

**October 26, 2020**

To Cyrus Tehrani, as (Acting) Contract Manager, on behalf of the City of Hamilton:

The Hamilton Farmers' Market Board of directors thoroughly reviewed the document *Hamilton Farmers' Market Governance Review* by Michael H Howes and Anne Bermingham of 2WA Consulting Inc. This letter is a precis of our position as a Board on the review and an outline of the Board's intentions for ongoing improvements to governance.

We appreciated the opportunity to directly engage with Michael Howes on September 28 2020 to hear his response to some of the 63 questions that Board members asked in writing before the meeting, plus additional questions raised at the meeting.

We regret that this was the first and only opportunity that the Board had to engage with any version of the report since no prior drafts were shared with the Board. We recognize that neither you (personally) nor council are accountable to this point, since the report was initiated and managed by a director 14(3)(d) of MFIPPA who commissioned the consultant on his own volition without direction from council or the Hamilton Farmers' Market. In the future, we recommend that city-commissioned reviews of the market be co-managed with the market. Such cooperation will help to properly scope future assignments and to review draft work to clarify or correct content ahead of its finalization.

Overall, we feel the governance review was a missed opportunity to include in its scope a consideration of the fiscal capacity of the market and its financial relationship to city departments that charge fees on a cost-recovery basis. The consultants compared the Hamilton Farmers' Market to markets with a vastly different fiscal capacity and arrangements – such as Detroit's Eastern Market which has 19 senior staff and 99 employees, and London's Covenant Gardens which owns a revenue-generating parking facility. In comparison, the City of Hamilton setup the Hamilton Farmers' Market to operate with one manager and one or two part-time office staff, while the market *paid* the City of Hamilton an average of \$70K annually for customer parking over the prior 5 fiscal years. In 2019, the Market received a tax-supported levy of \$113K while it paid the City \$237K in facility fees and parking and for the operation of the central utilities plant.

In response to questions that disputed many of the consultant's assertions of excessive and inappropriate use of in-camera sessions, Mr. Howes confirmed that he was not provided with any in-camera minutes. Mr. Howes did not have records of which Board members voted for which resolutions, since votes had not been recorded up to that point in time, so the report's assertions about votes being "deadlocked" or split between vendors and citizens were "anecdotal" as he said, rather than factual. Mr. Howes verbally noted some errors in the report but did not offer to provide a revised corrected version.

On the question of a pathway for change, Mr. Howes advised the Board that it is better to evolve governance rather than "blowing things up and starting again", with an importance of ensuring that there is a "part for every person". He acknowledged that he used "blunt language" and said "I imagine it's tough to read" but he felt that it "reflected what he saw".

Despite the limitations of the report, the Board seriously considered the consultant's seven recommendations. Below are the quoted recommendations and our Board reply.

- A. "Create an advisory committee that will provide a vendor community perspective on operational issues to the Market manager and the Board"

**Directors unanimously agreed** to create a vendor committee that will focus on operational issues, with the intent for vendors to work with market staff to solve problems outside of Board meetings, and to codify operational procedures over time into written operational policy. The Board will defer to the current vendor directors and market manager to draft a terms of reference for the committee that would include details about the meeting frequency and the composition of the committee, with the draft terms being ratified at a Board meeting.

- B. "Change the composition of the Board to remove conflict of interest issues, and to develop a customer-centric focus"

**Five directors disagreed** with the consultant's recommendation of reducing the number of vendor Board members from four to just one out of a possible 12. The farmers' market, like all markets, is more effective when suppliers (vendors) are as equally represented, and empowered, as demanders (consumers) in governing the marketplace.

**Three directors agreed** with the consultant to reduce the number of vendor Board members to one elected member of the vendor advisory committee to bring the perspective of that committee to the Board and to flow the Board's perspective back to the committee.

- C. "Establish a customer service / customer focused advisory Board to keep the Market in touch with consumer tastes"

**Directors unanimously disagreed** with the consultant's recommendation because there is already much customer information available from surveys in past years. This would add another layer of structure that is not necessary at this time. The customer focus can also be brought in by the citizen representatives.

- D. "Make the Board of Directors solely accountable to City Council for the Market"

**Four directors agreed** with the consultant that the Market Manager's dual reporting to the Contract Manager and to the Board isn't ideal, with potential for blurred accountability and potential conflict when the Contract Manager provides direction to the manger that is contrary to Board direction.

**Three directors deferred agreement or disagreement** since this recommendation is contingent upon other details that would need some elaboration.

**One director disagreed** with the consultant's perspective that the Market Manager is caught in a conflict of interest situation between the Board and the Contract Manager. Since the Market Manager is a city employee, this position will need to report to someone in the City, however, the manager does not need to take instructions from the Contract Manager.

- E. "Clearly outline the Board's expectations of vendors to create consistent customer service"

**Directors unanimously disagreed** that a set of written expectations needs to be created to provide consistent customer service. The stallholder agreement already sets out the Board's expectations of vendors.

- F. "Revitalization of the Governance Principles"

**Seven directors agreed** to revisit the existing strategic plan with governance that can be improved with governance training and orientation. In prior years, governance training and orientation was not routinely provided. In future years, the Board recommends that the city provide Board members with training in relevant city policies and meeting/Board procedural matters, together with training to identify and develop skills specific to officer positions. This will help to bring Board members towards a shared understanding and practice of governance. With respect to shifting the Board away from operational details, the Board has long had a goal to codify more market practices as official policy in writing. This would help to promote clear and consistent decisions and to help evaluate staff performance.

**One director disagreed** to revitalize the governance principles.

- G. "Conduct a strategic visioning exercise that embraces a very different future for the Hamilton Farmers' Market"

**Directors unanimously agreed** that the strategic plan is due for a revisit, and that consideration should be given to creating a vision for a shorter term horizon (3-4) years, as well as a longer term horizon (8-10). Bold visions are important, as with strategizing on how to attain them, while at the same time being realistic about what is or is not possible. As an example noted by the consultant, the market has spent a considerable amount of time trying to remedy problems with York Boulevard adjacent to the market; the market has already followed the advice of the consultant by identifying "what is possible" for the street and how it can be pursued, and yet the market remains constrained by the city's steadfast adherence to "what is" in existence

on York.

All considered, a positive and attainable vision for the future is more likely to be realized when it recognizes strengths to build upon. Despite the lack of positive comments by the consultant, the Board recognizes that the last five years under the present governance model have demonstrated the benefit of evolving towards greater self-governance.

The Market enjoys loyal and satisfied customers that have helped to keep the market's occupancy levels far higher than the average in downtown Hamilton. The market delivers outstanding food and drinks and flowers and crafts from diverse and innovative small businesses that span in age from years to generations. The market's customers continue to praise the quality and value of products and the friendly and knowledgeable proprietors and their staff. The market remains a launching point for new products and businesses, and a place for established businesses to relocate. The market provides year-round resiliency to individuals and families and businesses that demand local and global products.

The Board recognizes that while the Market has many loyal and satisfied customers, changes need to occur to help the Market to recover from the current pandemic and to position it well for ongoing changes in consumer and producer preferences.

Sincerely,

Eric Miller (Chair), Shane Coleman (Vice-Chair), Gordon Albini (Treasurer), Wilf Arndt, Elly Bowen, Charlie Chiarelli, Ron Jepson, Anne Miller, Councillor Esther Pauls

Board of Directors of the Hamilton Farmers' Market