

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.