Commercial Resolutions, Infrastructure Ontario
Todd Pecjak, Vice President, BT Program Management Office
Rick Radovski, Director, Non-Fare Sales
Eugene Roman, Chief Information Officer
Jason Ryan, Vice President, Pre-Construction Services
Ann Short, Director, Financial Planning & Analysis
Vickey Simovic, Senior Advisor to the Chief Development Office
Candice Troupe, Vice President, Customer & Clients, PRESTO
Shayne Tryon, Vice President, Commercial Management
Justyna Witek, Deputy Chief Financial Officer
Rosslyn Young, Vice President, Procurement Services

1. CEO/Board In Camera Session

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

Chair Donald Wright called the meeting to order at 8:30 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.

No conflicts of interest were declared.

[Redacted: Economic and Other Interests]

2. Call to Order and Safety Moment

The Chair reviewed safety and security measures and the group held a safety moment.

On behalf of the Board, the Chair acknowledged that the meeting was taking place on the traditional territory of many nations. In particular, the Mississaugas of the Credit, the Anishnabeg, the Haudenosaunee, and the Wendat peoples. The Chair acknowledged that Metrolinx operates on these lands and has a responsibility to work with the original keepers of this territory and the many diverse Indigenous Peoples living here today.

3. Session with the Minister

The Chair and Phil Verster, President & Chief Executive Officer, introduced the Honourable Caroline Mulroney, Minister of Transportation. The Chair thanked the Minister for her strong leadership, support, and advocacy on advancing modern, integrated transit solutions. The Chair noted how transit projects are integral to stimulating economic recovery following the pandemic. The Minister's unwavering support has been instrumental in enabling the Corporation to continue to innovate and deliver value for money.

The Minister commended the Board and Metrolinx staff for efforts to keep operations and ambitious transit plans moving in spite of the pandemic. The Minister highlighted certain provincial initiatives designed to better serve Ontarians and assist Metrolinx in discharging its mandate, including the integration of transit into community building, and regional fare and service integration.

The Minister confirmed the need to advance priority transit projects in preparation for post-pandemic recovery. Capacity was an issue before the pandemic, and will be again once it is over.

The Board considered its ability to support and expedite government approval processes on the agency side. The Minister confirmed that early information sharing, Board approvals supporting the Treasury Board submission process, and open lines of communication between the Ministry and the Chair are helpful in advancing government approvals quickly and efficiently.

The Board and the Minister discussed the priority and importance of Metrolinx's property acquisition strategy over the next year, and related risks and mitigations, including an effective communications strategy.

The Board and Minister also discussed federal funding to accelerate Ontario transit projects, operational budget pressures, cost control priorities and strategies at both the agency and government levels (including partnerships with municipal agencies), and the evolution of the Transit-Oriented Communities program.

STRATEGY ITEMS

The Minister left the meeting at 9:35 a.m. The Board held a short debrief on the Minister's session before staff joined the meeting in progress.

4. Metrolinx Top Risks

Jennifer Gray, Chief Financial Officer, Ian Smith, Chief Operating Officer, Mark Childs, Chief Marketing Officer, Jason Ryan, Vice President, Pre-Construction Services, and Taya Leybman, Vice President, Solution Development and Technology, presented a report on Metrolinx Top Risks. Staff explained Metrolinx's enterprise risk management ("ERM") review and reporting framework generally, and how the top 15 risks facing the organization today were identified (including how implementation of mitigations and controls affects risk scoring and the identification of top risks). Staff highlighted advances in the Corporation's ERM program, and opportunities for improvement to increase ERM maturity.

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

On ridership, revenue and recovery, staff described the tension between reducing operating costs and sustaining and supporting growth. Staff emphasized the need to approach operational cost control strategically at this time, with a focus on service scalability, agility, and responsiveness. Staff highlighted customer work underway to better understand and adapt to the needs of returning ridership.

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

[Redacted: Economic and Other Interests]

The Board discussed risk management and reporting generally, and challenged staff to consider how risk reporting and management could be simplified and streamlined at the Board and Board Standing Committees. Staff confirmed risk reporting does occur at various committees based on their stated mandates, but the Audit, Finance and Risk Management Committee ("AFARM") retains ultimate responsibility for overall oversight of enterprise risk management on behalf of the Board. Staff committed to review Board Standing Committee risk oversight and intersections with AFARM.

Staff described initiatives to develop staff and promote the culture shift towards ERM maturity, including establishment of the centres of excellence (Project Management

and LEAN), training, and a tailored approach to root-cause analysis that maximizes process and operational efficiencies.

The Board discussion closed with consideration of how these learnings and processes are being applied by staff in practice, and how externalities like COVID-19 and timely vendor and stakeholder issues are being identified and addressed outside of but informed by Metrolinx's ERM processes.

5. PRESTO Strategy

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

6. Technology Strategy

Eugene Roman, Chief Information Officer, presented a report on Metrolinx's Technology Strategy 2021-2024. Staff reviewed feedback from the most recent Auditor General's report, highlighting compliance, program maturity and capability concerns. Staff noted while the extent of the changes proposed to the Information Technology ("IT") program are necessary and significant, risks and operational impacts will be minimized to the greatest extent possible. [Redacted: Economic and Other Interests]

Staff described the simplified target "4D" operating model and current areas for improvement, including: project delivery and scoping; resourcing and automation; procurement design; cybersecurity; and risk management generally. [Redacted: Economic and Other Interests, Advice to Government]

The Board discussed key factors being considered in updating the IT program, and what success will look like. The Board also discussed anticipated costs, funding, budget management and decision-making accountabilities for IT projects.

Staff will return to the Board with an update on action items, as well as an investment plan outlining capital and operational costs.

RESOLVED:

THAT, as described in the CIO's February 11, 2021 report, Metrolinx proceed with the actions and strategies proposed to transform Metrolinx's I&IT organization, simplifying the operating model while focusing on key priorities and areas of improvement: project delivery, cybersecurity, system failover, resourcing, and procurement;

AND THAT, staff report back on progress as appropriate.

Carried

APPROVAL ITEMS

Before moving into the formal approval items of the Agenda, the Board briefly discussed the addition of the Board Chair as an official voting member of the Real Estate Committee.

RESOLVED:

THAT Don Wright be appointed a member of the Real Estate Committee.

Carried

7. [Redacted: Economic and Other Interests]
8. [Redacted: Economic and Other Interests]
9. [Redacted: Economic and Other Interests, Solicitor-Client Privilege]
10. **Other Business**

There was no other business to discuss.

11. Executive Session

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

12. Executive Session

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

13. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 12:33 p.m.

Carried

Donald A. Wright, Chair

Alba Sandre Taylor, Secretary

c/s