



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>

- 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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Submitted and

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