



City of Hamilton

**SOLE VOTING MEMBER OF THE HAMILTON FARMERS' MARKET
REVISED**

Meeting #: 25-001
Date: March 24, 2025
Time: 10:30 a.m.
Location: Council Chambers
Hamilton City Hall
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

Pages

1. **CALL TO ORDER**

2. **CEREMONIAL ACTIVITIES**

3. **APPROVAL OF AGENDA**

(Added Items, if applicable, will be noted with *)

4. **DECLARATIONS OF INTEREST**

5. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

5.1 October 28, 2024

3

6. **DELEGATIONS**

7. **ITEMS FOR INFORMATION**

8. **ITEMS FOR CONSIDERATION**

*8.1 PED25094

9

Governance and Operational Model Recommendations – Hamilton
Farmers’ Market (City Wide)

The Presentation for this item has been added.

9. MOTIONS
10. NOTICES OF MOTION
11. PRIVATE AND CONFIDENTIAL
12. ADJOURNMENT



**SOLE VOTING MEMBER
OF THE HAMILTON FARMERS' MARKET
ANNUAL GENERAL MEETING
MINUTES 24-001**

1:00 p.m.

October 28, 2024

Council Chambers, 2nd Floor

Hamilton City Hall

71 Main Street West, Hamilton, Ontario

Present: Acting Deputy Mayor E. Pauls (Chair)
Councillors J. Beattie (Virtually), C. Cassar (Virtually), B. Clark (Virtually),
J. P. Danko (Virtually), M. Francis (Virtually), T. Jackson, T. McMeekin,
and M. Wilson

Absent: Mayor A. Horwath – City Business
Councillors C. Kroetsch, N. Nann, M. Tadeson and A. Wilson – City Business
Councillors T. Hwang and M. Spadafora – Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

- 1. Notice; Minutes of the Previous Annual Meeting; Directors; Financial Statements and Auditor's Report; and Audit Appointment (Item 7.1)**

(Danko/Beattie)

WHEREAS the Corporation is a corporation without share capital to which the Corporations Act, R.S.O. 1990, c.38 (the "Act") applies;

AND WHEREAS by the Corporation's Letters Patent, the City of Hamilton is the sole voting member of the Corporation ("Sole Voting Member");

AND WHEREAS by section 5 of the Corporation's By-Law No.1, the Board of Directors shall consist of a minimum of three (3) to a maximum of thirteen (13) or such other number of directors, as may be determined from time to time by the Sole Voting Member;

AND WHEREAS by section 15 of the Corporation's By-Law No.1, the City of Hamilton, as the Sole Voting Member, is authorized to or may require the Directors of the Corporation to appoint an auditor;

(1) NOTICE

BE IT RESOLVED:

That the Sole Voting Member hereby waives its right to receive general or special notice of an annual meeting of the members of the Corporation.

(2) MINUTES OF PREVIOUS ANNUAL MEETING

BE IT RESOLVED:

That the minutes of the annual meeting held October 16, 2023, be approved.

(3) DIRECTORS

BE IT RESOLVED:

That the following persons are affirmed or appointed as Directors of the Corporation and shall hold office until the date specified below, unless further extended as permitted by the By-laws of the Corporation or until their respective successors are elected or appointed subject to the by-laws of the Corporation:

- Councilor Cameron Kroetsch – Council Member November 14, 2026
- Councilor Tammy Hwang – Council Member November 14, 2026
- Anne Miller – Vendor Director- Third Term August 11, 2025
- Celina Masoudi – Vendor Director-Second Term September 13, 2025
- John Alexander – Vendor Director- First Term April 19, 2025
- Shane Coleman – Vendor Director- First Term April 19, 2025
- Andrea Carlisle – Citizen Director- First Term January 8, 2026
- Matthew LaRose – Citizen Director-First Term January 8, 2026
- Amanda Reiser – Citizen Director- First Term January 8, 2026
- Laura Lukasik – Citizen Director-First Term January 8, 2026

EX OFFICIO MEMBERS

- Adam Watson- Senior Program Manager - Market, Projects and Initiatives
- Bill Slowka – Market Manager

(4) FINANCIAL STATEMENTS AND AUDITOR'S REPORT

BE IT RESOLVED:

That the Sole Voting Member acknowledges that the financial statements of the Corporation for the fiscal year ended December 31, 2023 were not

completed due to the inability to access financial records as a result of the cyber incident affecting the City of Hamilton.

(5) AUDIT APPOINTMENT

BE IT RESOLVED:

That the undersigned, being the Sole Voting Member, hereby authorizes the Directors of the Corporation to appoint an auditor of the Corporation to hold office until the next following annual meeting at such remuneration as may be fixed by the Directors and the Directors are hereby authorized to fix such remuneration.

Result: MOTION, CARRIED by a vote of 9 to 0, as follows:

Absent	-	Mayor Andrea Horwath
Yes	-	Ward 1 Councillor Maureen Wilson
Absent	-	Ward 2 Councillor Cameron Kroetsch
Absent	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Tammy Hwang
Yes	-	Ward 5 Councillor Matt Francis
Yes	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Yes	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Yes	-	Ward 10 Councillor Jeff Beattie
Absent	-	Ward 11 Councillor Mark Tadeson
Yes	-	Ward 12 Councillor Craig Cassar
Absent	-	Ward 13 Councillor Alex Wilson
Absent	-	Ward 14 Councillor Mike Spadafora
Yes	-	Ward 15 Councillor Ted McMeekin

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised that there were no changes to the agenda.

(McMeekin/Jackson)

That the agenda for the October 28, 2024 Sole Voting Member of the Hamilton Farmers' Market Annual General Meeting, be approved, as presented.

Result: MOTION, CARRIED by a vote of 9 to 0, as follows:

Absent	-	Mayor Andrea Horwath
Yes	-	Ward 1 Councillor Maureen Wilson
Absent	-	Ward 2 Councillor Cameron Kroetsch
Absent	-	Ward 3 Councillor Nrinder Nann

Absent	-	Ward 4	Councillor Tammy Hwang
Yes	-	Ward 5	Councillor Matt Francis
Yes	-	Ward 6	Councillor Tom Jackson
Yes	-	Ward 7	Councillor Esther Pauls
Yes	-	Ward 8	Councillor J. P. Danko
Yes	-	Ward 9	Councillor Brad Clark
Yes	-	Ward 10	Councillor Jeff Beattie
Absent	-	Ward 11	Councillor Mark Tadeson
Yes	-	Ward 12	Councillor Craig Cassar
Absent	-	Ward 13	Councillor Alex Wilson
Absent	-	Ward 14	Councillor Mike Spadafora
Yes	-	Ward 15	Councillor Ted McMeekin

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) November 30, 2023 (Item 3.1)

(M. Wilson/Francis)

That the Minutes of the November 30, 2023 Sole Voting Member of the Hamilton Farmers' Market meeting, be approved, as presented.

Result: MOTION, CARRIED by a vote of 9 to 0, as follows:

Absent	-	Mayor Andrea Horwath
Yes	-	Ward 1 Councillor Maureen Wilson
Absent	-	Ward 2 Councillor Cameron Kroetsch
Absent	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Tammy Hwang
Yes	-	Ward 5 Councillor Matt Francis
Yes	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Yes	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Yes	-	Ward 10 Councillor Jeff Beattie
Absent	-	Ward 11 Councillor Mark Tadeson
Yes	-	Ward 12 Councillor Craig Cassar
Absent	-	Ward 13 Councillor Alex Wilson
Absent	-	Ward 14 Councillor Mike Spadafora
Yes	-	Ward 15 Councillor Ted McMeekin

(d) PRESENTATIONS (Item 6)**(i) Hamilton Farmers' Market Corporation (Item 6.1)**

Bill Slowka, Manager, Hamilton Farmers' Market, addressed the Committee with a presentation respecting the Hamilton Farmers' Market Corporation.

(M. Wilson/McMeekin)

That the presentation respecting the Hamilton Farmers' Market Corporation, be received.

Result: MOTION, CARRIED by a vote of 9 to 0, as follows:

Absent	-	Mayor Andrea Horwath
Yes	-	Ward 1 Councillor Maureen Wilson
Absent	-	Ward 2 Councillor Cameron Kroetsch
Absent	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Tammy Hwang
Yes	-	Ward 5 Councillor Matt Francis
Yes	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Yes	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Yes	-	Ward 10 Councillor Jeff Beattie
Absent	-	Ward 11 Councillor Mark Tadeson
Yes	-	Ward 12 Councillor Craig Cassar
Absent	-	Ward 13 Councillor Alex Wilson
Absent	-	Ward 14 Councillor Mike Spadafora
Yes	-	Ward 15 Councillor Ted McMeekin

(e) ADJOURNMENT (Item 11)**(Francis/Clark)**

That, there being no further business, the Sole Voting Member of the Hamilton Farmers' Market Annual General Meeting, be adjourned at 1:36 p.m.

Result: MOTION, CARRIED by a vote of 9 to 0, as follows:

Absent	-	Mayor Andrea Horwath
Yes	-	Ward 1 Councillor Maureen Wilson
Absent	-	Ward 2 Councillor Cameron Kroetsch
Absent	-	Ward 3 Councillor Nrinder Nann
Absent	-	Ward 4 Councillor Tammy Hwang
Yes	-	Ward 5 Councillor Matt Francis
Yes	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Yes	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark

**Sole Voting Member of the Hamilton Farmers' Market
AGM Minutes 24-001**

**October 28, 2024
Page 6 of 6**

Yes	-	Ward 10	Councillor Jeff Beattie
Absent	-	Ward 11	Councillor Mark Tadeson
Yes	-	Ward 12	Councillor Craig Cassar
Absent	-	Ward 13	Councillor Alex Wilson
Absent	-	Ward 14	Councillor Mike Spadafora
Yes	-	Ward 15	Councillor Ted McMeekin

Respectfully submitted,

Acting Deputy Mayor Esther Pauls
Chair, Sole Voting Member of the
Hamilton Farmers' Market

Angela McRae
Legislative Coordinator
Office of the City Clerk



The Hamilton Farmers' Market Corporation

Governance & Operational
Review



March 2025



The Hamilton Farmers' Market Corporation

→ Council Presentation

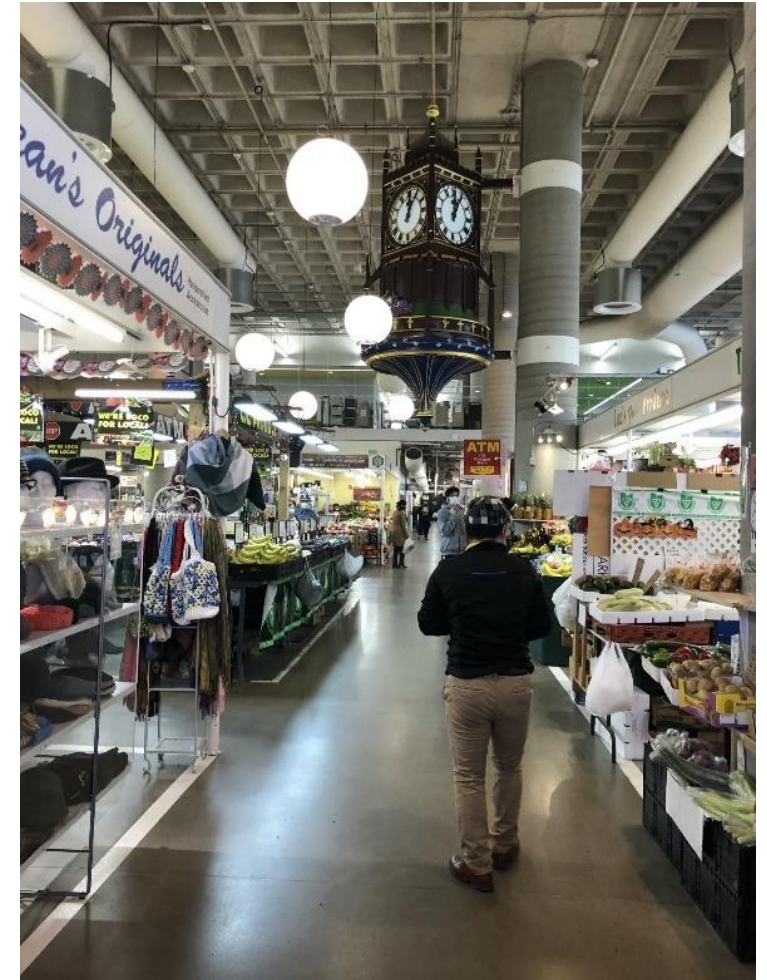
March 2025

→ Contents

1. Introduction
2. Project Overview
3. Current State Findings
4. Future State Recommendations
5. Conclusion

Project Context

- The Market has been a cultural destination in Hamilton's downtown core and a part of the community for 175 years
- In 2014, the City of Hamilton incorporated The Hamilton Farmers' Market Corporation (HMFC), a municipal corporation with the City of Hamilton as the single shareholder:
 - The Corporation is governed by a Board of Directors made up of citizen and vendor directors and shareholder representation
 - Market staff are employees of the City of Hamilton
- There have been historical sensitivities around the Market, specifically related to:
 - Governance maturity
 - Operational challenges
 - Financial sustainability
 - Strained stakeholder relationships



Project Mission & Success

→ Project Mission

To conduct a governance and operational review of The Hamilton Farmers' Market Corporation (HFMC) to recommend the best-fit structure for The Market moving forward.

→ Project Success

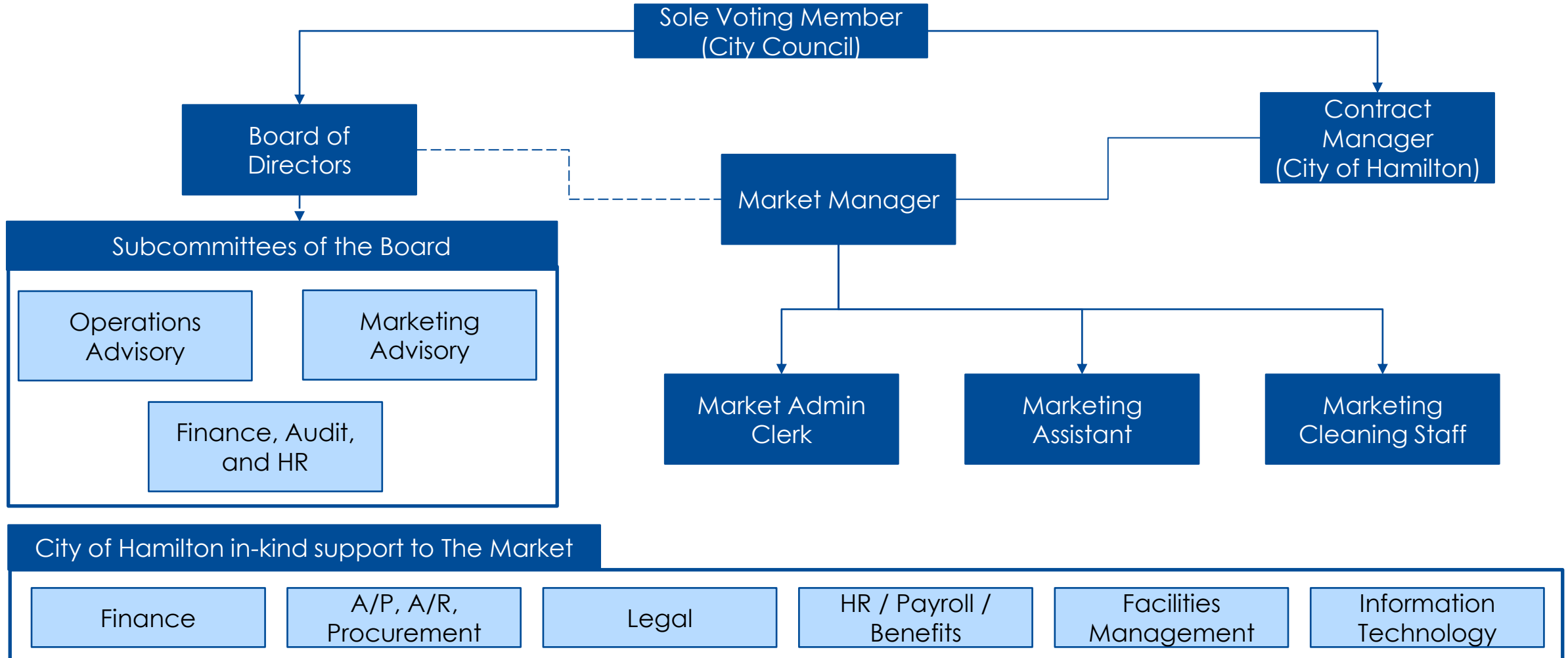
- Understanding of progress made on previously identified issues, and a validation of the current state of governance and operating model findings
- Tailored and evidence driven recommendations related to key gaps identified during the current state assessment around governance, operating structure, and key roles and responsibilities
- Clear buy-in and involvement from stakeholders

3

Current State Findings

Organizational Classification & Structure

The Market is classified as a Municipal Corporation subject to the Municipal Act (section 203) Regulation O.599/06



Note: The position of the Senior Program Manager and Market Programming Coordinator have recently been hired.

Operational Findings

Stakeholder engagement and a review of internal data and documents provided insight into the following operational findings:

Infrastructure Challenges

- Aging building with significant maintenance issues impacting vendor operations.
- Limited equipment (e.g., exhaust hoods, sinks) and ventilation/cooling systems.
- Lack of common storage space and Wi-Fi/cell signal issues.

Location and Accessibility

- Poor layout and limited visibility; parking and transit challenges.
- Construction projects nearby may impact customer access short-term but increase future customer base.

Operating Hours

- Current operating hours are not convenient for all customers; inconsistent vendor adherence to hours.
- Four-day commitment deters farmers from participating.

Customer Experience

- Strong customer loyalty but unwelcoming atmosphere due to closed stalls during open hours.
- Limited seating and interaction areas reduce the Market's appeal as a social hub.

Marketing and Communications

- Undefined brand and limited signage; misalignment with the "Farmers' Market" name.
- Poor follow-up on vendor and public communication.

Governance Findings

Stakeholder engagement and a review of internal data and documents provided insight into the following governance findings:

Governance Model Limitations

- HFMC operates as a Municipal Service Corporation on paper, but decision-making authority rests with the City.
- The Board functions more as an advisory body rather than a governing entity.

Roles and Responsibilities

- Overlapping roles between the Board and City lead to confusion and redundancies.
- Board's limited authority increases operational involvement, hindering strategic focus.

Conflict of Interest

- Presence of vendor directors on the Board creates potential conflicts of interest in decision-making.

Relationship with the City

- The City sees value in maintaining the Market as a public entity, with role in agro-tourism and sustainability.
- Dependence on City funding and services without clear accountability agreements or performance expectations.
- Lack of service-level agreements and costing for City-provided support.
- Reporting relationship of Market leadership and staff to City creates complexity for Board's role in strategic oversight.

Public Perception and Branding

- Past negative press and a "Culture of Complaint" have hurt the Market's reputation.
- Improved public engagement and recent strategic efforts show positive change.

Hamilton Farmers' Market Vision

In early 2023, Hamilton Farmers' Market refreshed their Vision Statement:

The Hamilton Farmers' Market will continue its long-standing role of supporting local farmers, producers, and businesses while providing a reliable source of fresh food and creating a community gathering destination for downtown residents and all Hamiltonians.

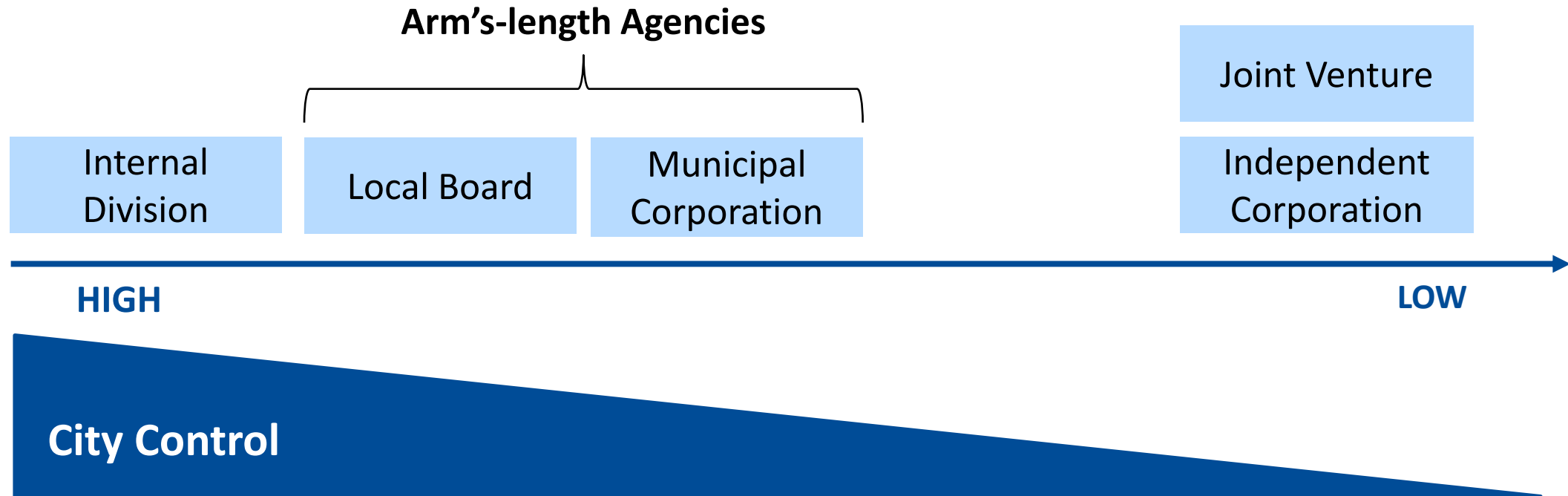
4



Future State

Spectrum of Organizational Models

The corporate classification of The Market is an important determinant of how much influence the City can exercise and the governance model.



*Note all options are related to the operations of the market, the physical asset is expected to remain under City ownership across all options.

Recommendations

The following recommendations were developed to support realization of the Market's strategy.

- 1 Ensure clear roles and responsibilities with accountability agreements that include Service Level Agreements
- 2 Foster an entrepreneurial culture driven by a mission-focused leader
- 3 Enhance stakeholder engagement and collaboration
- 4 Invest in infrastructure and facility upgrades to align the Market's physical space with its long-term strategic goals
- 5 Enhance financial sustainability, supported by measurable key performance indicators
- 6 Ensure the Market's staffing model can support operations

5

Conclusion

Next steps

- While the governance model of the Hamilton Farmers' Market remains the same on paper as an **Arm's-length Agency/Municipal Service Corporation**, the recommendations provided represent a significant departure from the status quo.
- These recommendations emphasize a **substantial shift in how the structure is implemented**, requiring a **higher level of governance and operational maturity**. Strengthening board governance, developing clear accountability frameworks, and fostering financial sustainability are critical to enabling the Market to fully achieve its strategic vision.
- These recommendations will support the Market to function with **greater autonomy and responsiveness**, while maintaining **alignment with the City's priorities**. The enhanced focus on board effectiveness, stakeholder engagement, and a well-defined performance framework will drive long-term success.
- By executing these recommendations, the Market can transition from its current operational limitations to a **more dynamic and strategic entity** capable of contributing meaningfully to Hamilton's economic, cultural, and social fabric.



Corporate Structure Options Analysis

The recommended future model for the HFMC is to remain an Arm’s-length Agency (Municipal Service Corporation) with enhancements to its governance and operations.

Corporate Model	Description	Assessment	Short-Term	Long-Term
Internal Division	The Market becomes a city-run department or division, reporting to municipal leadership and operating under the City's policies and procedures.	<ul style="list-style-type: none"> Provides reliable support and access to City resources. Limited ability to foster an entrepreneurial culture necessary for long-term success. May lose focus compared to other City priorities, impacting long-term development. 	Low Likelihood of Success	Low Likelihood of Success
Arm’s-length Agency (Municipal Service Corporation)	The Market would be governed by a dedicated board of directors, providing it with strategic oversight but operating with more independence from direct City control. While independent, the Market’s board would still be accountable to the City, ensuring alignment with municipal priorities, such as community development, economic growth, and sustainability.	<ul style="list-style-type: none"> Combines City accountability with operational independence. Encourages flexibility and faster decision-making. Promotes innovation essential for sustainable growth. Must address labour and resource limitations. 	High Likelihood of Success	High Likelihood of Success
Community-Based Not-for-Profit (Independent Corporation)	The Market would operate independently from the City as a standalone corporation. This structure gives the Market complete control over strategic decisions and day-to-day operations. The Market would not be accountable to City leadership or Council but would instead report to its own board of directors and the City-Market relationship would transition to that of a service provider and tenant.	<ul style="list-style-type: none"> Offers the most potential for autonomy and creative solutions. Faces challenges in financial sustainability and resource access. Needs a solid business plan and operations, capable leadership, and community support for success Readiness level of Market and City is low, but in longer term provides complete autonomy and sustainable growth potential. 	Low Likelihood of Success	Moderate - High Likelihood of Success



City of Hamilton Report for Consideration

To: Mayor and Members
Sole Voting Member of the Hamilton Farmers' Market

Date: March 24, 2025

Report No: PED25094

Subject/Title: Governance and Operational Model
Recommendations – Hamilton Farmers' Market

Ward(s) Affected: (City Wide)

Recommendation

- 1) That the Optimus SBR report on the Governance and Operational Review of the Hamilton Farmers' Market Corporation attached as Appendix A to Report PED25094, **BE RECEIVED**;
- 2) That the recommended governance and operating model for the Hamilton Farmers' Market to remain a Municipal Service Corporation and be guided by the recommendations attached as Appendix B to Report PED25094, **BE APPROVED**;
- 3) That Staff **BE DIRECTED** to develop the legal and operational framework (or amendments to existing instruments as appropriate) required to support the implementation of the recommended governance and operating model, including resource and budget implications, together with a transition plan, and report back to General Issues Committee for approval.

Key Facts

- In November 2020, the Sole Voting Member of the Hamilton Farmers' Market directed staff to prepare a report that provides a preferred governance and operating model for the Hamilton Farmers' Market Corporation, which prioritizes value-for-dollar invested by the Shareholder, role clarity, enhanced governance, and the avoidance of any potential conflicts of interest.

-
- The City of Hamilton retained Optimus SBR in 2021 to conduct a governance and operational review of the Hamilton Farmers' Market and to recommend the best-fit structure for the Market moving forward. This review was paused as Staff were directed to undertake a review and consultation on the vision and role of the Hamilton Farmers' Market. Following approval of that vision in 2023, Staff were directed to resume the governance and operational review.
 - The recommended governance and operating model for the Hamilton Farmers' Market is to remain a Municipal Service Corporation.
 - This model is accompanied by a set of recommendations to be used by Staff to support the required changes to achieve the recommended model of a Municipal Service Corporation.
 - While the governance model of the Hamilton Farmers' Market remains the same on paper as a Municipal Service Corporation, the recommendations being sought for approval represent a significant departure from how the Market currently governs and operates.

Financial Considerations

Financial: The recommendations in this Report may lead to financial impacts as a result of possible changes in the staffing of the Market, as well as the legal framework between the City and Market. Should any budget implications be sought, this will be brought by Staff for consideration and required approvals.

Staffing: The Report speaks to the impacts the proposed recommendations may have on the type of staffing employed by the Market; however, no specific staffing changes or resourcing is being recommended at this time. As these recommendations are implemented, Staff may bring forward any staffing implications for consideration.

Background

On May 7, 2018, the Hamilton Farmers' Market Corporation Board of Directors approved the Hamilton Farmers' Market Strategic Plan 2016-2020 that had been commissioned by the Board and prepared by 2WA Consulting, Inc.

On November 23, 2020, the Sole Voting Member of the Hamilton Farmers' Market considered the Hamilton Farmers' Market Governance Report CM20010 and directed staff to prepare a report that provides a preferred governance and operating model for the Hamilton Farmers' Market Corporation, which prioritizes value-for-dollar invested by the Shareholder, role clarity, enhanced governance and the avoidance of any potential conflicts of interest.

On February 2, 2022, the Sole Voting Member of the Hamilton Farmers' Market was provided with the Hamilton Farmers' Market Corporation Governance and Operational Review Update PED22029 and directed staff to undertake a review and consultation on the vision and role of the Hamilton Farmers' Market within the local neighbourhood context, and report back to the Sole Voting Member of the Hamilton Farmers' Market, prior to completing the governance and operating review. This was subsequently approved by Council on February 9, 2022.

On May 8, 2023, the Sole Voting Member of the Hamilton Farmers' Market was provided with the Vision for the Hamilton Farmers' Market, Report PED23049, and referred the Report to the Hamilton Farmers' Market Board of Directors for their consideration and requested that they provide comments and recommendations to the Sole Voting Member of the Hamilton Farmers' Market respecting the Vision for the Hamilton Farmers' Market.

On October 16, 2023, the Sole Voting Member of the Hamilton Farmers' Market received correspondence from the Chair of the Board of Directors, Hamilton Farmers' Market Corporation, which indicated the Board support of the proposed Vision Statement and Guiding Principles for the Hamilton Farmers' Market attached as Appendix A to Report PED23049, with no comments and/or changes.

On November 30, 2023, the Sole Voting Member of the Hamilton Farmers' Market endorsed the recommended Vision Statement and Guiding Principles for the Hamilton Farmers' Market PED23049(a) and directed Staff to resume and complete the Hamilton Farmers' Market Governance and Operational Review. This was subsequently approved by Council on December 13, 2023.

This Report responds to the November 30, 2023, direction.

Analysis

The Optimus SBR team evaluated three possible governance models/corporate structures that could be suitable for the Market. These models included:

- Internal Division;
- Arms-length Agency (Municipal Service Corporation); and,
- Independent Corporation (Community-Based Not-for-Profit).

These three corporate structures were evaluated based on their likelihood to successfully implement the new Vision and Guiding Principles outlined in Appendix C to Report PED25094 and the recommendations outlined in Appendix B to Report PED25094, both in the short term and the long term. The analysis emphasized not only immediate implementation potential but also long-term sustainability, ensuring that the chosen governance model will meet the evolving needs of the Market and its stakeholders.

Key factors considered in the evaluation included the ability of each structure to support:

Operational Efficiency: How quickly each model can address current operational gaps, such as staffing, financial oversight, and infrastructure needs.

Accountability and Governance: The strength of accountability mechanisms, such as performance targets and reporting structures, within each model.

Strategic Alignment: The degree to which each structure supports the Market's strategic goals, including fostering an entrepreneurial culture, engaging stakeholders, and improving financial sustainability.

Flexibility and Adaptability: Each structure's capacity to adapt to changing market demands and external factors in both the short and long term.

The analysis emphasized not only immediate implementation potential but also long-term sustainability, ensuring that the chosen governance model could meet the evolving needs of the Market and its stakeholders.

A number of recommendations in support of the proposed governance and operating model arose out of the consultant analysis and engagement. These recommendations are to be used in the implementation of the recommended governance and operating model, a Municipal Service Corporation. The chart below illustrates how the recommendations outlined in Appendix B to Report PED25094 are aligned with the new Vision and Guiding Principles for the Hamilton Farmers' market:

	Physical Design/Infrastructure	Program/Mix	Operations
Recommendation #1 Clear Roles and Responsibilities			✓
Recommendation #2 Entrepreneurial Culture Driven by a Mission-Focused Leader		✓	✓
Recommendation #3 Stakeholder Engagement and Collaboration	✓	✓	
Recommendation #4 Infrastructure and Facility Improvements	✓		
Recommendation #5 Financial Key Performance Indicators	✓		✓
Recommendation #6 Market's Staffing Model to Support Operations		✓	✓
Recommendation #7 Strengthen Board Governance			✓
Recommendation #8 Market Staff Reporting Relationship			✓

These recommendations emphasize a substantial shift in how the market currently operates, requiring a higher level of governance and operational maturity, where strengthening board governance, developing clear accountability frameworks, and fostering financial sustainability are critical to enabling the Market to fully achieve its strategic vision.

These recommendations will support the Market to function with greater autonomy and responsiveness, while maintaining alignment with the City's priorities. The enhanced focus on board effectiveness, stakeholder engagement, and a well-defined performance framework will drive long-term success.

By executing these recommendations, the Market can transition from its current operational limitations to a more dynamic and strategic entity capable of contributing meaningfully to Hamilton's economic, cultural, and social fabric.

The Hamilton Farmers' Market is a corporation established under the *Municipal Act* as a Municipal Services Corporation, with the City of Hamilton as the sole voting member (shareholder) for the corporation. The City is responsible for developing the legal and operational framework (or amendments to existing instruments as appropriate) required to support the implementation of the recommended improvements to the current governance and operating model.

Alternatives

Not Applicable.

Relationship to Council Strategic Priorities

The recommendation will strategically improve the following Council Priorities:

- Sustainable Economic & Ecological Development
 - Facilitate the growth of key sectors
- Safe & Thriving Neighbourhoods
 - Provide vibrant parks, recreation and public space
- Responsiveness & Transparency
 - Build a high performing public service
 - Modernize City systems

Previous Reports Submitted

- Hamilton Farmers' Market Governance Report (CM20010) – November 2020
 - <https://pub-hamilton.escribemeetings.com/Meeting.aspx?Id=d17e0503-5560-4270-ab84-eb96650eb2e7&lang=English&Agenda=Merged&Item=21&Tab=attachments>
- Hamilton Farmers' Market Corporation Governance and Operational Review Update (PED22029) – February, 2022
 - <https://pub-hamilton.escribemeetings.com/Meeting.aspx?Id=88903084-e21a-47ed-9a62-6244e7841da8&lang=English&Agenda=Agenda&Item=16&Tab=attachments>
- Vision for the Hamilton Farmers' Market (PED23049) – May 2023
 - <https://pub-hamilton.escribemeetings.com/Meeting.aspx?Id=b71db70e-d9a4-45fa-b96c-6f3cde7cc7fa&lang=English&Agenda=Agenda&Item=17&Tab=attachments>

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- Vision for the Hamilton Farmers' Market (PED23049(a)) – November 2023
 - <https://pub-hamilton.escribemeetings.com/Meeting.aspx?id=08714da9-3eba-4e1b-ad3b-233f9b4e1f73&lang=English&Agenda=Agenda&Item=16&Tab=attachments>

Consultation

The following individuals were members of an internal steering committee that were consulted throughout the resumption of the Governance and Operating Review of the Hamilton Farmers' Market:

- Chief Corporate Real Estate Officer (Contract Manager);
- Chief Digital Officer and Director of Innovation;
- Deputy City Solicitor;
- Deputy City Clerk;
- Executive Director, Human Resources;
- Director, Financial Planning, Administration and Policy;
- Director, Corporate Facilities and Energy Management;
- Director, Communications and Community Engagement;
- Director, Tourism and Culture;
- Director, Licensing & By-Law Services; and,
- Director, Economic Development Department;

Optimus SBR and City Staff hosted additional engagement sessions with the Hamilton Farmers' Market Board as part of this phase of work (in addition to the engagement held prior to the pausing of this work). These sessions consisted of the following:

- Current State Assessment Validation Working Session – May 27, 2024: This working session with the Board and the Senior City Staff noted above was held to discuss and validate initial current state findings, and to present and discuss governance and operating model options for the Market. The first half of the session was focused on getting feedback on previous current state findings that were previously developed and incorporating any new developments since the Current State was finalized. Where the second half of the session was focused on introducing the governance and operating model options and discussing pros, cons, and other considerations of each model.
- Board Group Interview – July 15, 2023: Following the current state assessment working session, Optimus SBR held a group interview with the Board to better understand what governance and operating model they believe would be the best fit for the Market.
- Future State Working Session – August 20, 2024: A second and final working session was held with the Board and the Senior Staff noted above, to introduce, discuss, build out, and refine the draft future state model and recommendations. The objective of the session was to allow for feedback and input on the

recommendations prior to finalization, and to build buy-in and support for future state recommendations. This was also used to facilitate a discussion on the estimated impact and effort to implement each recommendation.

Complete feedback from this engagement was synthesized and analysed by Optimus SBR to provide the recommendations noted in Appendix B to Report PED25094, as to the recommended governance and operating model for the Market. A more in-depth overview of the project's engagement and feedback received can be found in Appendix A to Report PED25094.

Appendices and Schedules Attached

Appendix A: Optimus SBR – Governance and Operational Review: Hamilton Farmers' Market Corporation

Appendix B: Recommended Governance and Operating Model for the Hamilton Farmers' Market

Appendix C: Vision and Guiding Principles for the Future of the Hamilton Farmers' Market

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Governance and Operational Review: Hamilton Farmers' Market Corporation

→ Final Report (Phase 2)

February 24, 2025



Table of Contents

Executive Summary	3
1.0 Purpose of this Document.....	3
2.0 Project Background and Context.....	4
3.0 Project Overview	5
3.1 Project Mission and Success	5
3.2 Project Scope	5
3.3 Project Approach and Methodology.....	6
3.3.1 Project Approach	6
4.0 Current State Findings	6
4.1 Overview	6
4.1.1 Purpose and Objective of The Hamilton Farmers' Market Corporation	7
4.1.2 Duties of The Hamilton Farmers' Market Corporation.....	7
4.1.3 Vision, and Guiding Principles from 2023 Visioning exercise	8
4.1.4 Financial Summary.....	9
4.1.5 Organizational Structure.....	12
4.1.6 Decision-Making Authorities of The Board of Directors and Market Manager	13
4.2 Vendor Survey.....	14
4.2.1 Method	14
4.2.2 Phase 1 Insights.....	14
4.2.3 Phase 2 Insights.....	15
4.3 City Council Survey	15
4.3.1 Method	15
4.3.2 Insights.....	15
4.3.3 Phase 2 Insights.....	17
4.4 Governance	17
4.4.1 Phase 2 Insights.....	19
4.5 Operations	19
4.5.1 Phase 2 Insights.....	21
4.6 Jurisdictional Scan	22
4.6.1 Method	22
5.0 SWOT Analysis.....	25
6.0 Future State Recommendations.....	27
6.1 Spectrum of Organizational Models	28
6.2 Recommendations Agnostic to the Corporate Structure of the Hamilton Farmer Market.....	28

- 6.3 Corporate Structure Options Analysis 31
 - 6.3.1 Evaluation Methodology..... 31
 - 6.3.2 Internal Division..... 32
 - 6.3.3 Arms-length Agency (Municipal Service Corporation) 33
 - 6.3.4 Community-Based Not-for-Profit (Independent Corporation)..... 36

- 7.0 Recommendation for the Governance and Operating Model of the Hamilton Farmers Market.....38**

- 8.0 Implementation Considerations.....38**

- 9.0 Appendix.....42**
 - 9.1.1 Stakeholder Engagement Overview 42
 - 9.1.2 Model Specific Recommendations..... 46

Executive Summary

Project Mission and Success

Project Mission

To conduct a governance and operational review of The Hamilton Farmers’ Market Corporation (HFMC) to recommend the best-fit structure for The Market moving forward.

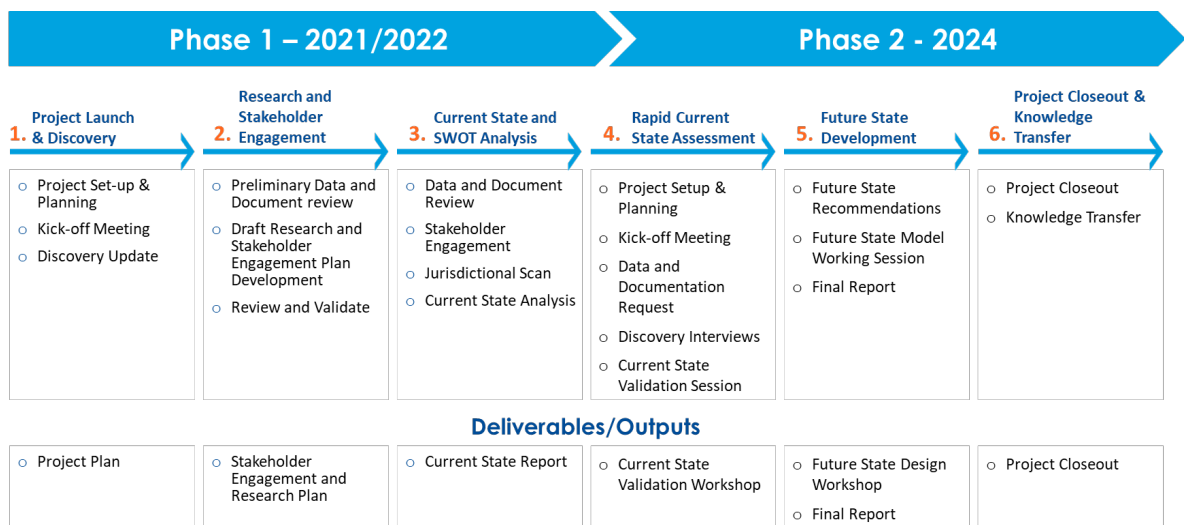
Project Success for Phase 1

- A clear understanding of the current state of governance and operating model.
- Identification of leading practice on governance and operational structures used by comparable jurisdictions/organizations, to provide evidence-based recommendations.
- Tailored and evidence-driven recommendations related to key gaps identified during the current state assessment around:
 - Governance
 - Operating structure and
 - Key roles and responsibilities
- Organization model options that ensure that the HFMC prioritizes value-for dollar invested by the City.

Project Success for Phase 2

- Understanding of progress made on previously identified issues, and a validation of the current state of governance and operating model findings.
- Tailored and evidence driven recommendations related to key gaps identified during the current state assessment around governance, operating structure, and key roles and responsibilities.
- Clear buy-in and involvement from stakeholders.

Project Methodology



Current State Findings

Governance Findings

The summary of observations regarding the governance of The Hamilton Farmers' Market is as follows:

- The leadership role of The Board has reduced over time. The current role of The Board is to guide The Market, vs. lead and own the vision and outcomes. The Board has not been able to fulfil its current responsibilities due to multiple challenges including member composition.
 - The most recent strategic plan with the vision and guiding principles for The Market was conducted by The City of Hamilton, with support from The Market stakeholders.
 - The current sponsorship agreement with Rogers Communication benefits The Market but remains with the City of Hamilton.
 - While The Board has subcommittees to support Operations, Marketing, Finance, HR, and others, there are limitations to influence outcomes due to a lack of resources and a high degree of dependency on the City of Hamilton.
- The Board has the responsibility to develop processes and policies to govern The Market, in addition to evaluating the performance of each subcommittee against their mandate. Based on the autonomy and power that resides with the Board, the structure is more aligned with a Local Board (Advisory) vs Board of a Municipal Services Corporation.
- The Board does not have autonomy to make staffing changes at The Market despite setting the goal for the market manager and is accountable to the Sole Voting Member and Contract Manager.
- Based on the Board Governance Policy, risk has not been defined, as a result of which, risk management is tactical.
- Despite a conflict-of-interest category in the Board Governance category, and the Municipal Conflict of Interest Act which applies to The Market, vendor directors are allowed to vote on matters such as stall fees which can directly impact their finances.
- Multiple stakeholders of the Market are a part of the current board.

Operational Findings

The summary of observations regarding the Operations of The Hamilton Farmers' Market is as follows:

- The maintenance of the infrastructure that houses The Market and the availability of resources such as ventilation, common storage, and electrical power remain a concern.
- Accessibility to The Market for customers has been identified as a pain point.
 - The 2023 study by Project for Public Spaces shows that over 50% of the customers drive to the market, making parking facilities essential. Additionally, linking parking with purchases to ensure it is free for customers who shop will be beneficial.
 - Customers who do not drive do not have easy access to the market due to a long commute to transit, which could negatively impact their ability to make high volume purchases.

- Community safety in the downtown area surrounding the market has also been raised as a concern by customers which impacts the accessibility of the market.
- Feedback from vendors indicates a need to adjust the operating hours of The Market to attract more customers.
 - The market experimented with a 7PM closing time on Fridays, which was not successful, resulting in a 5PM closing time.
 - The hours of operation for Wednesday to Friday can be optimized to be geared towards more traffic.
- Customer experience has been identified as a key area of focus for vendors. Little space for customers to sit and to interact with others over coffee or food. It is expected an impending layout study will provide recommendations on optimization of the floor space.
- Feedback collected suggests the quality of produce available has been on the decline. Additionally, businesses surrounding The Market now offer cheaper produce, making The Market less of a destination point for customers.
- Feedback collected suggests the brand of “The **Farmers’** Market” is not well represented with less than 5% of the vendor portfolio representing growers.
- The financial sustainability is big cause of concern for The Market with a heavy dependency on the City of Hamilton. The expiry of the \$125K sponsorship with Meridian Credit Union followed up with \$25K sponsorship with Rogers Communication leaves a \$100K deficit. Additionally, the market is heavily dependent on the City of Hamilton for in-kind services and levy. Without the current levy, the Market can recover approximately 64% of their expenses.

Jurisdictional Scan Findings

The jurisdictional scan shows the challenge of comparing Markets. Each Market has different circumstances, physical space, fees, and facilities, making an equal comparison across the board, difficult. Results showed that there are multiple different models and innovative ways to operate a Farmers’ Market. The most common trends are listed below.

- Not all City run Markets are fully subsidized.
- Not all City Markets have stall agreements. Some Markets are transient and only operate 1 to 2 days per week.
- Markets want to see vendors’ businesses succeed.
- Markets are looking for ways to continuously promote and monetize downtime in support of financial sustainability.

SWOT Analysis

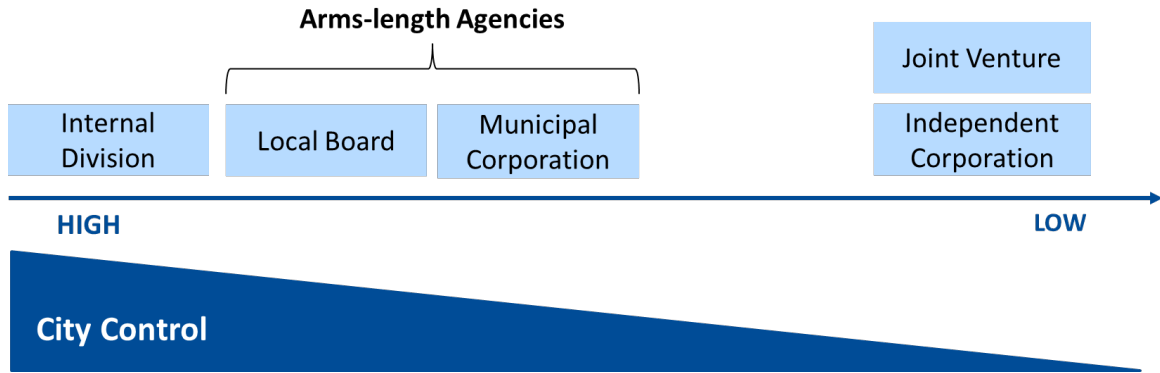
The current state analysis has revealed key areas of strength and weaknesses of the market:

- **Strengths:**
 - The Market’s location in the centre of downtown Hamilton has been identified as a key strength.
 - The community, inclusive of vendors and citizens, care deeply about the success of The Market, as indicated in the COVID-19 change.org initiative to save The Farmers’ Market, which collected ~13K signatures.

- The partnership with the City of Hamilton provides financial and operational support and is crucial to the continuity of The Market.
- The Market has successfully housed food startups, e.g., e.g., Mystic Ramen (moved out of The Market in 2022), Beanermunky Chocolate (closed in 2023, since the owner retired).
- **Weakness:**
 - The Market's brand has suffered from negative publicity for a prolonged period leading up to 2021. Additionally, the vendor portfolio with grower representation under 5% does not align with "The Farmers' Market" brand or esthetic.
 - The quality of produce, largely brought in from The Ontario Food Terminal, has been in a state of decline, resulting in customers looking for alternate solutions.
 - COVID-19 safety measures and the continuation of remote work culture have resulted in a strong decline of foot traffic which is traditionally the vendors' main source for customers.
 - The absence of a formalized communication channel between the vendors and the management has resulted in frustration amongst the vendors. Additionally, the lack of follow up and processes for communicating important information to vendors and the public have been identified as a weakness.
 - The dilution of the authority of the board and the overlap of responsibilities for a prolonged period between the Market Manager and The Board, coupled with lack of resources available to make strategic decisions, have been a major limitation for the Market.
- **Opportunities:**
 - The Market is operational 4 days a week, leaving 3 days to be utilized for alternate sources of revenue.
 - Feedback collected indicates there is a desire for the "outside" area to be available during summers to provide a better customer experience.
 - The current stallholder vacancies provide The Market with an opportunity to bring Farmers to the vendor portfolio and increase the grower representation.
 - The operational review is an opportunity for management to redefine the hours of operations of The Market, leading to optimizing the revenue of the vendors.
- **Threats:**
 - The replacement of the \$125K sponsorship from Meridian Credit Union with \$25K from Rogers has left a gap of \$100K in annual sponsorship.
 - Stallholder fees is the primary source of the revenue (>90% in 2023 and 2024) and was previously increased by 2% in 2017.
 - The availability of other supermarket options in the downtown area creates additional options for customers.

Future State Governance Model Options

The spectrum of possible organizational models for the Hamilton Farmers' Market includes three primary options. Each model offers varying degrees of City involvement and operational independence, depending on the desired balance between control and autonomy.



Recommendations Agnostic to the Corporate Structure of the Hamilton Farmer Market

The future success of the Hamilton Farmers' Market is less about which governance model is chosen and more about ensuring that key operational and strategic components are in place, regardless of the corporate structure. The following recommendations focus on elements critical to the Market's long-term viability, irrespective of whether it operates as an internal City division, an arms-length agency, or an independent corporation. The overarching recommendations include:

- Recommendation #1: Clear Roles and Responsibilities with Accountability Agreements
- Recommendation #2: Entrepreneurial Culture Driven by a Mission-Focused Leader
- Recommendation #3: Stakeholder Engagement and Collaboration
- Recommendation #4: Infrastructure and Facility Alignment with Strategy
- Recommendation #5: Financial Sustainability with Measurable Key Performance Indicators (KPIs)
- Recommendation #6: Ensure the Market's Staffing Model can Support Operations

Corporate Structure Options Analysis

The evaluation of the corporate structures—Internal City Division, Arms-length Agency, and Independent Corporation—was based on their likelihood to successfully implement the new strategic plan and agnostic recommendations both in the short term and the long term.

Key factors considered in the evaluation included the ability of each structure to support:

- Operational Efficiency
- Accountability and Governance
- Strategic Alignment
- Flexibility and Adaptability

Corporate Model	Description	Assessment	Short-Term	Long-Term
Internal Division	The Market becomes a city-run department or division, reporting to municipal leadership and operating under the City's policies and procedures.	The Internal City Division model provides stability and resource access but lacks the agility and entrepreneurial culture necessary for long-term success. While it may address some short-term operational gaps due to access to City services, it's unlikely to foster the independence or innovation required to implement the strategic plan fully. There is also a high risk of deprioritization relative to other City priorities, which would impact its ability to maintain operational focus and develop in the long term.	Low Likelihood of Success	Low Likelihood of Success
Arms-length Agency (Municipal Service Corporation)	The Market would be governed by a dedicated board of directors, providing it with strategic oversight but operating with more independence from direct City control. While independent, the Market's board would still be accountable to the City, ensuring alignment with municipal priorities, such as community development, economic growth, and	The Arms-length Agency model strikes a balance between accountability to the City and operational independence, making it a strong contender for implementing the Market's strategic plan. It supports innovation, flexibility, and faster decision-making, which are essential for the Market's success in both the short and long term. However, careful planning is needed to address labour and employee relations	High Likelihood of Success	High Likelihood of Success

Corporate Model	Description	Assessment	Short-Term	Long-Term
	sustainability. This would be through an accountability agreement between the City and Corporation detailing operational expectations and key performance indicators.	concerns in relation to existing and future staff as well as resource constraints.		
Community-Based Not-for-Profit (Independent Corporation)	The Market would operate independently from the City as a standalone corporation. This structure gives the Market complete control over strategic decisions and day-to-day operations. The Market would not be accountable to City leadership or Council but would instead report to its own board of directors and the City-Market relationship would transition to that of a service provider and tenant.	While the Independent Corporation model offers the greatest potential for innovation and flexibility, it comes with significant risks, particularly regarding financial sustainability and resource access. It would require a well-developed business plan, robust leadership, and strong community support to succeed. In the short term, the transition would be challenging, and the Market would face a high risk of operational disruption. However, if successful, this model could offer long-term benefits through complete autonomy.	Low Likelihood of Success	Moderate - High Likelihood of Success

Based on the current state assessment and evaluation of the three possible corporate structures the recommended future model for the HFMC is to remain an Arms-length Agency (Municipal Service Corporation) with a number of enhancements to its governance and operations. In the longer term, it may be worth exploring transitioning the Market to a Community-Based Not-for-Profit; however, neither the City nor the Market is ready to implement that model.

Recommendations Unique to Recommended Model: Arms-length Agency (Municipal Service Corporation)

As a Municipal Service Corporation, there are two additional recommendations for the Market to successfully achieve its vision and strategy and increase its governance and operational maturity.

- Recommendation #7: Strengthen Board Governance
- Recommendation #8: Review the Market's Staffing Model and Clarify Reporting Relationships

Recommendation for the Governance and Operating Model of the Hamilton Farmers Market

Based on the current state assessment and evaluation of the three possible corporate structures the recommended future model for the HFMC is to remain an Arms-length Agency (Municipal Service Corporation) with a number of enhancements to its governance and operations. In the longer term, it may be worth exploring transitioning the Market to a Community-Based Not-for-Profit; however, neither the City nor the Market is ready to implement that model.

While the governance model of the Hamilton Farmers' Market remains the same on paper, the recommendations in this report represent a significant departure from the status quo. These recommendations emphasize a substantial shift in how the structure is implemented, requiring a higher level of governance and operational maturity. Strengthening board governance, developing clear accountability frameworks, and fostering financial sustainability are critical to enabling the Market to fully achieve its strategic vision.

These recommendations will support the Market to function with greater autonomy and responsiveness, while maintaining alignment with the City's priorities. The enhanced focus on board effectiveness, stakeholder engagement, and a well-defined performance framework will drive long-term success. By executing these recommendations, the Market can transition from its current operational limitations to a more dynamic and strategic entity capable of contributing meaningfully to Hamilton's economic, cultural, and social fabric.

1.0 Purpose of this Document

This is the **Final Report** of the Governance and Operational Review for The Hamilton Farmers' Market (the Market). The purpose of this final report is to provide an overview of the current state of the Hamilton Farmers' Market from an operations and governance perspective assessed during Phase 1 and Phase 2 as well as best practices and peer models from other jurisdictions. The report evaluates potential corporate structures and governance models, with a focus on how they support the Market's strategic vision. Based on these findings, the report offers recommendations for improving governance, operational maturity, and financial sustainability, along with key implementation considerations to guide the Market's evolution towards long-term success and alignment with the City's goals.

2.0 Project Background and Context

The Market was originally founded in 1837 and is located at the corner of York Boulevard & MacNab Street. The Market has been in its current indoor location next to the Hamilton Public Library since August 1980. As a historic community gathering place, The Market offers produced food, a wide variety of local and international food products, locally grown produce, artisan wares and events such as the Peach Festival and Harvest Festival.

Much more than a facility, the Market has been a cultural destination in the downtown core and a part of this community for 175 years. However, the Market has not kept pace with the changing preferences of the food shopping public over the past decade, nor met its potential to be a destination in the downtown core. Recognizing that the Hamilton Farmers' Market can play a much broader and important role in the City's future, The City made an 8-million-dollar capital investment to revitalize its location, improve its street presence, provide full accessibility, functional capacity and reach its potential as a downtown destination. During the construction period, the Market was temporarily located in Jackson Square. The facility reopened in February 2010.



In December 2014, the City of Hamilton incorporated The Hamilton Farmers' Market Corporation (HMFC), a municipal corporation with the City of Hamilton as the single shareholder, for the purpose of operating the Market. At the beginning of the Fall 2019, City Staff conducted a review of the current governance model of HFMC. The review was conducted on the fifth anniversary of implementing the current governance model, which includes a Board of Directors made up of citizen and vendor directors and shareholder representation. There were challenges associated with the review process and the final report submitted was not approved by Council.

There continue to be stakeholder sensitivities around the Market, specifically related to:

- Financial sustainability of the current governance and operational model.
- Desire of City Council to continue to subsidize the Market.
- Historical strained relationships between the Board, vendors, and the Market Manager.

3.0 Project Overview

3.1 Project Mission and Success

Project Mission

To conduct a governance and operational review of HFMC and recommend the best-fit structure for the Market moving forward.

Project Success for Phase 1 (Completed in 2021/22)

- A clear understanding of the current state governance and operating model.
- Identification of leading practice on governance and operational structures used by comparable jurisdictions/organizations, to provide evidence-based recommendations.
- Tailored and evidence-driven recommendations related to key gaps identified during the current state assessment related to governance, operations and roles and responsibilities.
- Organization model options that ensure that the HFMC prioritizes value-for dollar invested by the City.

Project Success for Phase 2 (Completed in 2024)

- Understanding of progress made on previously identified issues from Phase 1 and a validation of the current state governance and operating model findings.
- Tailored and evidence driven recommendations related to key gaps identified during the current state assessment around governance, operating structure, and key roles and responsibilities.
- Clear buy-in and involvement from stakeholders.

3.2 Project Scope

Based on Optimus SBR's proposal and the discussion with the City's project team, the following scope was defined for this engagement:

- Conduct review of data and documents and discovery interviews with key stakeholders.
- Engage stakeholders through survey, interviews and focus groups to understand the current state and potential future state opportunities.
- Engage external organizations/municipalities to identify leading practices, focusing on size, governance and operational model, funding models, facility type and operations, type of products, operating hours, and vendor contract structure.
- Develop a Current State Report (including SWOT analysis) that summarizes the findings from project discovery, data and document review, jurisdictional scanning, and stakeholder engagement.
- Develop governance and operational model options, including implementation prioritization as a part of the future state iteration of the report.
- Present final report.

Additional interviews and discussions were scheduled as needed throughout the current state analysis.

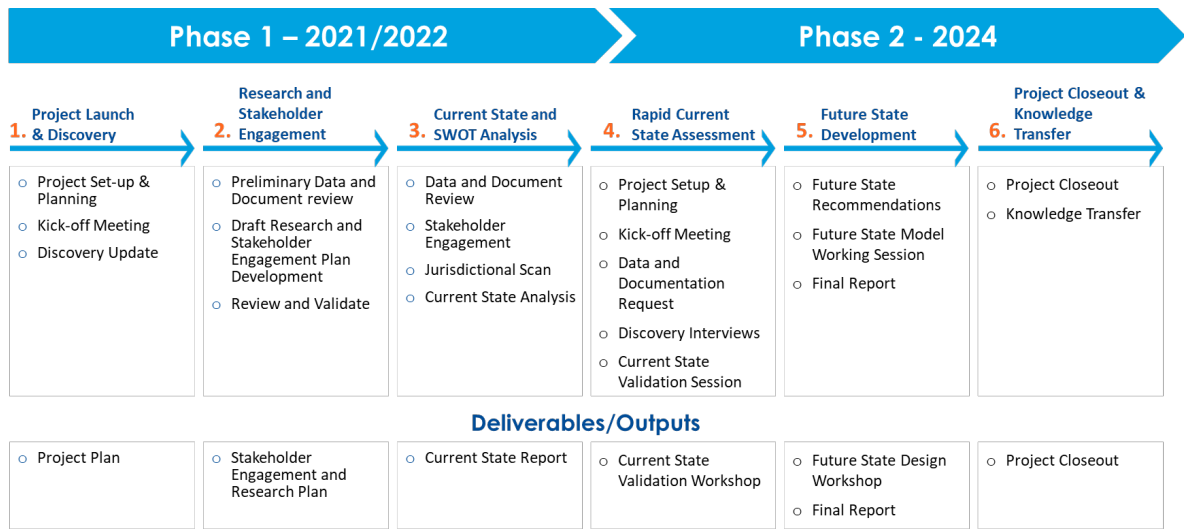
The items that are not in scope for this engagement are:

- Detailed implementation and change management planning.
- Detailed financial modelling.

3.3 Project Approach and Methodology

3.3.1 Project Approach

Optimus SBR followed the six-step approach to conducting the assessment for Hamilton Farmers' Market Corporation



4.0 Current State Findings

4.1 Overview

The following section of the report contains the Current State Findings. While much of the engagement and analysis was completed in Phase 1, the findings have been updated with most recent information and inputs collected during the Current State Validation step of Phase 2.

This section provides a review of the role and objectives of the Market; a snapshot of the Market's financials; and an assessment of the current operating model, organizational structure, and governance model/corporate structure.

In addition, the results of a jurisdictional scan are provided. The scan was conducted to compare The Market and five comparators in Canada against a set criterion.

4.1.1 Purpose and Objective of The Hamilton Farmers' Market Corporation

As stated in the Operating Agreement between the City of Hamilton and HFMC, the main objectives of the Market are as follows:

- Provide a venue for local food growers and producers to sell directly to the public.
- Provide the public with access to high quality, nutritious, locally grown food.
- Strengthen the local economy with the purchase of locally grown food wherever possible.
- Promote relationships and opportunities between farmers, food producers, independent food merchants, consumers, and the public.
- Offer a diversity of fresh food products, including international and specialty foods.
- Foster an economically, ecologically and socially sustainable community.

4.1.2 Duties of The Hamilton Farmers' Market Corporation

The Operating Agreement between the City of Hamilton and HFMC outlines the duties of the Market. The HFMC is expected to administer, manage, and supervise the operation of the Market, including but not limited to the following duties:

- Provide the public with access to high quality, nutritious, locally grown food.
- Promote relationships and opportunities between farmers, food producers, independent food merchants, consumers, and the public.
- Advertise the Market as a shopping destination of choice.
- Create promotional event plans for the Market.
- Use reasonable efforts on a continuing basis to reduce its dependence on subsidies from the City.
- Increase local awareness of the economic and ecological benefits of purchasing locally grown food.
- Prepare, implement and, where appropriate, obtain any necessary approval of all budgets necessary for the efficient, effective, and timely carrying out of HFMC business, initiatives, and responsibilities.
- Consult, as appropriate, with the City.
- Select persons to whom stalls shall be assigned and assign stalls to those persons.
- Enter into contracts with persons who have been selected as stallholders and enforce those contracts.
- Determine the fees to be paid by stallholders.
- Determine the days and hours when the Market shall be open.
- Determine the products which may be sold at the Market, which shall include a diversity of fresh food products including international and specialty foods.
- Ensure the Market operates continuously and actively throughout the year, unless the Contract Manager consents to a temporary shutdown.
- Ensure the Market is kept clean and safe.
- Maintain, repair, and replace the furnishings in the Market.
- Approve, establish, and enforce rules pertaining to the operation of the Market.

4.1.3 Vision, and Guiding Principles from 2023 Visioning exercise¹

Based on the findings from Phase 1, the City and the HFMC conducted a visioning exercise to set the strategic direction and guiding principles for the Market in the future.

Vision Statement

That the Hamilton Farmers’ Market continue its long-standing role of supporting local farmers, producers, and businesses while providing a reliable source of fresh food and creating a community gathering destination for downtown residents and all Hamiltonians.

The Market:

- Provides a wide range of fresh food and grocery options for downtown residents and all Hamiltonians.
- Serves as a social and cultural focal point of Downtown Hamilton.
- Provides economic opportunities, including business incubation, for rural and urban producers and entrepreneurs.
- Celebrates the agricultural tradition and strong rural/urban connections of the region.

Guiding Principles

The guiding principles set for the Market include:

Domain	Principles
Physical Design / Infrastructure	Address the physical limitations of the Market: <ul style="list-style-type: none"> • Upgrade the infrastructure (plumbing, electric, storage, exhaust, etc.); improve circulation; explore zoned areas to allow for varied market hours; create more inviting entrances; and modify the façade to provide for a more seamless indoor/outdoor experience. • Provide for more public spaces that are flexible to accommodate a variety of uses: <ul style="list-style-type: none"> ▪ Provide greater opportunities for seating, pop-up vending, events, and programming. ▪ Strengthen connections to outdoor spaces and neighbours. Let the market spill outdoors; better connect to its surroundings (e.g. Library, City Centre, etc.) • Coordinate efforts to improve neighbourhood safety.
Program / Mix	<ul style="list-style-type: none"> • More local farmers, local producers, and pop-up vendors: <ul style="list-style-type: none"> ▪ Reflect and celebrate the Market’s strong agricultural traditions as well as support and attract new entrepreneurs and meet the needs of the Market’s local and Citywide customers. ▪ Consider flexible/shorter term stall agreement options, a weekly local vendors day, and regular seasonal street closures to accommodate additional vendors.

¹ Appendix "A" to Report PED23049 – Developed by City of Hamilton and Project for Public Spaces

Domain	Principles
	<ul style="list-style-type: none"> • More programs, events, and education (in collaboration with local partners): <ul style="list-style-type: none"> ▪ The Market should be the centre of the local food movement for Hamilton and serve as a cultural hub and gathering point for the Hamilton community. • After hours and expanded culinary offerings: <ul style="list-style-type: none"> ▪ Seed more culinary activity at the Market, including after hours, through offerings such as a market café, prepared food vendors, and licensed establishments.
<p>Operations</p>	<ul style="list-style-type: none"> • Increase management capacity and funding sources: <ul style="list-style-type: none"> ▪ Provide senior-level staffing resources and operating funding to better reflect the role of the Market as a community hub. • Expand hours (for at least parts of the Market): <ul style="list-style-type: none"> ▪ Provide expanded and regularized hours, that better meet the needs of the Market’s customers. • Strengthen the Market’s marketing, advertising, and promotion: <ul style="list-style-type: none"> ▪ Create more “buzz” about the Market and get the word out about market hours, special events, and vendors. • Provide for multi-modal access, including adequate parking: <ul style="list-style-type: none"> ▪ Ensure the Market is easily accessible for pedestrians, cyclists, transit users and drivers. With most current market customers arriving by car, ensure that adequate parking is available.

4.1.4 Financial Summary

Budget Overview

The HFMC is a Municipal Services organization that is supported by three main revenue streams:

- Stallholder fees collected from Vendors - \$518K in 2023; estimated \$586K in 2024; 3.7% growth YoY.
- Sponsorship
 - Rogers Communication: \$25,000 annually from 2022 to 2024
 - Meridian Credit Union: \$125,000 annually for 5 years (2017 to 2021)
- Annual levy from the City of Hamilton: \$115K in 2021; \$313K in 2022; \$300K in 2023; estimated \$332K in 2024.

Additionally, under the operating agreement, the City provides the following services to the Market:

- Finance & Administration – no cost to HFMC
- Human Resources – no cost to HFMC
- Legal Services – no cost to HFMC

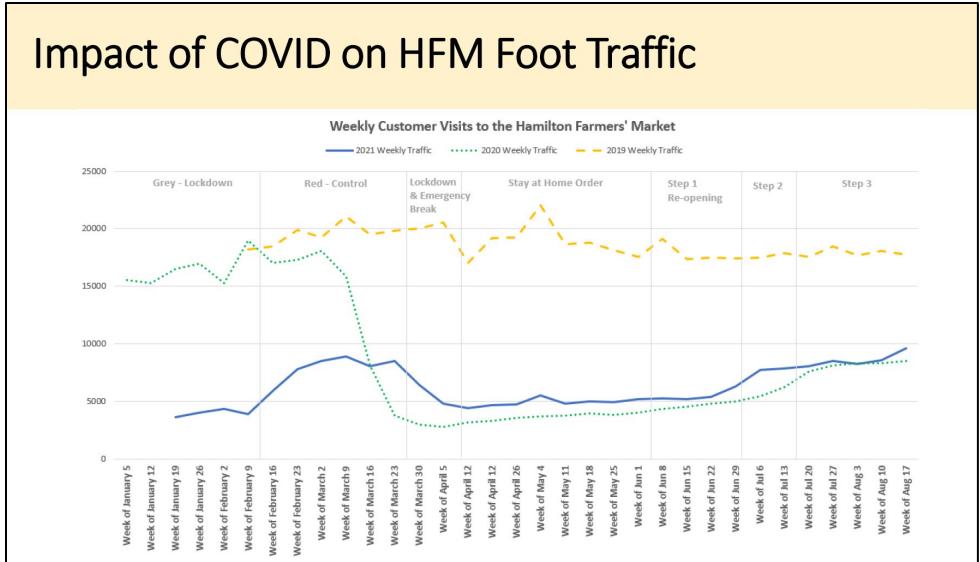
- Procurement – no cost to HFMC
- Rent – no cost to HFMC
- Facility Management – charged back to HFMC
- IT – charged back to HFMC

The financial statement from The City of Hamilton depicts the dependency of the Market on revenue sources from sponsors and the City. Excluding the levy, the Market recovers 64% of their expenses in 2023 and 2024 (estimated).

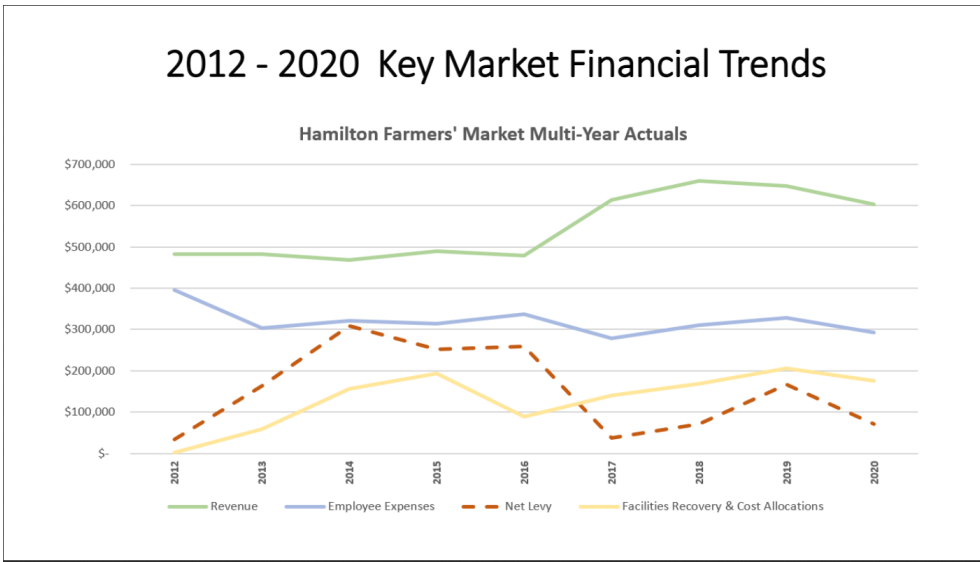
Budget category	2021	2022	2023	2024 (Current Budget)
Employee Related Cost	325,440	262,481	306,970	388,980
Material And Supply	16,040	29,032	26,390	29,550
Building And Ground	165,760	215,819	207,650	207,570
Consulting	0	137,695	16,440	0
Contractual	82,260	98,571	118,170	102,480
Reserves / Recoveries	120,110	106,243	107,580	102,920
Cost Allocations	86,100	144,029	26,200	21,060
Financial	10,450	62,571	22,450	60,520
Capital Expenditures	5,000	8,433	2,500	5,000
Recoveries from Capital	0	0	-9,530	0
Agencies And Support Payments	0	979	0	0
Total Expenses	811,160	1,065,854	824,820	918,080
Fees And General	666,100	614,736	518,080	586,180
Reserves	0	137,695	6,910	0
Grants And Subsidies	30,000	0	0	0
Total Revenues	696,100	752,431	524,990	586,180
Net Levy	-115,060	-313,423	-299,830	-331,900

Impact of COVID-19 on the Market

The impact of COVID-19 was challenging for businesses, both globally and locally. The stay-at-home safety measures resulted in a massive decline in foot traffic, which strongly impacted the income potential of vendors at the Market.



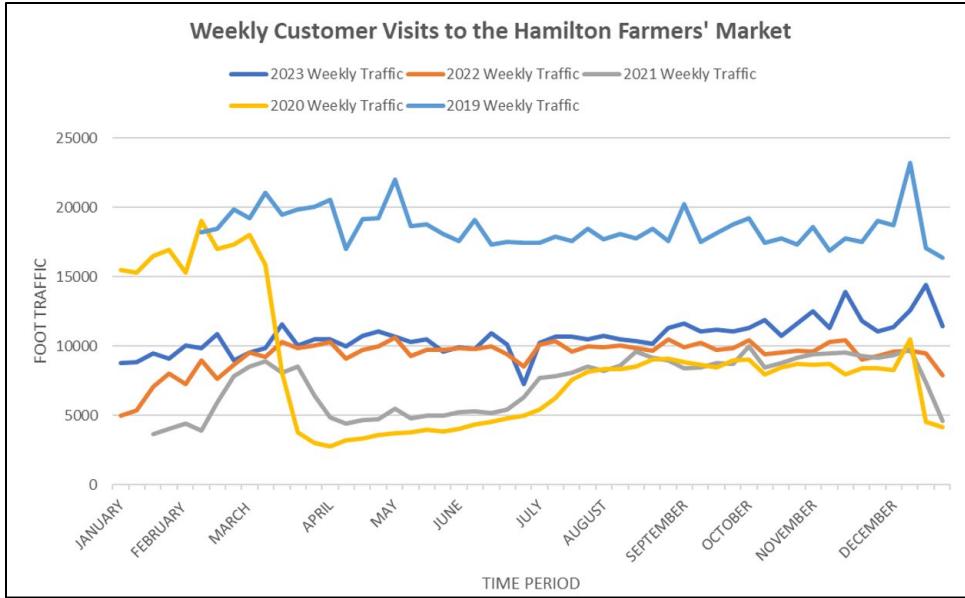
Despite the decline in foot traffic, the revenue decline of HFMC was contained within 7% between 2019 and 2020.



Assistance and Initiatives during COVID:

- HFMC received emergency assistance of \$144,652 in 2020 as part of the Federal-Provincial Safe Restart Agreement allocated to the City of Hamilton.
- HFMC developed a rent deferral program to assist vendors with rent payments. The program enabled vendors to defer rent payments from April-September 2020, to 2021 without interest. It is notable that 60% of the vendors have not signed their deferral agreements.

Following COVID-19, foot traffic trends (as depicted in the image below) have shown signs of recovery, growing towards the end of 2023, and has led to a positive impact on revenues. However, foot traffic remains significantly below the 2019 level reaching an estimated 60% in 2024.



Stallholder Summary

The Market has been operating with an average vacancy rate of 8.9% since 2016 although as of October 2024, there are no vacancies in the Market. The Market’s high dependency on stallholder rentals for revenue means that carrying vacant stalls poses a significant financial risk for the organization. In addition, limited stallholder rent increases also pose a financial threat. There was a one-time rent increase of 2% in 2017 and the most recent motion to increase rent in 2023/2024 was not approved by the Board.

Stallholder occupancy summary 2016-2021

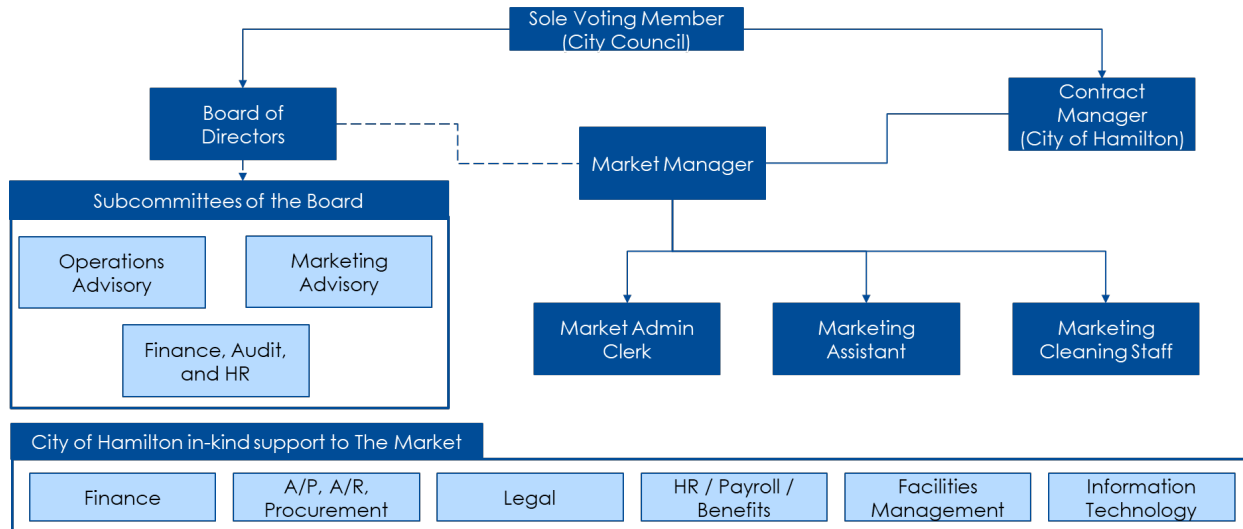
Stallholder Details	2016	2017	2018	2019	2020	2021
Stallholder Departure	9	2	5	8	5	10
Stallholder Additions	5	8	3	4	4	7
Total Available Stalls	56	57	57	56	55	53
Total Occupied Stalls	49	55	53	49	48	50
Estimated Vacant Stalls	7	2	4	7	7	3
Vacancy Rate	12.5%	3.5%	7.0%	12.5%	12.7%	5.6%

Source:

- <https://www.hamilton.ca/sites/default/files/media/browser/2021-02-26/budget-follow-up-questions-hamilton-farmers-market-corporation-budget-day-presentation.pdf>
- KPMG Audited Financial Statements - Appendix "D" to Report CM20010
- 2021 Annual General Meeting presented on September 13, 2021
- 2020 actuals prepared by Market Manager
- 2021 stallholder actuals prepared by Market Manager

4.1.5 Organizational Structure

The organizational structure below was validated in 2024 by the City and Market staff. The Market recently underwent the hiring process of adding two positions to this structure including a Senior Program Manager and a Market Programming Coordinator.



Board Composition

The current Board is made up of 11 members representing City Council, vendors, and citizens:

- City Councillors (2 seats)
 - Councillor Cameron Kroestch – Council Member, Chair
 - Councillor Tammy Hwang – Council Member
- Citizen Directors (5)
 - Andrea Carlisle – Citizen Member
 - Matthew LaRose – Citizen Member
 - Amanda Reiser – Citizen Member
 - Laura Lukasik – Citizen Member, Secretary
 - Vacant – Citizen Member
- Vendor Directors (4)
 - Anne Miller – Vendor Director, Treasurer
 - Celina Masoudi – Vendor Director
 - Shane Coleman – Vendor Director
 - John Alexander – Vendor Director, Vice-Chair

4.1.6 Decision-Making Authorities of The Board of Directors and Market Manager

The Board Governance Policies from 2018 outline the roles and responsibilities and decision authority of the Board and the Market Manager.

Role of The Board

The Board of Directors has the decision-making authority for the overall direction of HFMC. The role is focused on governance. This includes, but is not limited to, the authority to:

- Set strategic direction and priorities
- Conduct Board performance evaluation
- Approve the budget
- Establish all governance policies
- Develop all committee direction and goals

- Set the annual goals for the Market Manager that are realistic and achievable given the hours that need to be dedicated to operations versus special projects / strategic plan

Role of the Market Manager

The Market Manager has the decision-making authority to determine how best to carry out the work of the organization and implement the direction given by the Board. Decisions that are within the authority of the Market Manager include:

- Enforce the contract and other operational policies
- Determine the best leadership model to use to lead and manage the organization
- Distribute tasks; determine workload; implement processes to help ensure the Market meets strategic and operational goals set by the Board and others
- Ensure HFMC stays on budget
- Implement the strategic directions set by the Board

It is important to note that while these roles and decision authority is outlined policy, in practice the Board advises on financial and strategic decision making but final decisions are made by Council.

4.2 Vendor Survey

4.2.1 Method

As a part of Phase 1 of the Current State Assessment in 2021, a brief survey was administered to 49 vendors to gain their perspective on the governance and operations of the Market. Responses were collected online as well as in paper format. The survey was available for a period of two weeks and resulted in a response rate of 48.9%. Note that changes to Board membership and operations have been made since this survey was completed.

4.2.2 Phase 1 Insights

Area of Focus	Observations
Ineffective decision-making process	<ul style="list-style-type: none"> • 20% of the respondents feel that the Board is not able make decisions. • 17% of the respondents were concerned that Board members which have no “skin in the game” (e.g., citizen members), should not be making decisions that impact the livelihood of vendors.
Missing skillset in management	<ul style="list-style-type: none"> • 25% of the respondents feel that the Board and management do not have the right skill sets or appropriate background experience to lead the Market. • 12.5% of the respondents have stated that it is important for the leadership to have a background in market management to be effective in their roles.
Vendors feel that their	<ul style="list-style-type: none"> • 42% of the respondents feel that there isn’t a medium to communicate and escalate their pain points, leading to frustration.

voices are not heard	
Mission and vision refresh	<ul style="list-style-type: none"> 21% of the respondents feel that the Market is operating without a vision and mission.
Strengths of The Market	<ul style="list-style-type: none"> 46% of the respondents share a sense of pride and experience positive community sentiment. 17% of the respondents find the low overhead and stallholder fees to be beneficial in operations. 33% of the respondents feel the location and infrastructure of The Market are key strength areas.
Operating hours	<ul style="list-style-type: none"> 30% of the vendors believe the operating hours need to be redefined.

4.2.3 Phase 2 Insights

As a part of the current state validation, in Phase 2, the key findings were validated, and the following changes were noted:

- The vision and guiding principles for the market has been refreshed based on a consultative exercise that included the public, vendors, the Board and Council.
- Board membership has changed.
- The organizational structure of the market has been refreshed with two additional strategic positions being added.
- The operating hours of the market have been changed from Wednesday to Saturday, from Tuesday, and Thursday to Saturday. Note, the Market also experimented with a late closure of 7PM EST on Fridays but did not yield positive results.

4.3 City Council Survey

4.3.1 Method

As a part of Phase 1 of the Current State Assessment in 2021, a brief survey was administered to the Mayor and 14 City of Hamilton Councillors with a 68% response rate (10 out of 15). The data was correlated and analyzed by Optimus SBR to provide the below observations.

4.3.2 Insights

Area of Focus	Observations
Governance Model does not work	<ul style="list-style-type: none"> 100% of the respondents stated that they do not believe the current governance model and integration with the City is working well. 60% of the respondents said that they would like to see the Market more autonomous than it already is.

Area of Focus	Observations
City should be less involved in Operations	<ul style="list-style-type: none"> 80% of the respondents believe that the City should be less involved in the day-to-day operations of the Market than it is today. 60% believe that the City should provide less operational resources (i.e. facilities staff, IT, support, accounting services) than it does today. Only 20% felt the City should provide more operational support.
Council should not have a role in Market Operations	<ul style="list-style-type: none"> 90% of the respondents feel that Council should be less involved in the overall workings of the Market than it is today.
Future of The Market	<ul style="list-style-type: none"> 60% of the respondents feel that Market should be privatized with 30% believing it should remain the same with governance adjustments.
No Vendors on The Board	<ul style="list-style-type: none"> 60% of the respondents do not agree with vendors sitting on the Board as it creates a conflict of interest.

Spotlight / Verbatims:

The responses to the following two questions, encapsulate City Councils views on the Market in 2021:

1. How do you view HFMC today?

- *“Community institution with retail and food court with very little, if any, actual direct from farm produce”*
- *“Tourist attraction”*
- *“Retail outlet/Food outlet”*
- *“Food security and grocery source”*
- *“Small local business incubator; social capital generator”*
- *“Currently, terrible location within the mall, difficult to get to, not easy to find, dysfunctional, not well laid out”*
- *“Not enough farmers as venders. The current venders are never happy”*

2. What is your vision for HFMC?

- *“I think the concept and space should be re imagined before we set up a new governance model. I would like the private sector to work with the city to rest a destination that reflects the historical context of the market but builds it into the entertainment precinct as part of the attraction for local and tourists’ interests”*
- *“Privately operated similar to St. Jacobs, Burlington Market, Byward Market Ottawa. The city should not be shareholders, board members nor operationally involved.”*
- *“Tourist Attraction. Hardly any real farmers”*
- *“Food outlet”*
- *“Food source and small independent local business incubator”*
- *“It should be professionally managed, and venders should not be on the board as they are in conflict”*
- *“A real Farmers’ Market focusing on local food”*

- *“Tourist Destination, Real Farmers’ Market with an emphasis on local produce. The food court and retail are fine, but we have only one local grower currently.”*
- *“Grocery and food court”*

4.3.3 Phase 2 Insights

As a part of the current state validation in Phase 2, the key findings were validated, and the following changes were noted:

- The Board of Directors has been changed and board operations are reported to operate more smoothly.
- The position of the City and the vendors remains consistent that the current governance model is not effective.
- The option to privatize the market was explored during the strategic planning process between Phase 1 and Phase 2 and it was decided that public ownership and oversight of the market and its operations should be maintained. As a result, privatization of the market was not explored during Phase 2.

4.4 Governance

This section summarizes the themes and insights with respect to the Governance of HFMC, as a part of Phase 1.

Area of Focus	Themes and Supporting Insights
Governance Model	<p>The HFMC has been operating with an unclear governance model. While on paper HFMC is governed as a municipal service corporation under the authority of the Board in practice most governance functions are carried out by the City.</p> <ul style="list-style-type: none"> • The City and Council sets and approves the Market’s strategy with the Board providing input. • The Market Manager reports to the Contract Manager (the City) rather than the Board. • The Board needs to seek approval from Council on the Market’s budget and spending funds held in reserve.
Roles and Responsibilities	<p>Over the last few years, the division of roles and responsibilities has overlapped resulting in redundancies.</p> <ul style="list-style-type: none"> • There is consensus amongst market stakeholders (the Board and Market Manager), that as the governance role of the Board has been limited its role in day-to-day operations of the Market have increased creating confusion. • The decision-making framework used by the Market has been set up to involve Board approval in all operational decisions; limiting the autonomy of the Market Manger role.

Area of Focus	Themes and Supporting Insights
Conflict of Interest	<p>Board membership continues to be exposed to conflict of interest.</p> <ul style="list-style-type: none"> • HFMC is a Municipal Services Corporation under the Ontario Municipal Act to which the Municipal Conflict of Interest Act (MCIA) applies. The MCIA requires members to recuse themselves from discussing any matter in which they have a pecuniary interest. • The Board currently consists of four vendor members who have business ventures in the Market. As a result, any agenda item requiring votes that discusses impacts to vendors (e.g., increasing stallholder fees), can be construed as a conflict of interest even if the intentions are sound.
Relationship with the City of Hamilton	<p>The Market is dependent on the City for infrastructure, funding, and services. While this dependence is not inherently a governance issue, the relationship, roles and responsibilities and operational expectations of both parties are not clearly outlined in an accountability agreement or enforced through effective monitoring and reporting.</p> <ul style="list-style-type: none"> • The City owns the building where the Market resides but does not receive any rental income from the HFMC. • The City provides a wide array of services to the Market, some of the services are charged back and some are in-kind support and there are no service-level agreements in place. • The City provides an annual levy to the HFMC but has authority over HPMC’s broader budget and performance and operational expectations for this levy are not clear.
Public exposure and branding	<p>Negative press has tarnished the brand of the Market which casts doubt over management.</p> <ul style="list-style-type: none"> • Multiple articles from news outlets, in addition to stakeholder feedback, highlight the “Culture of Complaint” that has been displayed and documented over the past few years. As a result, confidence in the corporation has been impacted, which has led to a challenging internal environment. • Local organizations have published online petitions in support of The Market during COVID-19, to combat The City’s decision to roll back on “rent relief” offered during the April – September 2020 period. The petition has gained traction and accumulated approximately 13,000 signatures.
Strategic vision	<p>The vision for the future was unclear.</p> <ul style="list-style-type: none"> • Because of the time spent on operational issues, the Board was not focused on the strategy and path forward for the Market. The current strategic plan expired near the end of 2020 with the majority of the initiatives being left as outstanding.

4.4.1 Phase 2 Insights

The findings above were validated as part of the Current State Validation step in Phase 2, and the following changes were noted:

- **Organizational Structure:** The organizational structure has remained consistent with respect to Phase 1 findings, except for the addition of two new positions.
- **Governance Model:** The governance model has remained consistent; however, board membership has changed. The lack of decision-making authority of the Board, e.g., budgets, staffing, others has remained an issue and is inconsistent with the corporate structure (Municipal Service Corporation).
- **Roles and Responsibilities:** The role of the Board appears to currently operate as an advisory structure, making recommendations about the Market to the City and Council for decision making instead of leading and owning the vision. The Board does not oversight responsibility for the Market Manager or staffing of the Market. The board does have a role of providing feedback to the Contract Manager for performance reviews but does not have the authority to influence outcomes.
- **Conflict of Interest:** The conflict-of-interest challenges that exist have remained from Phase 1. Vendor directors are allowed to vote on matters such as stallholder fees.
- **Relationship with the City of Hamilton:** The relationship between the City of Hamilton and the Market is still not clearly articulated in an accountability agreement that outlines roles and responsibilities of both parties for market operations and shared services.
- **Public exposure and branding:** There has been a significant improvement in public exposure and communications related to the market, especially related to governance issues at the Board level. Moreover, the public engagement for the development of the vision and guiding principles, in addition to the planned layout study shows the desire and commitment by the Market and City to solve the existing issues.
- **Strategic vision:** The Board has the responsibility to set the strategic direction of the Market but have not been able to fulfil their role in the recent past due to multiple challenges inclusive of the Board composition. The most recent strategic plan with the vision and guiding principles for the Market was conducted by the City, with support from Market stakeholders, including the Board.

4.5 Operations

This section summarizes the themes and insights with respect to the Operations of HFMC.

Area of Focus	Themes and supporting Insights
Infrastructure	<p>Despite the City’s capital investment, the Market’s ageing building has maintenance issues, which poses challenges to the vendors’ operations.</p> <ul style="list-style-type: none"> • The history of The Market is respected and considered a cultural institution for the City. • Vendors appreciate the access to available water and heat to run their businesses. • The venue has limited equipment and services:

Area of Focus	Themes and supporting Insights
	<ul style="list-style-type: none"> ○ There is only one exhaust hood available to vendors. Coffee bean suppliers must roast their beans elsewhere. The current infrastructure in place is challenging for those vendors who make prepared foods. ○ Not every vendor has access to a sink in their stall. This makes food preparation, clean up, and general hygiene a challenge. ○ Ventilation and cooling systems need updating; electrical power is limited with only a few stalls having access to over 30AMPS. This results in vendors preparing foods off of hot plates. ○ Updates to plumbing are difficult to make because new flooring was installed, and pipes were not clearly marked as to their location. ● Pests (i.e. flies and cockroaches) have been seen in the building by vendors and are considered a public health concern. ● There are Wi-Fi issues and no cell signal is available in the Market. ● No common storage spaces are available for vendors in which to leave equipment on site, resulting in congestion in the docking area as vendors load and unload their supplies.
Location	<p>A number of concerns were raised about the Market’s location and services.</p> <ul style="list-style-type: none"> ● The current floor plan of the Market is not well laid out. ● Customers have access to 1-hour of free parking, but concerns were raised about visibility and accessibility. ● Transit does not facilitate convenient access to the Market. Customers must walk from the bus terminal down the street. ● No curbside pick-up was available during COVID because no lane is available for cars to pull into and wait. ● While improving, there remains concerns about community safety in the area surrounding the market.
Operating Hours	<p>A number of concerns were raised about The Market’s operating hours:</p> <ul style="list-style-type: none"> ● Farmers are not set up for success by having to commit to four days at the Market. If they were required to commit to weekends only, it might encourage more local farmers to participate. ● Vendors are contracted to be operational during the hours of the Market, yet it is rarely enforced. Vendors keep their own hours, resulting in customer complaints about closed stores. ● Hours of operation are confusing to the customers (i.e. open on a Tuesday but closed on a Wednesday). Customers who work in the business area cannot shop after work or in the evenings due to limited operating hours. ● The Tuesday and Thursday to Saturday model is not attractive to families since it leaves only one day on the weekends to attend the Market.
Customer Experience	<p>Concerns were raised about the Market’s current atmosphere and customer experience:</p> <ul style="list-style-type: none"> ● Vendors enjoy the customers and appreciate their loyalty.

Area of Focus	Themes and supporting Insights
	<ul style="list-style-type: none"> • The Market is a gathering place for families and friends and there is a strong repeat customer base. • Currently, there is a duplication of vendor types which does not offer customers variety or diversity. • Not all vendor stalls are open during operating hours which creates an unwelcoming atmosphere and frustrates customers who made the trip to the Market only to find the stall they want to shop in closed. • There are few areas for customers to interact, have a coffee and socialize. • Businesses surrounding the Market now offer cheaper produce, making the Market less of a destination point for customers. • There are many lunch options in the area; therefore, lunch at the Market is no longer a value add.
Marketing & Communications	<p>Some concerns were raised about the Market’s difficulty in defining its brand and positioning:</p> <ul style="list-style-type: none"> • The Market has been a strong incubator for new businesses. Some have been successful enough to grow out of the Market and set up downtown. • In the past, the Downtown Hamilton Business Improvement Area (BIA) has looked for ways to partner, such as offering to setup booths for The Market at events like Gore Park Summer Promenade. • Some of the smaller restaurants use produce from the Market to prepare their food. • Vendors feel customers are misled by the name “Farmers’ Market” because there are very few farmers represented. Many vendors are wholesalers, but the public think they are buying locally farmed products. • The Market does not have a defined strategy or clear vision of what it wants to be. • Signage around the outside of the building is hard to find or missing. • Systems for communicating important information to vendors and the public is lacking; poor follow up and follow through on requests from the public.
Financial Support	<p>The Market is reliant on support from The City of Hamilton and other sources to sustain itself:</p> <ul style="list-style-type: none"> • The City provides a levy. The levy budget for 2021 was estimated to be \$115,000 • In addition, a wide array of services are offered to the Market by the City. While some of these services are charged back, some are in-kind support. The actual amount of staff time invested by the City to provide the in-kind services is unclear. • In addition, sponsorship from Meridian Credit Union included \$125,000 annually for 5 years starting from 2017 and ending in April 2022.

4.5.1 Phase 2 Insights

The findings above were validated as part of the Current State Validation step in Phase 2, and the following changes were noted:

- **Infrastructure:** There has been no change to the infrastructure of the market since Phase 1.
- **Location:** The findings from Phase 1 have been validated. Moreover, post the visioning exercise, a layout study has been planned to optimize the use of space. Additionally, there are construction projects, i.e., condominiums close to the market, which will likely increase customer base post completion, but may impact the existing customers prior.
- **Operating Hours:** The operating hours of the market have been changed from Wednesday to Saturday, from Tuesday, and Thursday to Saturday. The Market also experimented with a late closure of 7PM EST on Fridays but did not yield positive results. Additionally, the 4-day commitment for a stall remains a roadblock for attracting farmers.
- **Customer Experience:** The findings from Phase 1 remain valid. Key themes such as an area for sit-down dining/dinner/coffee experience remain on the wish list for many vendors. Additionally, the 2023 study by the Project for Public Places shows that approximately 50% of the customers drive to the market, citing a requirement for parking options which are available in limited quantities and will likely be impacted by the neighbouring construction projects.
- **Marketing & Communications:** The findings from Phase 1 have been validated. However, having a defined vision and guiding principles will likely improve messaging tailored towards customers and other stakeholders.
- **Financial Support:** The dependency on the City of Hamilton remains, as the Market isn't a financially sustainable corporation. The loss of Meridian Credit Union's sponsorship of \$125K annually, followed up with an annual sponsorship of \$25K from Rogers Communication, has increased the dependency of the Market on the City.

4.6 Jurisdictional Scan

The purpose of the jurisdictional scan is to provide a high-level overview of how HFMC compares to other similar markets with respect to Governance and Operations. Optimus SBR was provided with comparable markets to engage and assess. This scan was completed as a part of Phase 1 of the current state assessment in 2021/2022. The scan was not included as a part of the Phase 2 Current State Validation step.

4.6.1 Method

The scan of five markets was conducted either by interview, desk research or both. Individuals interviewed from the various markets represented key roles such as General Manager, Market Manager, and Marketing & Communications. A set of criteria upon which to compare and assess each of the five markets was established.

Name	Interview	Desk Research
Hamilton Farmers' Market, Hamilton, Ontario	✓	✓
St. Lawrence Market, Toronto, Ontario	✓	✓

Name	Interview	Desk Research
Covent Garden Market, London, Ontario	✓	✓
Halifax Seaport, Halifax, Nova Scotia	✓	✓
Welland Farmers' Market, Welland, Ontario		✓
Kitchener Farmers' Market		✓

4.6.1.1 Governance

A comparison of the five Markets' Governance structures and responsibilities across the set criteria highlighted the various structures, processes, and systems.

Governance Parameter	The Hamilton Farmers' Market	St. Lawrence	Covent Garden	Halifax Seaport	Welland Farmers' Market	Kitchener Market
Board Composition and Skillset	Governance Board (decision-making) with City Council, Citizen and Vendor Directors	Advisory Board (non-decision making) with special skillset members	Governance Board (decision-making) with general members	Market Manager and shared resources from Port Authority	Advisory Board (non-decision making) with general members	Information not publicly available
Decision-Making Process	Board makes decisions and informs Market Manager	Staff makes governance and operational decisions	Board makes governance and operational decisions	Staff makes governance and operational decisions	Staff makes governance and operational decisions	Information not publicly available
City's Involvement	City Owned / Board operated with City Support	City owned / City operated market	City owned / Board operated market	Not applicable (Port Authority owned and operated)	City owned / City operated market	City owned / City operated market
City Council Involvement	Approve budget/business plan	Approve budget/capital expenses	Approve budget/capital expenses	Not applicable (Port Authority owned and operated)	Approve budget/capital expenses	Approve budget/capital expenses

4.6.1.2 Operations

Similarly, Markets were compared across a set of criteria with an operational focus.

Operational Parameter	The Hamilton Farmers' Market	St. Lawrence	Covent Garden	Halifax Seaport	Welland Farmers' Market	Kitchener Market
Hours of Operation	Tuesday, Thursday-Friday: 9am to 4pm Saturday: 8am to 4pm	Tuesday-Friday: 8am to 5pm; Saturday 5am to 4pm Farmers' Market Saturday only: 5am to 3pm	Monday to Saturday: 8am to 6pm	Saturday: 8am to 2pm; Sunday: 10am to 2pm	Saturday: 7am to noon, year-round	Saturday: 7am to 2pm, year-round
Vendor Fees	Varies by location and vendor type. Fee rates for 2021 is either \$25.59 per square foot (standard) or \$28.78 (premium)	Varies by location and vendor type, farmers' market fee \$25-\$58/day	Varies by location and vendor type, \$7-\$10/sq ft/year	\$80 per 8- foot table. Vendors must register for tables in advance and are vetted and approved by Market Manager	Varies by location; stall comparable is \$16.52/day (includes water and hydro), stalls vary \$5-\$7/sq ft/year	\$45.50 per table and chair available to vendors under <i>Small Business Guidelines</i>
Stall Agreement	Annual permit	Annual permit for Farmers' Market, 2-, 3-, and 5-year agreements with possibility of extension for tenants	Vendor specific	Online pre-registration and 7-day notice of cancellation	Annual or daily	Weekly; approved vendors must contact the city by Wednesday 4pm to reserve the table on Saturday
Subsidization & Sponsorship	City budget and Corporate sponsorship Agreement with Meridian which expires in April 2022	Owned by the City of Toronto	None, fully funded through vendor fees and parking garage revenue	Owned by the Port Authority	City subsidy, City funded events/advertising budget	Owned by the City of Kitchener

Key Takeaways from the Jurisdictional Scan:

1. **Not all City run markets are fully subsidized:** Some markets have identified alternate revenue streams and promotional events to become financially sustainable.
2. **Not all City markets require vendors to sign stall agreements:** In the case of the Halifax Seaport Market, vendors are offered a ‘hoteling model’ where they can rent a table, by the day, via an online pre-registration process and approval from the Market Manager. Vendors are not locked into an agreement, the ‘pay-as-you go’ model has resulted in many repeat vendors and a waiting list.
3. **Markets want to see vendors’ businesses succeed.** The Market is used as an ‘incubator’ where vendors can pilot their businesses, build their reputation and a customer base. In many of the Markets, vendors have gone on to open store front businesses due to the success of their Market Stalls.
4. **Markets are looking for ways to promote and monetize downtime in support of financial sustainability:** Halifax Seaport is preparing to use free space in its Market as an innovation space for transportation. There are 28 different groups who will use the space as an innovative collaborative environment and, in turn, this will create a stream of revenue for the Halifax Seaport. The Covenant Garden market hosts multiple events all year round which is positive for the brand and drives foot traffic into the market.

5.0 SWOT Analysis

The following analysis has been updated with Phase 2 findings:

Strengths
<ul style="list-style-type: none"> • Location <ul style="list-style-type: none"> ○ There is a potential for a strong increase in foot traffic for the following reasons: <ul style="list-style-type: none"> ▪ The foot traffic recovery from COVID-19 has been slower than expected reaching an average of 60% of the 2019 levels in 2023/2024. However, Saturdays are very close to pre-pandemic level. This trend is expected to continue, as the professional crowd returns to downtown offices. ▪ The “evening-shopper” or “post-work shopper” working in and around downtown, could potentially become customers depending on the quality of products available and hours of operation. ▪ Downtown Hamilton is going through real estate development projects which will potentially increase traffic into downtown Hamilton. The increased traffic will likely provide a boost to the Market. • Community <ul style="list-style-type: none"> ○ The community of vendors and citizens is a major strength for the Market. The COVID-19 online petition which gathered 13K signatures in protest of the withdrawal of the rent relief which was initially offered to the vendors of market showcases the commitment from the resident community towards the success of the Market. • Partnership with the City of Hamilton <ul style="list-style-type: none"> ○ The partnership with the City enables HFMC to leverage corporate services without being charged as a part of the operating agreement.

- The levy provided by the City helps to maintain financial stability. As a result, the lack of rent increases over the last 7 years has not impacted the operations of the Market.
- **Incubation**
 - The Market is a great incubator for new businesses, and some have successful enough to grow out of the Market and set up downtown, e.g., Mystic Ramen (moved out of The Market in 2022), Beanermunky Chocolate (closed in 2023, since the owner retired).

Weakness

- **Branding**
 - The image of a “Farmers’ Market” is not well represented with growers representing under 5% of the vendors.
- **Quality of Produce**
 - Feedback collected shows that in some cases, the quality of produce available in the Market does not represent “farm grown” standards. This has resulted in customers looking for alternate options for grocery shopping and fresher produce.
- **Foot traffic**
 - COVID-19 and remote work culture has impacted foot traffic, which has posed significant constraints on vendors.
 - The 2023 study by the Project for Public Places shows that approximately 50% of the customers drive to the market, citing a requirement for parking options which are available in limited quantities and will likely be impacted by the neighbouring construction projects.
- **Communication**
 - Feedback collected from vendors indicates frustration resulting from a lack of communication with management.
 - Systems for communicating important information to vendors and the public are lacking with limited follow up and follow through on requests from the public.
- **Clarity of roles and responsibilities**
 - The leadership role of The Board has reduced over time. The current role of The Board is to guide the Market, vs. lead and own the vision and outcomes.
 - The Board does not have autonomy to make staffing changes at the Market despite setting the goal for the market manager and is accountable to the Sole Voting Member and Contract Manager.
 - The Board is constrained with resources, which creates a roadblock to deliver against their mandate of driving the strategy and vision for the market. The most recent visioning exercise for the Market was conducted by the City with support from Market stakeholders, including the Board.

Opportunities

Threats
<ul style="list-style-type: none"> • Revenue streams <ul style="list-style-type: none"> ○ The Market is open for 4 days a week, leaving 3 days as an opportunity to identify additional revenue streams. The jurisdictional scan indicates similar markets host multiple events themed around food and culture which drive traffic into the Market and provides positive branding opportunities. ○ Feedback collected indicates an “outside” area in the summer would be desirable for many vendors (including farmers). • Vendor selection <ul style="list-style-type: none"> ○ The current vacancies in the vendor portfolio presents an opportunity to the management to bring in more farmers to continue with the “The Farmers’ Market” image. • Operating hours <ul style="list-style-type: none"> ○ The operational review is an opportunity for management to redefine the hours of operations of The Market. The Market experimented with a 7PM close time on Friday evenings without success. However, amongst others, Sundays remain an opportunity.
<ul style="list-style-type: none"> • Revenue Streams <ul style="list-style-type: none"> ○ The replacement of the \$125K sponsorship from Meridian Credit Union with \$25K from Rogers has left a gap of \$100K in annual sponsorship. ○ Rent from vendors is the main source of revenue and has not been adjusted since 2017. ○ The jurisdictional scan indicates most Farmers’ Markets tend to have a waitlist for vendor registration whereas The Hamilton Farmers’ Market has been carrying an average vacancy of 8.9% since 2016-2021. While there is 0 vacancies in 2024, a pipeline of potential vendors needs to be built and maintained. • Competition <ul style="list-style-type: none"> ○ Average quality produce puts the vendors at risk of losing customers to alternate options (e.g., the nearby Nation Fresh Foods). The planned development projects in downtown Hamilton will continue to attract more grocery stores which will increase competition.

6.0 Future State Recommendations

The Future State Recommendations section outlines the potential organizational models for the Hamilton Farmers' Market and provides recommendations that apply across all structures. This section evaluates three possible governance models/corporate structures—Internal City Division, Arms-length Agency (Municipal Service Corporation), and Community-Based Not-for-Profit (Independent Corporation)—assessing each based on its ability to support the Market’s strategic vision. It also includes tailored recommendations for each model, focusing on

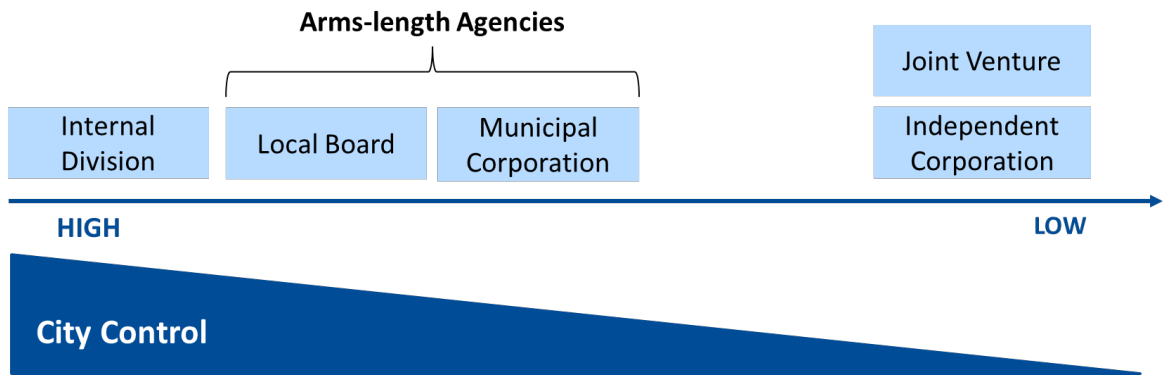
governance, operational improvements, and financial sustainability, ensuring the Market’s long-term success regardless of the chosen structure.

6.1 Spectrum of Organizational Models

The spectrum of possible organizational models for the Hamilton Farmers' Market includes three primary options:

1. **Internal Division:** Under this model, the Market would become part of the City’s corporate structure, reporting through the City Manager to Council. The governance would be advisory only, with limited decision-making authority, and operations would be tightly integrated with municipal services.
2. **Arms-length Agency (Municipal Service Corporation):** This option would establish a local board or agency that operates independently from the City’s direct control but remains accountable to it. The agency’s board would have more decision-making authority, while still relying on the City for oversight and certain services through service agreements. These entities are enabled through the Municipal Act, 2001.
3. **Community-Based Not-for-Profit (Independent Corporation):** This model would create a fully autonomous organization, such as a not-for-profit corporation. The Market would be independently governed and financially responsible for its operations, with minimal direct involvement from the City beyond a landlord relationship or contractual agreements for support. These entities are regulated by the Ontario Not-for-Profit Corporations Act, 2010 (ONCA)

Each model offers varying degrees of City involvement and operational independence, depending on the desired balance between control and autonomy.



It is important to note that there is significant variability in corporate structures across peer jurisdictions and operating a successful market is possible across all corporate structures.

6.2 Recommendations Agnostic to the Corporate Structure of the Hamilton Farmer Market

The future success of the Hamilton Farmers' Market is less about which governance model is chosen and more about ensuring that key operational and strategic components are in place, regardless of the structure. The following recommendations focus on elements critical to the Market’s long-term viability, irrespective of whether it operates as an internal City division, an

arms-length agency, or an independent corporation. These recommendations address the need for accountability, operational efficiency, community engagement, and financial sustainability, ensuring that the Market thrives under any governance model.

Recommendation	Description & Rationale
Recommendation #1: Clear Roles and Responsibilities with Accountability Agreements that include Service Level Agreements	<ul style="list-style-type: none"> Update the formal accountability agreement between the City of Hamilton and the Market, detailing roles, responsibilities, and reporting lines. This agreement should clearly define operational, financial, and governance responsibilities. Based on the current state findings, there are inefficiencies due to unclear responsibilities, leading to operational challenges and miscommunication between the City and the Market’s management. The City’s historical involvement has created dependencies, but moving forward, the Market’s success will depend on clarity around who is responsible for what and being held accountable to deliver. The accountability agreement should include specific, measurable outcomes, with performance metrics tied to key aspects such as vendor satisfaction and retention, customer foot traffic, revenue growth/diversification, community and economic impact, brand visibility, local and sustainable product offerings, event participation/community engagement, and financial efficiency. Create SLAs with City corporate services to define expected service levels, response times, and accountability measures (including finance, facilities management, human resources, etc.) Regular review meetings between the Market’s leadership and Board and City representatives will ensure that both parties stay aligned on goals and responsibilities, helping avoid duplication of efforts and ensuring accountability for operational outcomes.
Recommendation #2: Entrepreneurial Culture Driven by a Mission-Focused Leader	<ul style="list-style-type: none"> Hire a mission-focused, entrepreneurial leader to manage the Market with strategic and operational independence. This leader should focus on innovation, community engagement, and aligning operations with the Market’s long-term goals. Findings from the stakeholder interviews highlight the need for a strong, visionary leader who can drive the Market toward its potential as a community hub and economic driver. Currently, the Market’s organizational structure lacks the seniority of this needed leadership position and operationally lacks the autonomy and entrepreneurial spirit necessary to innovate, which is compounded by its dependence on City decision-making. The Market’s leadership should be empowered to make operational decisions with reduced interference from the City. This will enable quicker response to market changes and the ability to implement creative initiatives that engage vendors and customers. The leader should also develop partnerships with local organizations to expand the Market’s influence in Hamilton’s economic and cultural landscape.
Recommendation #3: Stakeholder	<ul style="list-style-type: none"> Establish formal mechanisms for community and vendor engagement to ensure alignment with stakeholder expectations. This could include creating a vendor advisory committee or working group that meets regularly with Market

Recommendation	Description & Rationale
Engagement and Collaboration	<p>leadership and the Board to discuss operational issues, vendor performance, and market development. Participation in this committee/working group could be based on election amongst vendors and the chair may sit on the Board as a non-voting member.</p> <ul style="list-style-type: none"> Findings from stakeholder interviews indicate that vendors feel disconnected from decision-making, leading to a sense of dissatisfaction and mistrust. Additionally, community input is not consistently incorporated into operational decisions, which hinders the Market’s ability to adapt to local needs and preferences. Improved engagement will help align operations with stakeholder needs, foster goodwill, and ensure the Market remains a vital community asset.
Recommendation #4: Infrastructure and Facility Alignment with Strategy	<ul style="list-style-type: none"> Invest in the necessary infrastructure upgrades and facility improvements to align the Market’s physical space with its long-term strategic goals. The facility should be a modern, functional, and welcoming environment that supports vendor operations and attracts customers. The report’s analysis reveals that the Market’s current infrastructure is outdated and does not meet the needs of vendors or visitors. This issue has been exacerbated by budget constraints, which have delayed necessary repairs and improvements. Poor infrastructure impacts the Market’s ability to attract vendors and foot traffic, ultimately limiting its revenue potential. A phased infrastructure improvement plan should be developed, prioritizing immediate safety and operational needs, while aligning with longer-term strategic goals such as increasing vendor diversity and improving customer experience. Funding for these upgrades could be sourced through City investment, grants, or public-private partnerships, depending on the chosen governance model.
Recommendation #5: Financial Sustainability with Measurable Key Performance Indicators (KPIs)	<ul style="list-style-type: none"> Develop a financially sustainable business model with clear KPIs to track performance. The business model should aim to at least break even, with a focus on diversified revenue streams including vendor agreements, events, grants, and partnerships with an emphasis to decrease financial dependence on the City over time. Financial challenges have been a recurring theme throughout the report, highlighting the need for a model that can generate sufficient revenue to cover operational costs. Currently, the Market relies heavily on City funding, which makes it vulnerable to budget cuts and resource allocation issues. The Market should set measurable financial KPIs, such as revenue growth, cost efficiency, and return on investment for events and initiatives. These KPIs should be monitored quarterly, with adjustments made as needed to ensure financial sustainability. In addition to vendor fees, the Market should explore opportunities for revenue through hosting community events, sponsorships, and leveraging Hamilton’s tourism initiatives. Note: it is expected that the market will continue to require some financial support from the City over the long-term, but the total value should reduce over time to support growth of the Market.

Recommendation	Description & Rationale
Recommendation #6: Ensure the Market’s Staffing Model can Support Operations	<ul style="list-style-type: none"> • Evaluate and optimize the staffing model to ensure it aligns with the Market’s operational needs and strategic objectives. Focus on addressing key gaps in marketing, communications, partnership/community development, and financial analysis, ensuring the right personnel are in place to support the Market’s growth and operational efficiency. • The current state analysis identified significant staffing gaps in marketing, communications, partnership/community development, and financial analysis. These roles are crucial for expanding the Market’s reach, engaging with stakeholders, and ensuring financial sustainability. Insufficient focus on marketing and communications has resulted in limited brand visibility, and the lack of dedicated staff for partnership and community development has hindered deeper engagement with vendors, community groups, and local businesses. Additionally, the absence of a financial analyst limits the Market’s ability to efficiently manage resources and plan for long-term financial sustainability. Filling these roles will improve both internal operations and external engagement. • Conduct a thorough staffing audit to identify gaps, followed by a targeted recruitment strategy to fill these key positions. Professional development should be prioritized to ensure staff in these areas can effectively contribute to the Market’s marketing strategy, community partnerships, financial planning, and overall success.

While these recommendations are agnostic to the corporate structure, they also serve as criteria for evaluating the various governance options. Given the nuances of the City of Hamilton’s environment, different corporate structures may either enable or introduce challenges to implementing these recommendations. Therefore, the ability of each governance model—whether an internal City division, an arms-length agency, or an independent corporation—to effectively support these agnostic recommendations should be a key consideration in determining the best future state for the Market.

6.3 Corporate Structure Options Analysis

6.3.1 Evaluation Methodology

The evaluation of the corporate structures—Internal City Division, Arms-length Agency, and Independent Corporation—was based on their likelihood to successfully implement the new strategic plan and agnostic recommendations both in the short term and the long term.

Key factors considered in the evaluation included the ability of each structure to support:

- **Operational Efficiency:** How quickly each model can address current operational gaps, such as staffing, financial oversight, and infrastructure needs.
- **Accountability and Governance:** The strength of accountability mechanisms, such as performance targets and reporting structures, within each model.

- **Strategic Alignment:** The degree to which each structure supports the Market’s strategic goals, including fostering an entrepreneurial culture, engaging stakeholders, and improving financial sustainability.
- **Flexibility and Adaptability:** Each structure’s capacity to adapt to changing market demands and external factors in both the short and long term.

The analysis emphasized not only immediate implementation potential but also long-term sustainability, ensuring that the chosen governance model could meet the evolving needs of the Market and its stakeholders.

6.3.2 Internal Division

The Internal City Division model integrates the Market directly into the City’s operations, making it accountable to City leadership and City Council. While this model provides stability and access to City resources, it faces significant challenges in fostering the necessary entrepreneurial culture and flexibility needed to execute the Market’s strategic plan. It is important to note that while legally the current corporate structure is a Municipal Services Corporation, in practice the market is operating more like an internal division of the city.

Internal Division	
<ul style="list-style-type: none"> • City-Controlled Operations: The Market becomes a City-run department or division, reporting to municipal leadership and operating under the City’s policies and procedures. • Direct Accountability to City Council: All strategic decisions, operational changes, and major initiatives would require approval from City Council, with the Market’s leadership accountable to Council through the City’s established reporting lines. • Resource Access: The Market would benefit from more direct access to City resources, including funding, HR support, legal, and facilities management. • Limited Flexibility: The Market would operate within the bureaucratic constraints of municipal governance, limiting its ability to make quick decisions, innovate, or respond to commercial market demands independently and quickly. 	
Strengths	Challenges
<ul style="list-style-type: none"> • Direct Access to City Resources: The Market would benefit from the City’s existing infrastructure, financial support, business support services and specialized areas of expertise (e.g. facilities management). • Clear Accountability: As part of the City’s structure, there would be clear lines of accountability to City leadership, and integration with other City departments like Economic Development or Culture would be more straightforward and potential collaboration supported. 	<ul style="list-style-type: none"> • Limited Entrepreneurial Flexibility: The City’s bureaucratic structure could hinder the Market’s ability to make quick, strategic decisions. Stakeholders noted a lack of agility in addressing vendor needs, infrastructure challenges, or community engagement. • Potential for Deprioritization: As part of a large municipal structure, the Market may struggle to maintain priority status relative to other City initiatives. Budget cuts or shifts in political priorities could deprioritize Market-specific needs. • Negative Vendor Perception: Many vendors view increased City control negatively, fearing

Internal Division	
<ul style="list-style-type: none"> Alignment with Municipal Objectives: The City would have greater control in ensuring the Market’s alignment with broader municipal objectives such as sustainability and community development. 	<ul style="list-style-type: none"> Misalignment with Outsourcing Approach: Municipal governments increasingly contract out commercial operations/functions and manage performance through contracts and accountability frameworks. Operating the Market as an internal division would be misaligned with this approach.
Overall Assessment	
<ul style="list-style-type: none"> Overall, this model is unlikely to lead to success in the short or long-term and is not the recommended model going forward. The Internal City Division model provides stability and resource access but lacks the agility and entrepreneurial culture necessary for long-term success. While it may address some short-term operational gaps due to access to City services, it’s unlikely to foster the independence or innovation required to implement the strategic plan fully. There is also a high risk of deprioritization relative to other City priorities, which would impact its ability to maintain operational focus and develop in the long term. Recommendations specific to this model, if it were to be selected, have been included in the Appendix. 	

6.3.3 Arms-length Agency (Municipal Service Corporation)

An Arms-length Agency, such as a Municipal Service Corporation, offers a middle ground between City control and operational independence. This model provides greater autonomy for the Market to innovate and drive its own success while retaining some support and accountability through City oversight. It is well-suited for achieving strategic goals and fostering operational flexibility. Note that legally this is the current corporate structure; however, based on the current state findings the Market is not truly operating as a Municipal Service Corporation.

Arms-length Agency
<ul style="list-style-type: none"> Independent Governance Structure: The Market would be governed by a dedicated board of directors, providing it with strategic oversight but operating with more independence from direct City control. Board Accountability: While independent, the Market’s board would still be accountable to the City, ensuring alignment with municipal priorities, such as community development, economic growth, and sustainability. This would be through an accountability agreement between the City and HFMC detailing operational expectations and key performance indicators. Operational Flexibility: The Market would be able to make day-to-day operational decisions (e.g., spending budget held in reserve, own procurement policy) allowing it to be more responsive to market trends and vendor needs.

Arms-length Agency	
<ul style="list-style-type: none"> • Service Level Agreements (SLAs): The City would continue to provide some critical services (e.g., maintenance, HR, finance) through SLAs, ensuring continued access to necessary resources while giving the Market room to operate independently. • Staff Reporting: While it is theoretically possible for market staff to be employed by the City (current state) or directly by the HFMC, from a governance perspective it is best practice for there to be a clear reporting relationship with staff to the Board. Should the City wish to explore a transition to an alternative staffing model whereby staff are directly employed by HFMC, the City would need to consider employee and labour relations implications including succession and legacy rights, obtaining of relevant legal opinions, adjustments to responsibilities within HFMC as an employer, and conducting a cost-benefit analysis of changing the model.² 	
Strengths	Challenges
<ul style="list-style-type: none"> • Greater Operational Autonomy: The Market would have the flexibility to make decisions independent from the City, allowing for quicker responses to market conditions, stakeholder needs, and community engagement initiatives. This could include autonomy to subcontract elements of operations to suitable external parties, governed by appropriate accountability mechanisms to ensure quality. There would still be mechanisms for the City to influence through operations through direction to the Board and its Accountability Agreement. • Greater Accountability through Service Level Agreements and Accountability Agreements: The creation of Service Level Agreements (SLAs) and Accountability Agreements would ensure the Market remains accountable to the City for key performance indicators while maintaining operational freedom and vice versa for corporate functions delivered by the City to the market. • Stakeholder and Vendor Engagement: Arms-Length model could include a 	<ul style="list-style-type: none"> • Resource Constraints: As a semi-autonomous entity, the Market may not have direct access to the same level of City resources, particularly around infrastructure and financial management, leading to potential operational challenges. • Unclear Cost-Benefit of Transitioning Staffing Model: Transitioning market staff from City employees to employees of the HFMC would be complex from an employee and labour relations perspective and the cost/benefit needs to be further explored, including unionized and non-unionized employees. If market staff continue to report to the City, the Market will continue to be constrained in staffing and operations going forward. • Complex Governance: The governance structure could become complicated, with a potential lack of clarity on roles and responsibilities between the City and the Board. Conflicts may arise around decision-making and resource allocation.

² Note that Market staff are currently represented by CUPE Local (5167) as part of a Collective Agreement between the City and CUPE and the decision to transition the staffing model would need to take into consideration broader implications for HFMC and the City.

Arms-length Agency	
<p>vendor sub-committee to advise and collaborate on operational matters.</p> <ul style="list-style-type: none"> • Potential for Innovation: With greater autonomy, the Market can develop an entrepreneurial culture that fosters innovation, partnerships, and new revenue opportunities. It can also explore community-focused initiatives with more agility. • Focused Governance Structure: A dedicated board could provide strategic oversight and decision-making power, ensuring that the Market aligns with its mission and strategic goals. 	
Overall Assessment	
<ul style="list-style-type: none"> • Overall, this model has a higher likelihood of success in the short-term and long-term and is the recommended model going forward. • The Arms-length Agency model strikes a balance between accountability to the City and operational independence, making it a strong contender for implementing the Market’s strategic plan. It supports innovation, flexibility, and faster decision-making, which are essential for the Market’s success in both the short and long term. However, analysis on the costs and benefits of transitioning the staffing model is needed. 	
Recommendations for Corporate Structure Option	
<ul style="list-style-type: none"> • Recommendation #7: Strengthen Board Governance - To take on the functions of a Municipals Service Corporation, the Market’s Board needs to enhance its governance effectiveness, and the City needs to simplify and reduce control levers: <ol style="list-style-type: none"> a. The Board should transition from a stakeholder board to a skills-based board with a skilled and diverse board of directors with expertise in areas such as business, finance, agriculture, retail, and community development. b. Board members need to be provided with training on governance best practices in a municipal context to ensure that the Market can operate in an autonomous manner, in alignment with its strategic goals and within its accountability framework with the City. c. The Board needs to refine its committee structure to increase focus on key functional areas such as finance, human resources, operations, and vendor relations. Each committee should be chaired by a board member with relevant expertise and should regularly report back to the full Board on key issues, risks, and opportunities in their respective areas. d. The City needs to streamline, simplify and adjust processes to give the Board real decision authority within the constraints of its financial resources and accountability agreement. This includes reduced levels of approval within the City and duplicative decision-making from Council. 	

Arms-length Agency

- e. To manage conflict of interest, vendors should not be voting board members but rather engaged through a non-voting sub-committee or advisory group to enhance communication and collaboration on operational topics.
- f. Reporting and communication of the Board to Council should also be redefined and simplified along with the reporting relationship and communication into the City’s bureaucracy.
- **Recommendation #8: Review the Market’s Staffing Model and Clarify Reporting Relationships:** A staffing model where the Market’s leadership and staff report to the Board would be aligned with best practice; however, the cost-benefit analysis of transitioning to this model is unclear given employee and labour relations implications. Irrespective of the selected staffing model, the reporting relationships and roles and responsibilities of the Board related to overseeing the Market’s leadership should be outlined within the accountability agreement between the Board and City. The Board should have a role in setting performance expectations and performance management of Market leadership and correspondingly Market leadership cascades those expectations and management for Market staff. The City’s role should be limited to an advisory and support function (e.g., HR, labour relations, legal) with the Contract Manager not directly involved in performance management. This structure allows the Market to maintain some autonomy in its operations while navigating the constraints of existing labour agreements and City policies and procedures with support and advice from the City’s business support services.

6.3.4 Community-Based Not-for-Profit (Independent Corporation)

An Independent Corporation, such as a not-for-profit, would provide the greatest degree of autonomy, giving the Market full control over its operations, finances, and strategic direction and limiting the City’s control levers to any lease or operating agreements it establishes with the not-for-profit entity. However, this model comes with significant risks, particularly around financial sustainability, resource access, and staffing.

Independent Corporation

- **Fully Independent Operation:** The Market would operate independently from the City as a standalone corporation. This structure gives the Market complete control over strategic decisions and day-to-day operations.
- **No Direct City Oversight:** The Market would not be accountable to City leadership or Council but would instead report to its own board of directors and the City-Market relationship would transition to that of a service provider and tenant. This would allow for faster decision-making and a greater focus on entrepreneurial initiatives. The levers of control still available to the City would include any lease or operating agreements between the City and the Market.
- **Financial Independence:** The Market would need to generate its own revenue to fund operations, with any financial support from the City through well-defined contracts. It would rely on vendor fees, events, grants, and other forms of external funding to sustain most of its operations.
- **Resource Constraints:** The Market may lose access to City-provided services, such as infrastructure maintenance and HR support, meaning it would need to either outsource these functions to the City or another entity or develop in-house capabilities to manage them.

Independent Corporation	
Strengths	Challenges
<ul style="list-style-type: none"> • Complete Operational Independence: As an independent entity, the Market would have full autonomy to pursue its mission and strategic goals. This would foster a highly entrepreneurial environment, allowing for rapid innovation and adaptability. • Enhanced Flexibility: The corporation would have the freedom to hire staff, form partnerships, and implement initiatives without needing City approval, enabling more efficient decision-making. • Revenue Generation Potential: As a corporation, the Market would have the ability to pursue diverse revenue streams, including grants, donations, sponsorships, and earned income from events and partnerships. 	<ul style="list-style-type: none"> • High Financial Risk: Without direct City support, the Market would need to become financially self-sustaining, which could be difficult given its current reliance on City funding. The costs associated with infrastructure, operations, and staffing may outweigh the Market’s ability to generate sufficient revenue. • Infrastructure and Resource Gaps: The Market would no longer have automatic access to City infrastructure services, potentially leading to challenges in maintaining or upgrading the facility. • Challenges with Staffing Model Transition: Shifting Market staff from City employment to an independent corporation would require further planning and may result in operational instability for the Market. • Lack of Operational Maturity: Readiness levels of the Market and City to move this model are low. The City needs to be ready to set very specific contracts of what it wants from the market. The Market would need to be operationally mature or there would need to be a capable and willing not-for-profit partner ready to take on operations, which is not currently the case. • Brand Risks: The market will likely continue to be associated with the City irrespective of the corporate structure and this model gives the city the least amount of control over brand and public perception of the market.
Overall Assessment	
<ul style="list-style-type: none"> • Overall, both the market and the City are not ready to adopt this model in the short-term and so it has a low probability of success. However, in the long-term may be worth further exploration depending on the City’s overall strategy for managing and supporting agencies, boards and commissions. • While the Independent Corporation model offers the greatest potential for innovation and flexibility, it comes with significant risks, particularly regarding financial sustainability and resource access. It would require a well-developed business plan, robust leadership, and strong community support to succeed. In the short term, the transition would be challenging, 	

Independent Corporation

and the Market would face a high risk of operational disruption. However, if successful, this model could offer long-term benefits through complete autonomy.

7.0 Recommendation for the Governance and Operating Model of the Hamilton Farmers Market

Based on the current state assessment and evaluation of the three possible corporate structures the recommended future model for the HFMC is to remain an Arms-length Agency (Municipal Service Corporation) with a number of enhancements to its governance and operations. In the longer term, it may be worth exploring transitioning the Market to a Community-Based Not-for-Profit; however, neither the City or the Market is ready to implement that model.

While the governance model of the Hamilton Farmers’ Market remains the same on paper, the recommendations in this report represent a significant departure from the status quo. These recommendations emphasize a substantial shift in how the structure is implemented, requiring a higher level of governance and operational maturity. Strengthening board governance, developing clear accountability frameworks, and fostering financial sustainability are critical to enabling the Market to fully achieve its strategic vision.

These recommendations will support the Market to function with greater autonomy and responsiveness, while maintaining alignment with the City’s priorities. The enhanced focus on board effectiveness, stakeholder engagement, and a well-defined performance framework will drive long-term success. By executing these recommendations, the Market can transition from its current operational limitations to a more dynamic and strategic entity capable of contributing meaningfully to Hamilton’s economic, cultural, and social fabric.

8.0 Implementation Considerations

Implementing the future governance model for the Hamilton Farmers' Market requires attention to both structure-agnostic and structure-specific recommendations. The structure-agnostic recommendations focus on foundational elements like roles, responsibilities, entrepreneurial culture, and financial sustainability. In contrast, the structure-specific recommendations address the unique needs of each governance model, such as staffing transitions or improving governance. Both sets of recommendations will need detailed planning and a phased approach for successful implementation. The chart below outlines implementation considerations for both the structure agnostic recommendations and structure specific recommendations for the recommended structure, a Municipal Service Corporation.

Recommendation	Implementation Considerations
<p>Recommendation #1: Clear Roles and Responsibilities with Accountability Agreements</p>	<ul style="list-style-type: none"> • Ensure the accountability agreement is legally binding, with clear purpose statement outlining the relationship, definitions of roles, reporting lines, operational expectations, performance metrics and escalation process. • Engage key stakeholders, including City officials, vendors, and community representatives, to ensure all parties agree on the defined roles and responsibilities. • Establish a process for reviewing and updating the agreement periodically to adapt to evolving needs and challenges, and for the City to provide interim direction to the Market on a regular basis (e.g., annual letter or direction). • Ensure that the roles, responsibilities, and priorities align with the City’s broader strategic goals, especially in areas such as economic development, culture, and community engagement. Note should be included in the letter of direction noted above. • Provide training for Market board, leadership, and staff on the accountability agreement to ensure clarity and compliance. • Engage both City and Market leadership in the development of service level agreements for each corporate/shared services to ensure mutual understanding of expectations and accountability measures. • Full costing of in-kind services provided by the City.
<p>Recommendation #2: Entrepreneurial Culture Driven by a Mission-Focused Leader</p>	<ul style="list-style-type: none"> • Choose a leader with a proven track record in innovation, entrepreneurship, and community development, aligned with the Market’s mission. • Provide the leader with the authority to make key commercial operational decisions without bureaucratic delays/unnecessary approvals, including from the Board. • Establish incentives tied to entrepreneurial outcomes such as revenue growth, community engagement, or operational efficiency. • Ensure the leader has access to the necessary resources and support from the City and Board to execute their vision effectively. • Offer ongoing professional development to cultivate leadership skills that align with the Market’s strategic goals.
<p>Recommendation #3: Stakeholder Engagement and Collaboration</p>	<ul style="list-style-type: none"> • Develop formal mechanisms for vendor and partner engagement such as a vendor advisory committee, to facilitate regular communication with stakeholders. • Allow vendors to elect representatives to the advisory committee, with the chair of the committee sitting on the Board as a non-voting member. • Implement systems to gather regular feedback from vendors, customers, and community members and integrate their input into strategic and operational decisions. This may include town halls, surveys, and public forums to ensure the Market remains aligned with community needs and expectations.

Recommendation	Implementation Considerations
	<ul style="list-style-type: none"> • Develop a comprehensive communication strategy that outlines how stakeholders will be informed about changes, developments, and initiatives. • Implement ongoing mechanisms to capture and act on vendor and community feedback, ensuring that issues are addressed in a timely manner. This should include a conflict resolution processes to address stakeholder disputes or grievances promptly and fairly.
Recommendation #4: Infrastructure and Facility Alignment with Strategy	<ul style="list-style-type: none"> • Develop a long-term capital plan that aligns infrastructure investments with the Market’s strategic goals and operational needs. • Work closely with City departments to ensure the necessary maintenance and upgrades are conducted in a timely manner. • Explore various funding options for facility improvements, including City contributions, grants, and partnerships with private entities. • Ensure that facility upgrades enhance both vendor operations and the customer experience, focusing on flow, accessibility, and safety.
Recommendation #5: Financial Sustainability with Measurable Key Performance Indicators (KPIs)	<ul style="list-style-type: none"> • Set specific financial KPIs, such as revenue growth, cost containment, and return on investment for events and initiatives. • Develop a strategy for diversifying revenue streams, including vendor fees, sponsorships, event hosting, and grants. • Align financial resources with strategic priorities, ensuring that investments are made in areas that will drive long-term growth and sustainability.
Recommendation #6: Ensure the Market’s Organizational Structure can Support Operations	<ul style="list-style-type: none"> • Confirm gaps in the current structure and ensure the new structure is properly staffed for the Market’s strategic priorities. • Support staff development with training and enhanced accountability to address operational issues.
Recommendation #7: Strengthen Board Governance	<ul style="list-style-type: none"> • Develop a structured process for recruiting board members with diverse expertise, focusing on key areas like business, finance, agriculture, and retail. • Provide comprehensive training to new and existing board members on municipal governance best practices, including financial oversight, vendor relations, community engagement, and roles and responsibilities of the accountability agreement. • Form dedicated committees (finance, HR, operations, vendor relations) with clear mandates and regular reporting to the full Board on risks and opportunities. Note not all committee members need to be voting Board members. • Work with City staff to simplify approval processes, reducing duplicative decision-making and enabling the Board to make operational decisions more autonomously.

Recommendation	Implementation Considerations
	<ul style="list-style-type: none"> • Create a formal advisory group or non-voting vendor committee to ensure vendor voices are heard while mitigating conflicts of interest at the Board level.
<p>Recommendation #8: Review the Market's Staffing Model and Clarify Reporting Relationships</p>	<ul style="list-style-type: none"> • Conduct further cost benefit analysis on changing the staffing model for Market staff to report to HFMC as opposed to the City. • Clearly define reporting relationships between the Board and Market leadership, ensuring operational and performance reporting flows through the Board, with support from City HR as needed. • Ensure that all reporting and operational changes comply with collective bargaining agreements, working closely with City HR and labour relations teams to navigate any challenges. • Define the Board's oversight role in strategic decision-making and oversight while allowing Market leadership to manage day-to-day operations autonomously. • Streamline and simplify communication between the Market's leadership, the Board, and City staff to ensure clear, efficient decision-making.

9.0 Appendix

9.1.1 Stakeholder Engagement Overview

Optimus SBR conducted a robust stakeholder engagement plan in order to better understand the various perspectives, opinions and visions from those individuals associated with the Hamilton Farmers’ Market. The tables below outline the individuals who were engaged to share their perspectives; the engagement method used; and the objectives for each interaction.

Stakeholder Engagement from Phase 1

Stakeholder Groups	Group Details	Engagement Method	Objective
City Council	<ul style="list-style-type: none"> Mayor Fred Eisenberger 	Individual Interview	<ul style="list-style-type: none"> Understand perspective on the desired model and vision for The Market Discuss the purpose of The Market Identify key governance and operational considerations
	<ul style="list-style-type: none"> Councillor Jason Farr 	Individual Interview	
City Staff	<ul style="list-style-type: none"> Ray Kessler, Chief Corporate Real Estate Officer Susan Nicholson, Solicitor 	Group Interview	<ul style="list-style-type: none"> Understanding the desired target operating model and associated rationale Current pain points and opportunities for improvements
	<ul style="list-style-type: none"> Dave McCullagh, Senior Real Estate Consultant 	Individual Interview	
	<ul style="list-style-type: none"> Cyrus Tehrani, Chief Digital Officer Janette Smith, City Manager 	Group Interview	
	<ul style="list-style-type: none"> Rom D’Angelo, Director, Energy, Fleet & Facilities 	Individual Interview	
	<ul style="list-style-type: none"> Brian McMullen, Director of Financial Planning 	Individual Interview	
	<ul style="list-style-type: none"> Ryan McHugh, Manager of Tourism and Events, City of Hamilton 	Individual Interview	
City Councillors	<ul style="list-style-type: none"> Survey sent to the Mayor and 14 Councillors with 10 responses received 	Online Survey	<ul style="list-style-type: none"> Understand perspective of the City on The Market from an Operations and Governance Perspective

Stakeholder Groups	Group Details	Engagement Method	Objective
			<ul style="list-style-type: none"> Recommendations for the future of The Market
Market Board	Participated: <ul style="list-style-type: none"> Elly Bowen, Citizen Member, Active Chair, and Secretary Esther Pauls, Council Member Joshua Czerniga, Citizen Member Damian Wills – Citizen Member Jason Hofing – Vendor Member 	Group Interview	<ul style="list-style-type: none"> Understand the desired target operating model and associated rationale Current pain points and opportunities for improvements Vendor engagement recommendations
	<ul style="list-style-type: none"> Wilfred Arndt, Citizen Member Eva Marsden, Citizen Member Brandon Linares – Vendor Director Did not participate: <ul style="list-style-type: none"> Anne Miller, Vendor Member Celina Masoudi – Vendor Director 	Group Interview	
Market Staff	<ul style="list-style-type: none"> Bill Slowka, Market Manager 	Individual interview	<ul style="list-style-type: none"> Operational strengths and challenges Recommendations for improvements Vendor engagement recommendations
Vendors	<ul style="list-style-type: none"> Survey sent to 49 vendors with 24 responses 	Online and paper survey	<ul style="list-style-type: none"> Operational strengths and challenges Recommendations for improvements
Friends of The Market	<ul style="list-style-type: none"> Did not take advantage of opportunity to provide insights and feedback via interview or written submission 	Individual Interview followed by Written Questionnaire	<ul style="list-style-type: none"> Operational strengths and challenges Recommendations for improvements Vendor engagement recommendations

Stakeholder Groups	Group Details	Engagement Method	Objective
			<ul style="list-style-type: none"> Impact of The Market on the community
Downtown Hamilton BIA	<ul style="list-style-type: none"> Kerry Jarvi, Executive Director of Downtown Hamilton BIA 	Individual interview	<ul style="list-style-type: none"> Operational strengths and challenges Recommendations for improvements Vendor engagement recommendations Impact of The Market on the community
Other Jurisdictions	<ul style="list-style-type: none"> St. Lawrence - City of Toronto 	Individual Interview and Desk Research	<ul style="list-style-type: none"> Governance model Number of staff Average rent Service levels and operating hours
	<ul style="list-style-type: none"> Covent Garden Market - City of London 	Individual Interview and Desk Research	
	<ul style="list-style-type: none"> Halifax Seaport Farmers' Market 	Individual Interview and Desk Research	
	<ul style="list-style-type: none"> Welland Farmers' Market 	Desk Research	
	<ul style="list-style-type: none"> Kitchener Market 	Desk Research	

Stakeholder Engagement from Phase 2

Stakeholder Groups	Group Details	Engagement Method	Objective
City Staff	Susan Nicholson, Solicitor	Individual Interview	<ul style="list-style-type: none"> Understand the various organizational models and legislation applicable to municipal corporations
Market Staff	Bill Slowka, Market Manager	Individual interview	<ul style="list-style-type: none"> Understand key changes since the 2022 study Recommendations for improvements.

Stakeholder Groups	Group Details	Engagement Method	Objective
Market Staff and City Staff	<p>Board of Directors:</p> <ul style="list-style-type: none"> • Councillor Cameron Kroestch – Council Member, Chair • Councillor Tammy Hwang – Council member • Shane Coleman – Vendor Director • John Alexander – Vendor Director, Vice-chair • Andrea Carlisle – Citizen Member • Matthew LaRose – Citizen Member • Amanda Reiser – Citizen Member • Laura Lukasik – Citizen Member, Secretary • Did not participate: <ul style="list-style-type: none"> ○ Anne Miller – Vendor Director, Treasurer ○ Celina Masoudi – Vendor Director <p>City Staff:</p> <ul style="list-style-type: none"> • Indra Maharajan, Director, Corporate Facilities & Energy Management • Jessica Chase, Director of Communications, Government Relations and Community Engagement • Lisa Abott, Acting Director, Culture & Tourism • Brian McMullen, Director, Financial Planning, Administration and Policy • Norm Schleeahn, Director, Economic Development 	Current State Validation Workshop	<ul style="list-style-type: none"> • Validate the current state findings from the 2022 study, and identify key changes • Discuss preliminary considerations/key questions to consider for governance model options • Discuss various types of board structures that can exist on a spectrum of heavy involvement from the city to light involvement

Stakeholder Groups	Group Details	Engagement Method	Objective
	<ul style="list-style-type: none"> • Ray Kessler, Chief Corporate Real Estate Officer • Susan Nicholson, Deputy City Solicitor • Tyson McMann, Business Development Consultant, Agri-food and Food & Beverage Processing 		

9.1.2 Model Specific Recommendations

Internal Division

Internal Division
<ul style="list-style-type: none"> • City-Controlled Operations: The Market becomes a City-run department or division, reporting to municipal leadership and operating under the City's policies and procedures. • Direct Accountability to City Council: All strategic decisions, operational changes, and major initiatives would require approval from City Council, with the Market's leadership accountable to Council through the City's established reporting lines. • Resource Access: The Market would benefit from more direct access to City resources, including funding, HR support, legal, and facilities management. • Limited Flexibility: The Market would operate within the bureaucratic constraints of municipal governance, limiting its ability to make quick decisions, innovate, or respond to commercial market demands independently and quickly.
Recommendations for Corporate Structure Option
<p>A. Enhanced Vendor Management and Engagement: Establish regular and structured communication channels with vendors to address their concerns and mitigate any negative perceptions. This could include establishing a vendor advisory committee / working group with quarterly meetings, vendor surveys, and an open feedback system. Additionally, vendor management processes could be improved to ensure vendors understand their role within the broader community and the Market's strategy. The Market could implement clearer vendor onboarding processes, clearer contracts, and criteria that align with the Market's goals of offering locally grown, high-quality products.</p> <p>B. Clarify Performance Targets: If the City Division model is selected, the Market should have clear and measurable performance targets aligned with the City's strategic goals, with accountability for meeting those targets.</p> <p>C. Strategic Integration with Other City Departments: Ensure that the Market's goals are integrated into broader City programs, such as culture, economic development, and tourism,</p>

Internal Division

to ensure it remains a priority. To help facilitate this integration, the City may wish to re-align the reporting structure of the market to align with one of these policy areas (as opposed to its current placement within the real-estate portfolio). An example of where this could be beneficial is stronger marketing and branding, which is a gap identified in the current state. By integrating with the City’s communications and culture/economic development teams, the Market could leverage city-wide initiatives to boost its visibility, attract more foot traffic, and drive community engagement. The City’s broader resources can help with consistent messaging and promotions, improving the Market's profile in the community.

- D. Streamline Operational Decision-Making: Establish processes to reduce bureaucratic delays and empower market management to make day-to-day operational decisions.
- E. Create a Dedicated Budget Line: A dedicated budget line for the Farmers’ Market within the City’s budgeting process would help ensure that the Market is not deprioritized. This would help safeguard its operational needs and strategic initiatives, ensuring that necessary resources are available for its long-term success. This should also include contingency funds for unforeseen maintenance and operational issues.

Community-Based Not-for-Profit (Independent Corporation)

Independent Corporation

- Fully Independent Operation: The Market would operate independently from the City as a standalone corporation. This structure gives the Market complete control over strategic decisions and day-to-day operations.
- No Direct City Oversight: The Market would not be accountable to City leadership or Council but would instead report to its own board of directors and the City-Market relationship would transition to that of a service provider and tenant. This would allow for faster decision-making and a greater focus on entrepreneurial initiatives. The levers of control still available to the City would include any lease or operating agreements between the City and the Market.
- Financial Independence: The Market would need to generate its own revenue to fund operations, with any financial support from the City through well-defined contracts. It would rely on vendor fees, events, grants, and other forms of external funding to sustain most of its operations.
- Resource Constraints: The Market may lose access to City-provided services, such as infrastructure maintenance and HR support, meaning it would need to either outsource these functions to the City or another entity or develop in-house capabilities to manage them.

Strengths	Challenges
<ul style="list-style-type: none"> • Complete Operational Independence: As an independent entity, the Market would have full autonomy to pursue its mission and strategic goals. This would foster a highly entrepreneurial environment, allowing for rapid innovation and adaptability. 	<ul style="list-style-type: none"> • High Financial Risk: Without direct City support, the Market would need to become financially self-sustaining, which could be difficult given its current reliance on City funding. The costs associated with infrastructure, operations, and staffing may outweigh the Market’s ability to generate sufficient revenue.

Independent Corporation	
<ul style="list-style-type: none"> • Enhanced Flexibility: The corporation would have the freedom to hire staff, form partnerships, and implement initiatives without needing City approval, enabling more efficient decision-making. • Revenue Generation Potential: As a corporation, the Market would have the ability to pursue diverse revenue streams, including grants, donations, sponsorships, and earned income from events and partnerships. 	<ul style="list-style-type: none"> • Infrastructure and Resource Gaps: The Market would no longer have automatic access to City infrastructure services, potentially leading to challenges in maintaining or upgrading the facility. • Challenges with Staffing Model Transition: Shifting Market staff from City employment to an independent corporation would require further planning and may result in operational instability for the Market.
Overall Assessment	
<ul style="list-style-type: none"> • Overall, both the market and the City are not ready to adopt this model in the short-term and so it has a low probability of success. However, in the long-term may be worth further exploration depending on the City’s overall strategy for managing and supporting agencies, boards and commissions. • While the Independent Corporation model offers the greatest potential for innovation and flexibility, it comes with significant risks, particularly regarding financial sustainability and resource access. It would require a well-developed business plan, robust leadership, and strong community support to succeed. In the short term, the transition would be challenging, and the Market would face a high risk of operational disruption. However, if successful, this model could offer long-term benefits through complete autonomy. 	
Recommendations for Corporate Structure Option	
<ol style="list-style-type: none"> A. Establish Clear Performance Expectations and Reporting in a Contract: Develop a detailed contract between the City and the community based not-for-profit organization that outlines clear performance expectations, including measurable outcomes, timelines, and reporting requirements. This contract should include specific Key Performance Indicators (KPIs) related to market operations, financial sustainability, and community engagement, the City’s financial contribution ensuring that the not-for-profit is held accountable for its performance. B. Align Employee Commitments with Collective Bargaining Agreements: As part of the transition to a not-for-profit model, City employees would need to be transitioned in alignment with existing collective bargaining agreements. C. Select an Appropriate Strategic Operational Partner: Identify and select a community based strategic operational partner with the expertise to effectively manage the Market in alignment with the contract requirements. This partner should have a proven track record in similar operations, be able to provide strong leadership, and possess the ability to align the Market’s operations with its strategic goals and community-focused mission. D. Develop a Comprehensive Financial Strategy for Sustainability: As part of the transition, the not-for-profit should develop a robust financial strategy that includes diverse revenue streams such as grants, donations, sponsorships, and partnerships with local businesses. The strategy 	

Independent Corporation

should ensure long-term financial sustainability, with measurable goals for revenue diversification and risk management.

- E. Establish Strong Community and Vendor Engagement Mechanisms: Formalize mechanisms for ongoing community and vendor engagement to ensure that the not-for-profit remains responsive to stakeholder needs. This can include advisory committees, town hall meetings, and regular vendor feedback processes to incorporate input into strategic and operational decisions.

Governance and Operational Review of the Hamilton Farmers' Market (March 2025)

Governance and Operating Model for the Hamilton Farmers' Market

Based on the current state assessment and evaluation of the three possible corporate structures, Optimus SBR recommends that the future model for the Hamilton Farmers' Market (with several enhancements to its governance and operations) be:

- **A Municipal Service Corporation**

Recommendations in Support of a Municipal Service Corporation

While the governance model of the Hamilton Farmers' Market remains the same on paper, the recommendations identified below represent a significant departure from how the Market currently operates. These recommendations emphasize a substantial shift in how the structure is implemented, requiring a higher level of governance and operational maturity. Strengthening board governance, developing clear accountability frameworks, and fostering financial sustainability are critical to enabling the Market to fully achieve its strategic vision.

Recommendation #1: Clear Roles and Responsibilities with Accountability Agreements that include Service Level Agreements

- Update the formal accountability agreement between the City of Hamilton and the Market, detailing roles, responsibilities, and reporting lines. This agreement should clearly define operational, financial, and governance responsibilities.
 - The accountability agreement should include specific, measurable outcomes, with performance metrics tied to key aspects such as vendor satisfaction and retention, customer foot traffic, revenue growth/diversification, community and economic impact, brand visibility, local and sustainable product offerings, event participation/community engagement, and financial efficiency.
- Create Service Level Agreements (SLA's) with City corporate services to define expected service levels, response times, and accountability measures (including finance, facilities management, human resources, etc.)

Recommendation #2: Entrepreneurial Culture Driven by a Mission-Focused Leader

- Appoint a mission-focused leader to foster an entrepreneurial culture within the Market. This leader should have the autonomy and vision to drive strategic decision-making and innovation while ensuring alignment with community and operational goals.

Recommendation #3: Stakeholder Engagement and Collaboration

- Create formal mechanisms for stakeholder and vendor engagement, such as advisory committees and working groups. These initiatives will foster collaboration and ensure

that vendor and community perspectives are incorporated into strategic planning and operational decisions.

Recommendation #4: Infrastructure and Facility Alignment with Strategy

- Invest in the necessary infrastructure upgrades and facility improvements to align the Market’s physical space with its long-term strategic goals. The facility should be a modern, functional, and welcoming environment that supports vendor operations and attracts customers.
 - A phased infrastructure improvement plan should be developed, prioritizing immediate safety and operational needs, while aligning with longer-term strategic goals such as increasing vendor diversity and improving customer experience.

Recommendation #5: Financial Sustainability with Measurable Key Performance Indicators (KPIs)

- Develop a robust financial plan that includes diversified revenue sources and sets measurable KPIs. These KPIs should monitor financial health, guide strategic adjustments, and help achieve long-term sustainability while maintaining accountability.
 - These KPIs should be monitored quarterly, with adjustments made as needed to ensure financial sustainability.

Recommendation #6: Ensure the Market’s Staffing Model can Support Operations

- Evaluate and optimize the staffing model to ensure it aligns with the Market’s operational needs and strategic objectives. Focus on addressing key gaps in marketing, communications, partnership/community development, and financial analysis, ensuring the right personnel are in place to support the Market’s growth and operational efficiency.
 - Conduct a thorough staffing audit to identify gaps, followed by a targeted recruitment strategy to fill these key positions. Professional development should be prioritized to ensure staff in these areas can effectively contribute to the Market’s marketing strategy, community partnerships, financial planning, and overall success.

Recommendation #7: Strengthen Board Governance

- To take on the functions of a Municipals Service Corporation, the Market’s Board needs to enhance its governance effectiveness in the following areas (not limited to):
 - The Board should transition from a stakeholder board to a skills-based board with a skilled and diverse board of directors with expertise in areas such as business, finance, agriculture, retail, and community development.

- Board members need to be provided with training on governance best practices in a municipal context to ensure that the Market can operate in an autonomous manner, in alignment with its strategic goals and within its accountability framework with the City.
- The Board needs to refine its committee structure to increase focus on key functional areas such as finance, human resources, operations, and vendor relations. Each committee should be chaired by a board member with relevant expertise and should regularly report back to the full Board on key issues, risks, and opportunities in their respective areas.
- The City needs to streamline, simplify, and adjust processes to give the Board real decision authority within the constraints of its financial resources and accountability agreement.
- To manage conflict of interest, vendors should not be voting board members but rather engaged through a non-voting sub-committee or advisory group to enhance communication and collaboration on operational topics.
- Reporting and communication of the Board to Council should also be redefined and simplified along with the reporting relationship and communication into the City's bureaucracy.

Recommendation #8: Review the Market's Staffing Model and Clarify Reporting Relationships

- A staffing model where the Market's leadership and staff report to the Board would be aligned with best practice. The reporting relationships and roles and responsibilities of the Board related to the Market's leadership/staff should be outlined within the accountability agreement between the Board and City. The Board should have a role in setting performance expectations and performance management of the Market leadership.

These recommendations will support the Market to function with greater autonomy and responsiveness, while maintaining alignment with the City's priorities. The enhanced focus on board effectiveness, stakeholder engagement, and a well-defined performance framework will drive long-term success.

Vision and Guiding Principles for the Future of the Hamilton Farmers' Market **(May 2023)**

Vision Statement

That the Hamilton Farmers' Market continue its long-standing role of supporting local farmers, producers, and businesses while providing a reliable source of fresh food and creating a community gathering destination for downtown residents and all Hamiltonians.

The Market:

- Provides a wide range of fresh food and grocery options for downtown residents and all Hamiltonians;
- Serves as a social and cultural focal point of Downtown Hamilton;
- Provides economic opportunities, including business incubation, for rural and urban producers and entrepreneurs; and,
- Celebrates the agricultural tradition and strong rural/urban connections of the region.

Guiding Principles

Physical Design / Infrastructure:

a) Address the physical limitations of the Market:

Upgrade the infrastructure (plumbing, electric, storage, exhaust, etc.); improve circulation; explore zoned areas to allow for varied market hours; create more inviting entrances; and modify the façade to provide for a more seamless indoor/outdoor experience.

b) Provide for more public spaces that are flexible to accommodate a variety of uses:

Provide for greater opportunities for seating, pop-up vending, events, and programming.

c) Strengthen connections to outdoor spaces and neighbours:

Let the market spill outdoors; better connect to its surroundings (e.g. Library, City Centre, etc.); and coordinate on efforts to improve neighbourhood safety.

Program / Mix

- d) More local farmers, local producers, and pop-up vendors:

Reflect and celebrate the Market's strong agricultural traditions as well as support and attract new entrepreneurs and meet the needs of the Market's local and City-wide customers. Consider flexible/shorter lease term options, a weekly local vendors day, and regular seasonal street closures to accommodate additional vendors.

- e) More programs, events, and education (in collaboration with local partners):

The Market should be the centre of the local food movement for Hamilton and serve as a cultural hub and gathering point for the Hamilton community.

- f) After hours and expanded culinary offerings:

Seed more culinary activity at the Market, including after hours, through offerings such as a market café, prepared food vendors, and licensed establishments.

Operations

- g) Increase management capacity and funding sources:

Provide senior-level staffing resources and operating funding to better reflect the role of the Market as a community hub.

- h) Expand hours (for at least parts of the Market):

Provide for expanded and regularized hours, that better meet the needs of the Market's customers.

- i) Strengthen the Market's marketing, advertising and promotion:

Create more "buzz" about the Market and get the word out about market hours, special events, and vendors.

- j) Provide for multi-modal access, including adequate parking:

Ensure the Market is easily accessible by pedestrians, cyclists, transit users and drivers. With most current market customers arriving by car, ensure that adequate parking is available.