

Presented on September 14 2020 by Eric Miller (Chair) and Gordon Albini (Treasurer)

Audited Financial Statement in AGM materials

KPMG appointed by the Board as Independent Auditor. Their 2020 Report notes:

- “In our opinion, the financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations, and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.”
- “Subsequent to December 31, 2019 the COVID-19 outbreak was declared... resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures... have caused material disruption to businesses globally... The current challenging economic climate may lead to adverse changes in cash flows, which may also have a direct impact on the Market Corporation’s operating results and financial position in the future.”

2019 was another fiscally successful year

2019 was the third consecutive year with zero end-of-year shortfall (variance) with the Market using its reserve account to make prudent investments.

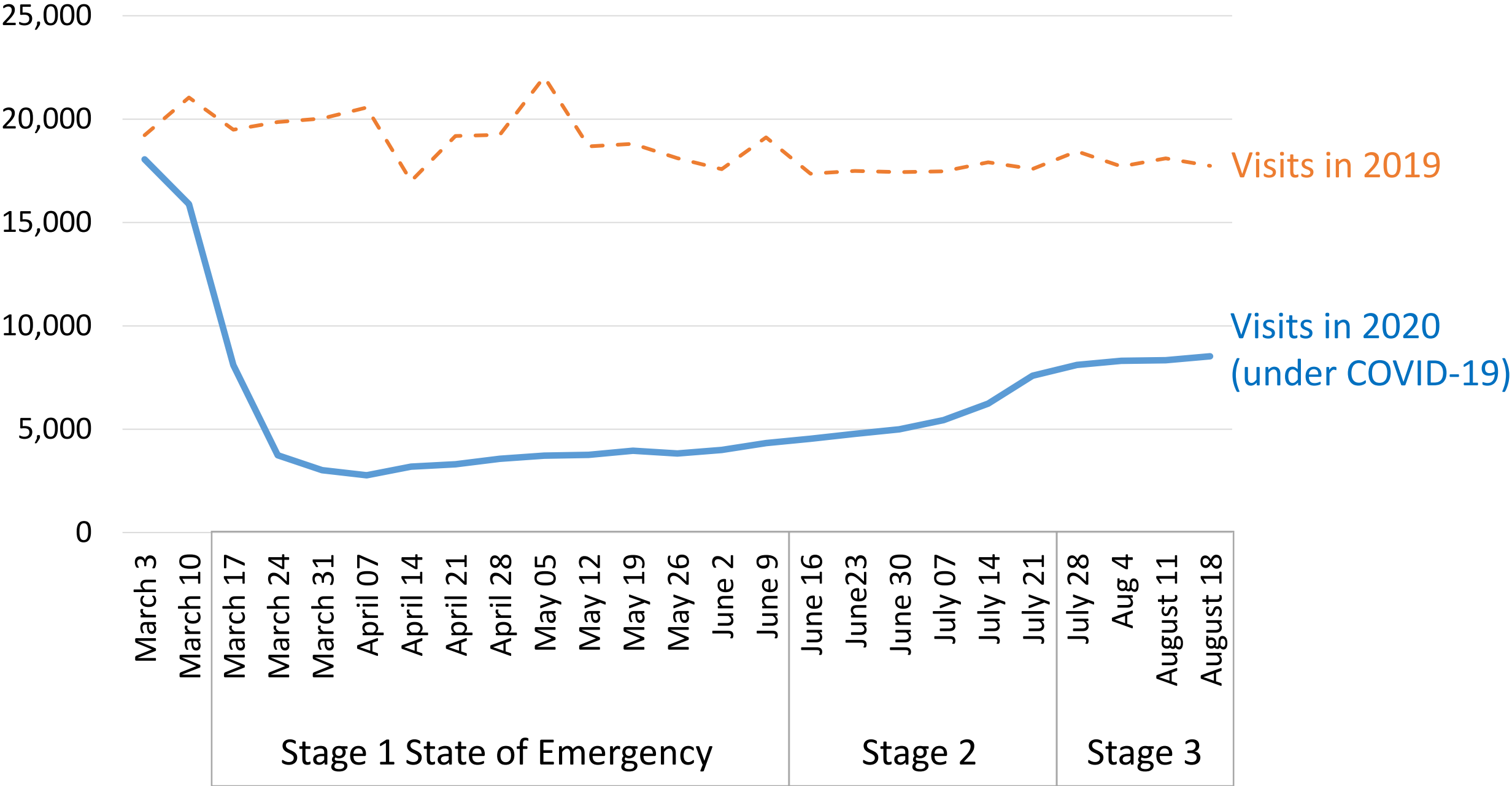
Timeline of Market's end-of-year variance against budget, net of reserve contributions or withdrawal



2020 has been challenging with COVID-19

- Market remained open and safe, but at a higher cost to its operations.
- Provincial lockdown imposed hardships on all market businesses.
- Customers challenged to access Market and told to pool purchases.
- Federal CECRA program was not available to the Market Corporation whereas it was to other corporations in Hamilton. If the program were available, Market could have ended 2020 without a deficit variance against budget.

Weekly customer visits to the Hamilton Farmers' Market



All businesses in the Market were impacted

- 23 businesses that operated through all stages experienced reduced sales, higher supply costs, and delinquent accounts of commercial customers.
- 15 restricted in sales during stage 1 and 2.
- 9 voluntarily closed on a precautionary basis.
- 7 prevented from retailing in Market during stage 1.
- 2 businesses that had originally planned to launch in the Market did not launch during the lockdown.
- Since July, 4 businesses terminated their contract.

“Because we use local farmers, we had no trouble with supply, but because we have to pay North American prices, our cost skyrocketed to where it was impossible to make money. I refused to gouge my customers just because I was being gouged.”

Vendor comment

Market customers were all impacted

- Customers told to stay home and pool purchases. Closure of downtown offices reduced customers.
- City's Emergency Operations Centre initially locked down the Market's communication platforms which limited the Market's ability to notify the public that it remained open.
- Customers could not enter Market through Jackson Square during stage 1 and much of stage 2. Some feared using transit and many were intimidated by gatherings and encampments on York Street at Bay.

"I feel safer at the Market than I would at some of the big box stores or even going to a Mall. Local, fresh food is at the top of my list right now of things I need to buy and it doesn't get any better than when it's farm to table ❤️ this place!"

Customer comment

Market finances impacted

- Additional expenses on enhanced cleaning and special sanitization. Extra security hired to limit customer entry, as per public health guidelines.
- Reduced rental revenue from business closures, delinquencies, and delayed launches. Market Corporation followed approach of other corporations in adjusting rental rates during stage 1 and 2 of the lockdown. This followed the recommendation of the Federal Government which also provided assistance to commercial landlords to help sustain small businesses.
- Net impact of COVID-19 on Market's 2020 budget so far is a \$120K deficit.

Market Corporation ineligible for Federal Support

- Commercial landlords with impacted small business tenants are able to access Federal CECRA program to offset 75% of rents for April to August.
- Market deemed ineligible because it does not own the property.
- In April, the Market asked the City's Finance team to help solve the problem. In late May, the City advised the Market to make a request to Council for assistance similar to Federal program. On June 11, the Market Board formally delivered its request to Council, which was received at June 24 Council.

Market's special COVID-19 request to City Council

- Grant the market an allowable Budget 2020 variance equivalent to the value of the Federal CECRA program: 75% of rental revenue for April to August.
- Value of \$150K would be equal to 19% of the market's 2020 budget.
- This variance would be the new fiscal anchor for the Board, for the Board to make further adjustments to its spending and revenue. This is the minimum investment needed to sustain the Market's operations to the end of 2020.

We're all in this together

Agro Seafood . Angela's Fine Deli . Anissa's Chicken Centre . Anna's Café . Artisan Market . Blackberry Hill Farm . British Baked Goods . Buttrum Family Farm . Charlie's Corner Market . Close 2 Natural . Country Green Garden De La Terre Bakery . Dilly's Farmacy . Folk Art Prints . Gourmet Veggie Foods . Hieng's Produce . Huong Trang Fish Market . Jantzi Cheese . Jean's Originals . Jepson's Fresh Meats . Josie Syer's Plants & Flowers . JT Pets . Julia's Poultry & Eggs . Karlik Pastry . Ken's Chicken . Latin Food & Products . Lee's Fresh Produce . Lesley's Flowers . Leslie's European Deli . Lina's European Pastries . Local Egg Limited . Multi-Traditional Bakery & Deli . Mystic Ramen . Nam Nom Banh Mi . Pokeh . Puddicombe Farms . Relay Coffee Roasters . Ridge Road Estate Winery . Romano Cheese . Rosa's Gourmet Foods . Saltlick . Sam & Son International Cheese . Sam's Cheese and Meats . Thango Meats . Flyin' G'Nosh . Mexican Kitchen . Truong's Produce . Vinnie's Fresh Pasta Factory . Williams Brothers