

**BOARD OF DIRECTORS MEETING – 2020-02
THURSDAY, OCTOBER 15, 2020**

VIRTUAL/TELECONFERENCE CALL

**MINUTES
To be adopted on May 12, 2021**

Present on Teleconference

Fiona Murray, CN, Chair

Sean Finn, CN

Gord Peters, Cando Rail & Terminals Ltd.

Phil Verster, Metrolinx

Dominique Lemay, VIA Rail

Robert Taylor, CP, Vice-Chair

Jeff Ellis, CP

Louis Gravel, SFP Pointe-Noire

Corina Moore, Ontario Northland

Gerald Linden, SRY

Also Present on Teleconference

Peter Bedrossian, RAC

Stéphanie Montreuil, RAC

Sarah Mayes, OL

Keith Shearer, CP

Greg Kolz, RAC

Caroline Healey, RAC

Present in Person

Marc Brazeau, RAC

Sandra Kazaka, RAC

Johanne Delaney, RAC

Absent

Cynthia Garneau, VIA Rail

1. WELCOME AND CALL TO ORDER

The meeting of the Board of Directors of the Railway Association of Canada, held on Thursday, October 15th, 2020 in Ottawa, Ontario by teleconference, was called to order at 10:30am to deal with the agenda items contained in the RAC Board Briefing book.

Fiona Murray chaired the meeting with Sandra Kazaka acting as Secretary. The Chair reported there was a quorum present and declared the meeting to be properly constituted for the transaction of business.

2. APPROVAL OF THE MINUTES

Resolution 2020-09 – Minutes of the May 13th, 2020, Board of Directors meeting

It is moved by Louis Gravel and seconded by Sean Finn, that the minutes of the Board of Directors meeting held in Ottawa Ontario, on Wednesday, May 13th, 2020, are to be taken as read and approved.

3. COMMITTEE REPORTS

3.1 SOMC COMMITTEE

Keith Shearer, CP, Chair of SOMC, gave the report on the committee meeting that took place on October 14th, 2020 by teleconference.

Regulatory update:

- Duty & Rest period rules filed with the Minister on September 11th, 2020
- Grade Crossing Regulations fully in effect November 2021;
- Funding issue from road authorities has become apparent to TC and now TC is looking for reasonable rationale to extend or exempt based on risk;
 - RAC and the industry working group are fully engaged
- LVVR regulation was published on September 2nd, 2020. Fully in force September 2022;
- Ministerial Order issued for switching. Rule to be filed by June 2021.

ETC progress update:

- 2024 is the expected delivery date for completed operating standards;
- Requires \$1.0MM in funding annually from RAC members from 2021 – 2023 and \$500K in 2024;
- Industry will be required to provide expertise in terms of FTEs 3-4 per company required (TC Michael DeJong, Director General, Rail Safety, referenced this work as having importance with the Minister).

TC update – New Director General, Michael DeJong:

- TC is hosting information sessions on LVVR and will provide guidance;
- Recognize the issue with Grade Crossing Regulation;
- Key Trains Rules being revised by industry in response to Ministerial Orders issued earlier this year;
- Ministerial Order issued for switching in response to TSB recommendations;
- Duty and Rest Period Rules being reviewed. Also assessing how the proposed FRMS Regulations will co-exist with the Rules;
- Concerns raised that TC is proceeding without appropriate consultation with the industry.

TSB update:

2020 accident statistics compare favourably to 2019 performance and 3-year average.

3.2 PAC COMMITTEE

Sean Finn, CN, Chair of PAC, gave the report on the committee meeting that took place on October 14th, 2020 by teleconference.

Key Trains and Key Route Rules/Speed Restrictions:

- RAC's working group continues to move the file forward with TC;
- The 60-day consultation period on the draft revised Key Trains Rules will begin today with Labour groups;
- TC appears to be supportive of the progress to date, including suggested revisions to temperature-based speed restrictions vs calendar date speed restrictions;

- November 15th marks the start of the winter season (to March 14th) and speed requirement of the current MO/20-05 where companies must comply speed restrictions based on temperature, as proposed in the draft revised rules, will not be in place by then. However, TC has indicated in the interim that they are contemplating an amendment to MO/20-05 by considering the industry's recommendation of a temperature-based speed restriction;
- TC will be looking for the industry to agree to risk mitigation approach and plans, signed off by railway Professional Engineers;
- There is general support for RAC to engage other influential stakeholders to help deliver the message to TC that speed restrictions may have unintended consequences on customers (i.e. Federation of Agriculture, Provincial Premiers, Provincial Ministers of Transport);
- RAC needs to carefully monitor TC's progress and coordinate timing of outside stakeholder engagement with TC.

Grade Crossing Regulations

- Railways are currently being forced to pay the bill on what should clearly be a shared management responsibility between railways, municipalities and private landowners;
- Challenges include the current deadline of November 2021 and a lack of funding for municipalities;
- TC reiterated the importance of reducing fatalities at railway crossings and emphasized that a proposed extension must be based on a strong safety case and dealing with current economic realities faced by all stakeholders;
- TC has the information needed from the railways to begin preparing a briefing to the Minister, however, they will need to have additional discussions internally to ensure that the proper risk assessment approach is properly developed and detailed;
- There is general support for RAC to engage with mayors directly, given FCM's reticence to fully endorse a deadline extension;
- FCM is looking for RAC support on their request for more RSIP funding;
- RAC must reinforce RSA recommendations to the Transport Minister that Federal Government allocate more funds for railway safety in Canada;
- RAC must also, in partnership with Mayors, promote opportunity for more federal government investments in grade crossing upgrades as part of the overall post COVID-19 economic recovery plans.

Promotion Grain & Winter Plans

- RAC will work in partnership with CN & CP to develop and execute a promotional campaign focused on both companies' grain & winter plans;
- RAC will coordinate a meeting in the coming days with members to discuss the specifics of the proposed promotional campaign, including messaging, timeline and deliverables.

Quebec Outreach

RAC has hosted a series of meetings with a wide range of stakeholders in Quebec, including individuals and organizations in both the private and public sectors. These meetings have helped raise the RAC's profile in the Province of Quebec, develop partnerships, and create opportunities for collaboration that will benefit RAC members and the rail industry as a whole.

2020 Events and Outreach

RAC has hosted a series of virtual “Business of Rail” and “Lunch & Learn” meetings, designed to engage and educate a broad audience of members, industry stakeholders, and government officials. Given the success of these events, additional sessions are being planned to take place between now and the end of the calendar year. In-person training sessions, such as Railway Operations Live, have been deferred to 2021 in light of current COVID-19 restrictions. However, the RAC is working with TC on a three-part series of Rail 101 sessions for their new hires.

Federal Government Engagement

RAC filed its 2021 Pre-budget Submission with the House of Commons Finance Committee in early August. Since then, the RAC has hosted one-on-one (virtual) meetings with more than 35 MPs and Senators, in order to increase RAC brand relevance, promote the recommendations included in their 2021 pre-budget submission, and advocate to ensure rail’s ongoing role in safely and efficiently moving Canada’s goods, resources and people.

Issues Management

RAC continues to engage with various ministers and departments on a wide variety of issues of importance to Canada’s railway industry. Whether it’s been highlighting the plight of their passenger rail operators during the COVID-19 pandemic, including tourism and commuter railways that are suffering unprecedented challenges, or promoting the vital importance of their freight carriers, including shortline railways, which are essential components of Canada’s supply chain, the RAC has been resolute in its approach.

3.3 COMMUNICATIONS AND MEDIA RELATIONS

Stéphanie Montreuil, RAC, Senior Director Communications and Media Relations, reported on the following items:

2020-2022 Strategic Objective

Leverage content marketing and KPI data to fully utilize social media platforms and expand reach to stakeholders and partners, while increasing RAC authority.

Social Media & Website

During COVID-19, the RAC’s followers have increased by over 10% with LinkedIn being the fastest growing platform. RAC has a more captive audience with increased outreach, increased engagement and increased number of users.

Decreased bounce rate which means people are finding what they are looking for and increased amount of time and number of pages visited.

The website has earned over 52,000 unique page views from over 23,000 visitors and the Rail Atlas continues to be the most popular page among visitors. Increased viewership means that RAC’s event audiences are also growing.

Daily News Update

The RAC is updating the look and feel of its Daily Newsletter which will now be a monthly newsletter that was launched in September with a 43.1% open rate and 11.1% click through rate.

The newsletter will present team members that have been added to the RAC in recent months. An upcoming campaign will feature the RAC team members on various platforms so members and key stakeholders can get to know them better.

Video Inventory

To date, the RAC has completed the following videos:

- Resiliency of the Rail Industry during COVID
- Right Track introduction
- CBoC report companion video

The next video will be a companion piece to the pre-budget submission and the final video of 2020 will be an introduction to the RAC Rail Atlas. This webpage continues to be the most visited page on the website.

Upcoming Campaign

The primary objective of the upcoming campaign is awareness. It will position the rail industry as a modern, green sector that is a key part of meeting the demands of the Canadian supply chain and further contribute to the economy by creating high paying jobs.

In addition, to send a clear message that the rail industry is able and ready to be a partner in the reconstruction of the post-economy Covid.

3.4 OPERATION LIFESAVER

Sarah Mayes, National Director of OL, reported on OL's activities since the last board meeting. OL is making good progress with their objectives despite the COVID-19 outbreak.

Rail Safety Improvement Program Funding

- OL's contribution agreement with TC has been finalized and TC will provide \$600,000/year in funding from April 1st, 2020 to March 31st, 2023. That's an increase of \$100,000 a year to support OL's rail safety outreach and campaigns. OL's Railway Suicide Prevention Initiative is now included in TC's funding.

Rail Safety Week and STOP Track Tragedies Campaign

The campaign was virtual this year with #STT videos edited into fresh ads for digital/radio campaign with Bell Media in 14 hotspot markets across Canada and social media campaign on Facebook/Instagram and YouTube.

- Bell Media campaign yielded impressive results with Radio ads aired more than 1,300 times across Canada, 100,000 video views on Bell's ConnectedTV platform and >2 million impressions on Bell-owned websites (CTV, TSN, etc.);
- OL has more than doubled the visits to their website this year through their campaign – with an average of about 1,700 visits a day for a total of more than 14,000;
- OL has had >1.1 million views of campaign videos and >5 million impressions;
- Compare that to their 2019 campaign: 368,000 views and 4 million impressions.

Municipal Outreach

- Launched new municipal rail safety "toolkit" (with plug-and-play social media messages, among other resources) — promoted in partnership with FCM;

- Developing some new animated videos for municipalities;
- Developed new Train to Drive VR video for agricultural workers and promoted it in rural communities;
- Unveiled 125 rail safety decals in 30 communities across Canada during RSW;
- 514 police departments/detachments from coast to coast participate in a virtual “Operation Clear Track” this year (that’s up from just 17 departments last year).

Corporate Partnerships

- Working with Mattel to produce Thomas & Friends rail-safety story and activity books for kids;
- U.S. publisher delays because of COVID-19, but aiming to produce books before year-end;
- Consultant engaged to secure partnerships for this project and OL’s suicide prevention campaign.

Suicide Prevention Campaign

- Canada Suicide Prevention Service (CSPS) has confirmed funding from Public Health Agency of Canada;
- Finalize video and print campaign materials for CSPS approval;
- Launch of campaign will depend on CSPS responder capacity – to possibly happen in early 2021.

4. TREASURER’S REPORT

Gord Peters made a summary of the items discussed at the recent Finance and Audit Committee meeting held on October 1st, 2020. Mr. Peters reported that RAC is in good financial condition and is well-positioned to handle the financial uncertainty of a pandemic.

2020 Audit Plan

The Committee reviewed and accepted the 2020 audit plan for RAC and Operation Lifesaver, and noted the area of audit focus, level of materiality, and oversight process on fraud risk. PricewaterhouseCoopers also presented new technology to enhance the efficiency and quality of the audit and value-added tools (dashboards).

Risk Assessment

The committee reviewed the key risks heat map and discussed items categorized as high impact and high likelihood including: B6-Key Trains and Key Routes Rules; B1-Enhanced Train Control.

The committee reviewed RAC’s internal risk assessment model and noted the shift in ranking for three categories– Staffing (Medium to Low - RAC now has full complement of staff with required skills); Pandemic (Medium to High – although working effectively from home, staff could become sick); Age & Health of Workforce (High to Medium – succession plan in place, network of consultants).

At the spring meeting the F&A committee recommended that a Financial Risk Model be created detailing various risk levels for funding and identify options to reduce cost. The document was reviewed by PricewaterhouseCoopers in May and presented at the fall committee meeting.

2020 Financial Update

The committee reviewed the financial position at August 31st, noting the positive budget variance of \$137,000 and discussed the contributing factors and reviewed the projected financial position to year end. RAC is in healthy financial shape with Net Assets projected to be at \$3.6M.

- **2021 Proposed Budget & 3 Year Plan**

2021 Budget proposes:

- Continuation of the initiatives outlined in the 2020-2023 Strategic plan taking into account post Covid-19 economic recovery activities related to rail;
- Continuation of car loading services for 2021 (per survey recommendations);
- Support of \$100K for ETC initiative with remaining funding through a special assessment to key members;
- Maintain member assessment fee funding level at existing level of \$5,400,000 for 2021 through to 2023;
- Maintain Net Asset surplus at higher than \$2.0-\$2.2M range to absorb any potential loss in member dues with ongoing uncertainty of the pandemic.

The strong financial position forecast at end of 2020 supports the proposed 2021 budget, succession plan and required levels of Net Assets.

The committee recommends the proposed 2021 budget to the Board.

- **Other Items.**

Succession Planning – Committee reviewed succession planning requirements for 2021 through to 2023.

Government Remittances – Committee was advised that all remittances are current with no delinquencies.

Next meeting is scheduled April 29, 2021.

Resolution 2020-10 – 2021 RAC Budget
<p>It was moved by Gord Peters and seconded by Corina Moore, that the 2021 Budget be adopted within the following parameters:</p> <ul style="list-style-type: none">a) 2021 Member assessment fee to remain at 2020 funding level of \$5,400,000;b) Continuation of existing programs;c) Special assessment to support ETC initiative net of \$100K support by RAC;d) Wage increase pending annual benchmark surveys and industry direction.

5. PRESIDENT'S REPORT

5.3 COVID-19 RESPONSE PLAN

Marc Brazeau reported on RAC's COVID-19 response plan

- Monitoring COVID-19 situation for RAC members;
- Ongoing discussion with Transport Canada on COVID-19 related issues and files;

- Ongoing meetings with key Ministerial staff and bureaucrats to address railway challenges and opportunities;
- Staff are working from home and the RAC continues to monitor and follow local guidelines regarding COVID. The RAC office remains accessible with controlled number of daily staff onsite;
- RAC held a teleconference with its staff in September on physical/mental health program for the wellbeing of their employees and families through RAC's benefit plan *Employee and Family Assistance Program (EFAP)*. David-Burns & Associates delivered the presentation.

5.2 RAC 2020-2022 BUSINESS PLAN

- Marc Brazeau discussed the Executive Summary of RAC's Strategic Business plan, the four pillars that focus on safety, innovation, environmental responsibility and growth. Spoke about the importance of RAC's mission and vision statement.
- Marc spoke on the Q3 dashboards showing progress, priorities and key deliverables of departments. After Q3, RAC is on track in delivering on the 2020 business plan. PCA is off track due to COVID impacts on events.

5.3 SUCCESSION PLANNING

RAC continues with their onboarding program with consultation occurring on a quarterly basis with new staff.

RAC is reviewing its 3-year financial projections that includes succession planning costs for identified positions. They are as follows:

- 2 positions in 2021;
- 1 position projected for 2022

Organizational changes and restructuring from Q2-Q3 are completed.

5.4 KEY RISK HEAT MAP

Marc Brazeau went through the key priorities, which are updated on a regular basis. Four high impact and high likelihood priorities were covered, and they are:

- Enhanced Train Control (ETC). RAC consultant and staff working on this file;
- Infrastructure Investments. RAC needs to advocate for more investments in rail;
- Duty and Rest Period Rules. Working committee comprised of a subject matter expert and industry representations is engaged on this important industry issue;
- Key Train and Key Routes Rules. The 60-day extension was approved by the Minister and working group continues to move the file forward with TC.

In response to the Track Safety Rules item on the Key Risks Heat Map, Phil Verster spoke of Metrolinx's on the track safety training program and will share the information with CN and CP.

6. **UPCOMING MEETINGS**

PROPOSED 2021-2022 RAC BOARD AND AGM MEETINGS

The proposed schedule for the RAC Board of Directors Meetings, the next Annual General Members Meeting and the biannual meeting are noted below.

RAC Board Biannual Call

DATE: Thursday, January 28, 2021
TIME: 1:00PM EST

Spring 2021 Board of Directors and Annual General Members Meetings:

DATE: Wednesday, May 12, 2021
TIME: TBD

PROPOSED LOCATION: Ottawa – Venue TBD

Fall 2021 Board of Directors Meeting

DATE: Thursday, October 14, 2021
TIME: TBD

PROPOSED LOCATION: TBD

Spring 2022 Board of Directors and Annual General Members Meetings:

TIME: TBD
DATE: Wednesday, May 11, 2022

PROPOSED LOCATION: Ottawa – Venue TBD

Resolution 2020-11: Upcoming Meetings
It is moved by Jeff Ellis and seconded by Corina Moore that the dates for both Spring 2021-2022 Board Meetings and AGM, the biannual board call in January 2021 and the Fall 2021 Board Meeting proposed above be adopted.

7. **IN CAMERA**

In camera session proceeded as usual.

8. **ADJOURNMENT**

Resolution 2020-12 – Adjournment

There being no further business, it was moved by Phil Verster and seconded by Sean Finn that the meeting be adjourned.

The CHAIR thanked the members for their participation and declared the meeting adjourned at 11:57 EST.

Board Action Items	BY WHOM	BY WHEN
1. Meeting minutes	JD	October 2020
2. Execute a grain and winter plan with CN & CP	GK/SMO	Q4 2020
3. Video campaigns: Pre-budget submission and RAC Rail Atlas	SMO	Q4 2020
4. Campaign Awareness – Post COVID	SMO	Q4 2020
5. Business of Rail, Lunch & Learns and Rail Ops Live session for Transport Canada	JG	Q4