
BOARD OF DIRECTORS

DATE OF MEETING:	October 10, 2024
TIME OF MEETING:	8:00 a.m.
PLACE OF MEETING:	J. Robert S. Prichard Boardroom 4 th floor, 97 Front Street West, Toronto, Ontario M5J 1E6 Video & Audio Conference
CHAIR:	Donald Wright
PRESIDENT & CEO:	Phil Verster
MEETING SECRETARY:	Alba Sandre Taylor, Vice President & Corporate Secretary
MEMBERS PRESENT:	Bryan Davies James Dodds (Virtual) Luigi Ferrara Mark McQueen Reg Pearson Robert Poirier Karen Tam Paul Tsaparis (Virtual)
REGRETS:	Deb Hutton Tony Marquis
OTHERS PRESENT:	Ramneet Aujla, Chief Human Resources Officer Karla Avis-Birch, Chief Planning Officer Mark Childs, Chief Marketing Officer Martin Gallagher, Chief Operating Officer (GO & UP) and Chief Safety Officer Jennifer Gray, Chief Financial Officer Barclay Hancock, Chief Payments Officer Karima Hashmani, Chief Inclusion Officer Andrew Hope, Chief Capital Officer - Rapid Transit David Jang, Chief Communications Officer Steve Levene, Chief Operating Officer - Rapid Transit Heather Platt, Chief Legal Officer

Remaining Attendees noted in Schedule "A"

CLOSED SESSION

1. Call to Order, Land Acknowledgment, and Conflicts

Chair Donald Wright called the meeting to order at 8:04 a.m. and delivered the land acknowledgement.

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.

[Redacted: Personal Privacy.]

No other conflicts of interest were declared.

2. Safety Briefing

The Corporate Secretary reviewed safety and security measures for the meeting.

3. CEO/Board In Camera Session

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

The Honourable Prabmeet Sarkaria, Minister of Transportation, joined the meeting in progress and held in camera discussions with the CEO and Board.

James Dodds left the meeting.

4. Safety Moment

Staff joined the meeting at 9:48 a.m.

The group held a safety moment, reflecting on a serious near miss incident on the Ontario Line project involving a Metrolinx contractor. Staff emphasized how adhering to safety standards and processes is a key element of organizational cultural, as in this case known processes were not followed.

5. 2025-26 Operating Budget Approval

Jennifer Gray, Chief Financial Officer, and Justyna Witek, Deputy Chief Financial Officer, presented the proposed 2025-2026 Operating Budget to be submitted to the Ministry of Transportation ("MTO") to initiate related budget discussions.

The Audit, Finance, and Risk Management Committee (AFARM) Chair confirmed that both budgets had been reviewed and recommended to the Board for approval.

Staff provided a high-level summary of the budgeting process and relationship to government decision making. **[Redacted: Advice to Government, Cabinet Records.]**

The Operating Budget provides a three-year plan for government approval. The Capital Budget provides a 10-year rolling plan. Staff noted that while Government approves the rough capital profile, most individual capital projects receive separate in-year approval(s) that then become embedded in the capital budget going forward.

[Redacted: Economic and Other Interests, Cabinet Records.]

Staff confirmed this year's operating budget will reset Metrolinx's government operating subsidy following COVID-related additional subsidies, which are being discontinued. **[Redacted: Advice to Government, Economic and Other Interests, Cabinet Records.]**

Staff provided an update on ridership numbers underpinning revenue assumptions, following in-depth discussion at AFARM. Staff shared that current ridership numbers are exceeding forecasts. Staff are also comfortable with the growth forecasts contained in the budget. **[Redacted: Advice to Government, Economic and Other Interests.]**

[Redacted: Advice to Government.]

[Redacted: Economic and Other Interests.]

RESOLVED, on recommendation of the Audit, Finance and Risk Management Committee and subject to those changes discussed with the Committee and the Board:

THAT management is authorized to initiate budget discussions with the Ministry of Transportation (MTO) and submit an operating budget proposal consistent with the information in the October 10, 2024 Metrolinx 2025-2026 Operating Budget report;

AND THAT management report back on the results of the provincially approved operating subsidy as the process continues;

AND THAT, based on discussions with MTO, management submit any updates to the proposed 2025-2026 Operating Budget to the Board for approval as part of the 2025-26 Business Plan prior to resubmission to MTO.

Carried, as revised.

6. 2025-26 Capital Budget Approval

Jennifer Gray, Chief Financial Officer, and Karen Woo, Executive Vice President Capital Finance, presented the proposed 2025-2026 Capital Budget.

Staff highlighted the State of Good Repair (“SOGR”) section of the budget, **[Redacted: Economic and Other Interests.]**

[Redacted: Economic and Other Interests, Cabinet Records.]

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

RESOLVED, on recommendation of the Audit, Finance and Risk Management Committee and subject to those changes discussed with the Committee and the Board:

THAT, management is authorized to initiate budget discussions with the Ministry of Transportation (MTO) and submit a capital budget proposal consistent with the information in the October 10, 2024 Metrolinx 2025-2026 Capital Plan report;

AND THAT, management report back on the results of the provincially approved capital subsidy as the process continues;

AND THAT, based on discussions with MTO, management submit any updates to the proposed 2025-2026 Capital Plan to the Board for approval as part of the 2025-26 Business Plan prior to resubmission to MTO.

Carried, as revised.

7. Major Capital Projects - Financial Outlook

Jennifer Gray, Karen Woo, Andrew Hope, Chief Capital Officer and Matt Clark, Special Advisor to the President and Chief Executive Officer, presented the Major Capital Projects report to update the Board on the capital cost outlook reflecting current market conditions for the Metrolinx capital program.

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

8. Enterprise Risks

Jennifer Gray presented an update on Metrolinx’s Enterprise Risk Management Program and highlighted the top five key emerging risk areas facing the organization.

[Redacted: Economic and Other Interests.]

The Board requested that the Capital Oversight Committee have greater visibility into Metrolinx’s enterprise risks, as the Committee has a number of subject matter experts who may provide additional insights.

[Redacted: Economic and Other Interests, Relations with Other Governments.]

The Board noted that the report includes operational risks and asked how external risks - like inflation - are monitored. Staff responded that these risks, and mitigations, are incorporated into each specific project as relevant.

The Board asked about talent risk, specifically how Metrolinx is ensuring there is a proper workforce pipeline to build and operate its infrastructure, what more can be done to ensure skilled trades are developed to work on Metrolinx projects, and whether Metrolinx is taking advantage of the opportunity the longevity of its projects represent to help develop a talent pipeline. Staff noted that work is being done with training academies to help funnel the next generation of skilled workers to Metrolinx. Staff also work directly with tier one contractors and trade unions, and will continue to communicate longevity of the project pipeline (which may be particularly appealing to the skilled trades, where training is delivered by the trade unions and job stability is particularly valued). **[Redacted: Economic and Other Interests.]**

Finally, the Board asked how ridership recovery is incorporated into Metrolinx's enterprise risk management program, seeing as it has not been identified in Metrolinx's top ten risks. Staff responded that managing ridership is a 'business as usual risk' and regular deep dives into the matter are conducted, with weekly control rooms dedicated to ridership review, and monthly management business performance reviews also focussed on reviewing ridership figures. **[Redacted: Economic and Other Interests, Relations with Other Governments.]** The Board encouraged staff to continually revisit underlying ridership assumptions to ensure they continue to be valid.

9. USRC Future Operational Needs

After a short break, the meeting reconvened at 11:15 a.m.

Heather Platt, Chief Legal and Commercial Officer, Jake Schabas, Vice President, GO Expansion Head Sponsor, and Rick Schipling, Executive Vice President Real Estate & Development requested the Board of Directors' support for the development of an integrated approach to plan and protect the Union Station Rail Corridor (USRC).

Staff noted that the USRC is the heart of the transit system. The USRC is not a single property interest held by Metrolinx, but is made up of Metrolinx owned property, easements, and third party owned property, including air rights. Property developers who hold rights adjacent to or on the USRC are seeking to develop their properties, which could impact future rail network operations and needs. **[Redacted: Advice to Government.]**

[Redacted: Advice to Government, Economic and Other Interests, Solicitor Client Privilege.]

Mark McQueen left the meeting.

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

11. [Redacted: Solicitor-Client Privilege, Economic and Other Interests, Cabinet Records, Advice to Government.]

12. Consent Items

RESOLVED:

THAT Consent Agenda items 12.1 is approved as follows:

12.1 Approval of September 12, 2024 Minutes

THAT the minutes of the Board of Directors meeting of September 12, 2024 be approved.

Carried

12.2 Presto Benchmarking

Payments (PRESTO) provided an in-depth report on global fare payment systems conducted in 2023 that included components such as product and procurement benchmarking, cost of fare collection and a case study amongst Metrolinx’s global peers.

The Board asked about if peer organizations from Asia were included in the benchmarking. Staff replied that work is ongoing to develop relationships with some global peers which can be used in future similar exercises (since the information on which the benchmarking is based is largely confidential and requires willing partners to share). A global group that Metrolinx is a part of now includes Singapore, which will lead to additional insights and perspectives.

The Payments (PRESTO) Committee Chair noted that the Committee would be discussing this matter further at its next meeting, and that all Board members are invited to attend that discussion.

12.3 YNSE Alignment and Decision History

The Alignment and Decision History Report on the Yonge North Subway Extension was taken as read.

13. Other Business

There was no other business to discuss.

14. Executive Session

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

15. Executive Session

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

15. Adjournment

There being no further business before the Board of Directors, the meeting was adjourned at 12:57 p.m.

Donald A. Wright, Chair

Alba Sandre Taylor, Secretary

c/s

Schedule "A"
October 10, 2024 Board Meeting - Other Attendees

Other Attendees:

- Mark Ciavarro, Deputy Chief Capital Officer, Capital Projects Group (Rapid Transit)
- Matt Clark, Special Advisor to President and CEO
- Stephen Collins, Executive Vice President, Subway Extensions Project Delivery
- Ben Doadt, Director, Legal Services
- Kent Evans, Legal Counsel & Corporate Commercial Services
- Samantha Gursaud, Board Coordinator
- Steven Hobbs, Chief of Staff to the President & CEO
- Paul Judge, Deputy Chief Capital Officer Delivery and Program Integration
- Meghan Mulligan, Executive Vice President Commercial, Capital Projects Group (Rapid Transit),
- Trevor Parker, Director, Programmatic Commercial
- Fay Pittman, Chief Engineer, Operations - Rapid Transit
- Lora Pontoni, Corporate Law Clerk
- Laizabelle San Gabriel, Senior Advisor, Board Governance
- Jake Schabas, Vice President GO Expansion Head Sponsor
- Rick Schippling, Executive Vice President Real Estate & Development
- Justyna Witek, Deputy Chief Financial Officer
- Karen Woo, Executive Vice President Capital Finance