



# STRATEGIC PLAN FOR THE ONTARIO FOOD TERMINAL BOARD

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## 1. Message from the Board

Under the direction of the Chair, the Ontario Food Terminal Board undertook to develop a strategic plan for the Ontario Food Terminal. The support of management and the user advisory committee in providing their input is acknowledged with appreciation.

One of the original considerations driving the strategic planning process was examining the option for satellite locations and the extent to which they might, in time, enable the lands on which the OFT is currently situated to be repurposed for other development. In July, 2019, based on extensive stakeholder input, the Government of Ontario announced that the Ontario Food Terminal would not be moving from its current location. As a result of this decision, the strategic plan does not include an analysis of the satellite terminals option but focuses on how to best utilize the current OFT footprint and model to support growth and deliver benefits to the consumers, farmers, traders and purveyors of produce in Ontario.

On October 9, 2019, Hon. Steve Clark, Minister of Municipal Affairs and Housing, advised the OFTB Chair, Kenneth W. Knox, that the OFT has been “identified as a provincially significant employment zone under A Place To Grow: Growth Plan for the Greater Golden Horseshoe.” Throughout the development of this strategic plan, the Board has sought to be responsive to the direction given by the Minister of Agriculture, Food and Rural Affairs, Hon. Ernie Hardeman, as well as Minister Clark, to ensure that the strategic plan is aligned with the government’s direction. Mr. Hardeman’s direction is documented in the strategic plan.

OFTB Board is committed to using this strategic plan as a living document to undertake and manage change in a constructive and proactive way. Certain changes proposed in the plan will be implemented immediately. For example, The Board has already acted to create two Board committees, one for Governance and Human Resources, and one for Finance & Audit. Other changes proposed in the plan will have a longer cycle time for implementation. Certain changes will require changes to the Act and its Regulations which will require time through the legislative process after the Minister’s review and consent. The most far-reaching change proposed is the construction of a new farmers’ market facility in which only products grown in Canada will be offered for sale. There is significant work to be done, in consultation with users of this facility, in undertaking its design, obtaining the required building and finance approvals, determining the extent to which the facility will have multiple storeys to provide opportunities for rental income and determining the best option for financing its construction.

The Board expresses thanks to the facilitator it engaged to assist with the development of the strategic plan, James Farrar of Take It Up Consulting Inc., for effectively listening to and capturing the direction received and skillfully organizing its presentation on behalf of the Board.

The Board is looking forward to working with government and user-partners to implement this plan and ensure a dynamic, relevant future for the OFT in serving the people of Ontario.

The Ontario Food Terminal Board

## 2. Background

### 2.1 The Ontario Food Terminal Facility

The Ontario Food Terminal is a wholesale marketplace where about 5,000 registered buyers purchase from twenty-one produce wholesalers and more than 350 growers and dealers. Registered buyers include produce and flower retailers, restaurateurs, caterers, and jobbers (intermediaries who sell to restaurants, as well as to hospitals and other institutions).



Members of the general public are not admitted to the Ontario Food Terminal. About 400 different products are handled through the Terminal, from potatoes to bok choy to daffodils. The Terminal occupies 38.6 acres in Etobicoke, just north of the Gardiner Expressway and south of the Queensway. It consists of a large, U-

shaped building containing up to 60 wholesale units and 50 offices, all of them leased out; a covered area used as a farmers' market with 477 stalls also fully leased; a 100,000-sq ft cold storage facility; and acres of parking and loading space. More than 50 related services also occupy almost 25,000 sq ft of office space at the terminal, including inspection services, trucking firms, grower co-operatives, and some buyers. There are also two restaurants that serve workers and visiting buyers.

The Terminal is run by a general manager and a staff of 46 and overseen by a seven-member board of directors. The board acts as a landlord for the physical space in the Terminal, a market regulator for the transactions occurring within the Terminal, and a manager of the facility, with specific responsibilities for maintaining food safety standards. Members of the board are appointed by the Ontario government.

In the spring of 2019, the Board undertook to develop a strategic plan to guide the direction of the organization well into the future.

### 2.2 When and why was the Ontario Food Terminal created

Beginning in the 18th century, a produce and meat market operated on and around the site of what is now the St. Lawrence Market in downtown Toronto, close to the Great Western Station, since most produce came into the city by rail. As the market grew in size, its importance in setting prices also grew, so that transactions in the Toronto market affected produce prices from Halifax to Winnipeg.

By 1906, the market was already starting to overflow the available space, and the growing use of trucks to transport produce was causing traffic congestion on market days. Study after study was completed, but nothing changed, at least partly because the powerful railway interests opposed any move to a site that favoured the trucking industry. Finally, shortly after the Second World War, the provincial government stepped in. Concerned about public health and safety at the aging market building, as well as the difficulty of modernizing facilities in the original, cramped site, the

government passed the Ontario Food Terminal Act on March 27, 1946, making the market a publicly owned facility.

In 1948, plans were drawn up for a new facility in Etobicoke (at that time the area was called Mimico). A site was chosen on land that had previously been used for market gardening and was close to highways and railway lines. The first section to open was the farmers' market, in 1951. However, construction of the main facility was delayed because of post-war steel shortages. The Department of Defence signed the permit to make steel available only after the Toronto summer wholesale fruit market was destroyed by fire in May 1952. The wholesale terminal in Etobicoke opened in 1954. - *The Ontario Food Terminal: A Unique Asset in the Central Ontario Economy*, Canadian Urban Institute

### 2.3 Reasons why the OFT continues to be important to Ontario

The OFT plays a pivotal role in Ontario's fresh produce distribution ecosystem. The positive impact of this role includes the following points:

- The OFT serves an incubator for early stage start-ups in fresh food merchandising as the rise of regional chains like *Longos* and *Highland Farms* attests – it is a unique marketplace where small vendors can get started and gain access to produce from all over the world in one place
- The OFT enables fresh produce to be showcased for buyers to assess the quality and price while offsite warehouses of major tenants provide additional capacity for handling product – the OFT impacts a far greater volume of trading than that which is physically traded at the facilities of the Terminal itself
- The OFT provides an outlet for Ontario growers to market their products directly to a wide range of buyers in an efficient and accessible way including cash transactions that eliminate credit risk
- The OFT does not require the scale that supplying major grocery retail chains requires and therefore contributes to innovation as growers of innovative products with small lots can use the OFT to move their product and to test new product introductions
- The OFT serves a vital role in price discovery relative to constantly shifting supply and demand for product of a specific quality – the working premise is that this price discovery role keeps the price of produce down by checking the oligopolistic power that would otherwise be concentrated in the hands of few large buyers and is therefore beneficial to consumers and provides an important price discipline to the trade overall
- The OFT contributes to optimization of value and minimization of food waste by providing an outlet where loads that are rejected by the originally intended customer can be resorted and resold
- The OFT is a major employer in Toronto with a portion of the workforce relying on public transportation services to get to their jobs often at off peak hours
- As a wholesale tenant cannot lease more than three units, there is an implicit check and balance in the system to ensure healthy competition among wholesalers and ample choice for buyers

3. Our Vision – We aspire to be

A recognized global leader in facilitating wholesale distribution of perishable farm products enabling Ontario consumers the benefit of competitive prices and safe, high quality supply year-round while providing Ontario farmers with an effective and efficient marketplace

4. Our Mission – How we see our role

We facilitate the exchange of wholesale trade in perishable food products in a manner that is efficient, safe, competitive and responsive to market needs

5. Our Core Values

We are committed to delivering outstanding service to growers, dealers, wholesalers, and buyers so that their businesses can thrive and grow.
We value the people we serve and employ, treating all with fairness and respect.
We conduct our business in an open, transparent and accountable way.
We hold sufficient reserves to provide for stability and confidence.
We deliver services that are efficient and cost effective.
We are independent of any commercial or political interest and therefore act only in the public interest.
We enable our customers, and therefore consumers, to access more products at lower costs than would be available if we did not exist.
We strive to anticipate future trends and needs for which we plan through consultation.
We proactively take steps to enable the volumes traded to grow.
We are good neighbours in our community.

## 6. The Minister's Direction

In an October 10, 2019 letter from Hon. Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs, to the Chair of the OFTB, Kenneth W. Knox, the Minister set out the eight points below requesting that the Board address them in the strategic plan. In a later section of this report, an accounting of how the plan addresses the Minister's requests is provided.

- 6.1 Continue your work towards improvements to be made to the Farmers' Market area of the Terminal, including working with the Toronto Produce Wholesalers' Association on the significant investment they announced earlier this summer;
- 6.2 Explore opportunities for expansion at the Terminal including identifying where legislative changes would be required to facilitate those changes (e.g., expanding products offered for sale);
- 6.3 Develop a long-term asset management and capital improvement plan;
- 6.4 Work towards improving technology on site, such as adding Wi-Fi service, which would enhance e-commerce and better record transactions;
- 6.5 Evaluate whether there is demand for additional office space and whether this could be an opportunity for additional revenue;
- 6.6 Review the Terminal's operating hours to see if changes could benefit buyers and sellers;
- 6.7 Improve the Terminal's governance, with revised policies and procedures that could benefit its day-to-day operation. This includes looking at the current enforcement model to make sure rules that protect buyers, sellers and consumers are being followed by all; and
- 6.8 Make recommendations on an expanded board that would include representation from wholesalers, farmers market tenants and buyers.<sup>1</sup>

## 7. Input from the Advisory Committee

The Ontario Food Terminal Board struck an ad hoc advisory committee of stakeholders to provide input to the Board on the formulation of the strategic plan.

### 7.1 Members

Steve Bamford, John Den Boer, Mimmo Franzone, Shaye Howard, Kirk Kemp, Fred Koornneef, Christy McMullen, Peter Ravensbergen, Alison Robertson, John Russell, Joe Scali, Ed Scharringa, Will Willemsen

### 7.2 Meetings

The Advisory Committee met three times with the Chair of the Board and Board Director Larry Kieswetter, on June 27, 2019; on August 8, 2019; and on October 15, 2019. At the last meeting, the key elements of the draft strategic plan were shared with members of the Committee and their input was invited.

While the input provided by members of the Advisory Committee is highly valued and respected, the decisions regarding the final content of the strategic plan were taken by the Board and not by the Committee.

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<sup>1</sup> Letter from Hon. Ernie Hardeman to Kenneth W. Knox dated October 10, 2019

## 8. Strengths / Weaknesses / Opportunities/ Threats Analysis

SWOT ANALYSIS	
Strengths	<p><b>LOCATION</b></p> <ul style="list-style-type: none"> <li>The location is ideal for distribution to registered buyers, such as independent grocer and restaurant operators in the core of Toronto; these businesses require daily access to replenish their supply and efficient in-and-out times which the Terminal provides</li> <li>The location is connected to major transportation corridors enabling farmers, dealers and long-haul wholesale deliveries excellent access; the traffic flow of trucks in and out of the Terminal occurs at off peak hours thereby using highway infrastructure efficiently</li> <li>The location is ideal for the workforce employed at the Terminal, many of whom use public transit to commute to their jobs at the Terminal</li> </ul> <p><b>MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>The Terminal is a proven model for efficient operations which keeps costs down while maintaining transparency and accountability</li> </ul>
Weaknesses	<p><b>LOCATION</b></p> <ul style="list-style-type: none"> <li>Since the Terminal was originally established at its present location nearly seventy years ago, there has been major construction of high density residential units in the vicinity; this sharing of the space with non-commercial uses makes the Terminal's industrial traffic and associated noise, which often occurs at night, less compatible with the neighbourhood</li> <li>The facility is landlocked with a footprint that cannot be expanded; any future expansion will need to be planned carefully to make best use of available real estate – in practice, because the Terminal serves as a showcase for major wholesalers, several of which operate distribution facilities also off the premises, growth has not been constrained by the physical capacity limitations of the Terminal</li> <li>The OFT does not have a detailed database to enable analysis of trends in the movement of product through its facilities –this deficiency arises because the OFT does not have the means to track volumes and kinds of products traded, as that information is proprietary to tenants and buyers, except in aggregate terms such as the movement of trailers</li> </ul>
Opportunities	<p><b>CONSUMER DEMAND</b></p> <ul style="list-style-type: none"> <li>As <i>Canada's Food Guide</i>, aligned with consumer trends, urges a shift to more plant-based foods and less dependency on animal protein in the diet, the demand for fresh fruit and vegetables will continue to grow, making the Terminal's business highly relevant and necessary to consumers of the future</li> </ul> <p><b>TECHNOLOGY</b></p> <ul style="list-style-type: none"> <li>As the ways in which consumers relate to food and source it change, a distribution centre that is close to the greatest concentration of consumers in Canada and which is able to provide rapid replenishment under safe conditions is expected to be even more valuable and needed</li> </ul>



## SWOT ANALYSIS

### Threats

#### FOOD SAFETY

- Food safety is an ever-present threat because many of the ways of reducing or eliminating the risk of pathogenic contamination that are applied when food is processed, such as thermal energy, are not typically used with fresh produce, leaving it intrinsically more vulnerable when eaten fresh
- Food safety risks can be managed by improving the requirements for standards of vendors using the Terminal as well as through advanced technologies like blockchain that improve traceability or technologies which can eliminate pathogens through less invasive forms of energy pulses
- The OFT cannot be responsible for food safety after the food enters the distribution chain and leaves the premises of the Terminal.

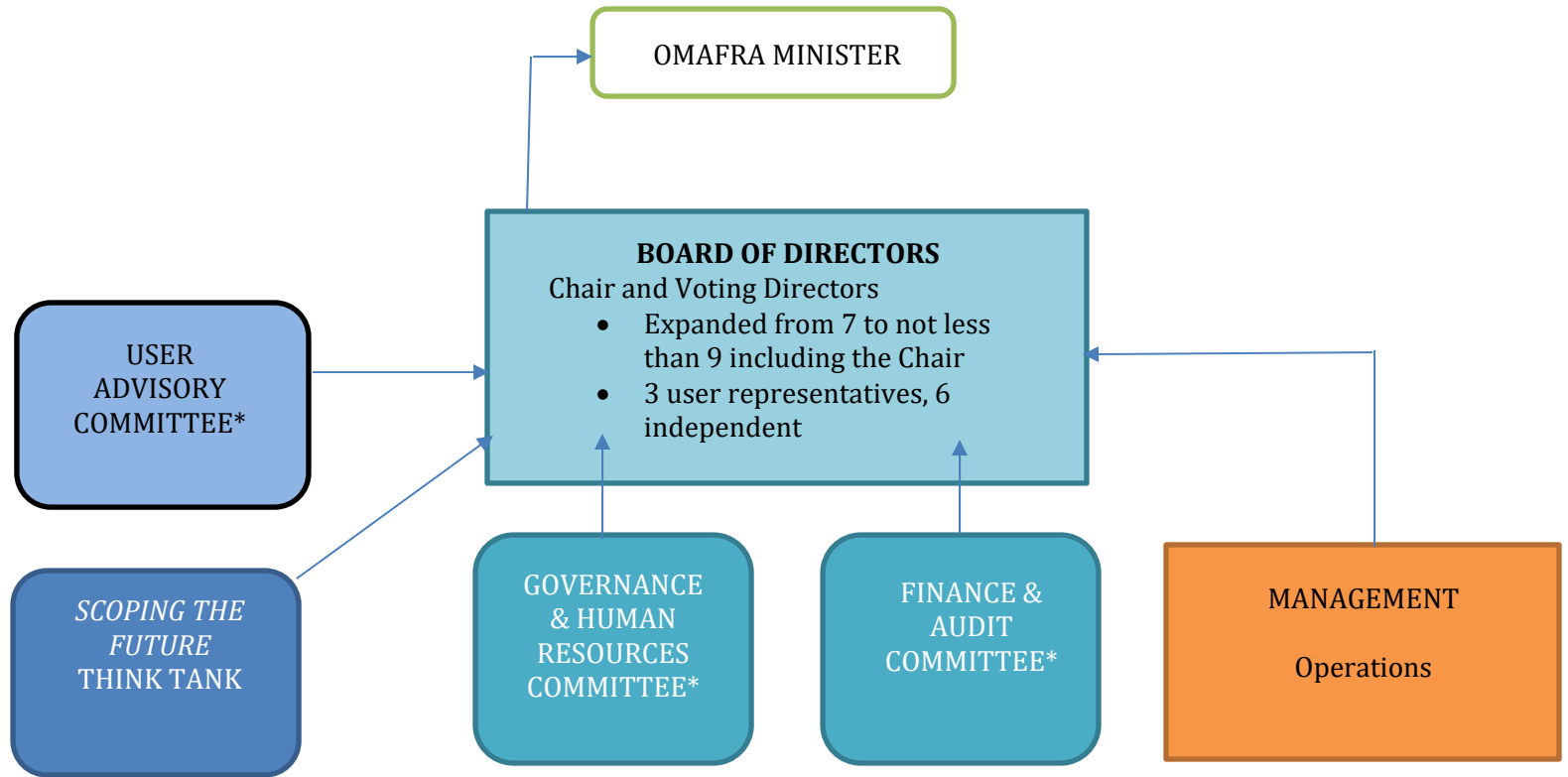
## 9. Strategic Goals and Actions

The Board addressed the task of developing the strategy by focusing the goals and actions to be taken around seven areas. These areas are of equal importance and are not ranked by priority. The Board also established target dates for implementation.

### 9.1 Governance

Strategic Goal – what are we trying to achieve?	Strategic Action – how are we going to achieve it?	Target timeline
9.1.G1 The Board will achieve a high level of director engagement in strategy and policy while maintaining effective accountability from management for operations	9.1.A1 The Board will formally constitute two permanent Board Committees (a) Governance and Human Resources Committee (b) Finance and Audit committee. Board committees will be chaired by a board director who is not the Board chair and will meet at least quarterly.	2019
9.1.G2 The Board will seek ongoing input from those who use the terminal to inform its decision-making	9.1.A2 The Board will formally constitute a user advisory committee representative of users and potential users engaged in activities at the terminal and will convene the advisory committee to obtain strategic advice on planning decisions. The chair of the user advisory committee will be the Board Chair.	2019
9.1.G3 The Board will strive to anticipate and plan for future needs of the users it serves based on trends in the production, distribution and consumption of fresh produce	9.1.A3 The Board will seek ongoing input from thought leaders in academia, government and industry, and from students studying food and/or business, to understand trends in the exchange of fresh food and ornamental products as driven by such factors as consumer needs, technology advances, and structural changes in supply chains. The Board’s commitment to research related to anticipating the future and how it will impact the OFT will be reflected in sufficient allocation of resources by the Board, and, to the extent of OMAFRA’s convergent interest, it will undertake research in collaboration with OMAFRA and other stakeholders.	2019
9.1.G4 The Board will propose qualifications for directors and a process for selecting future directors for the Board with expanded membership from seven to at least nine so that the Board has an active role in Board succession planning while respecting that the final decision rests with government	9.1.A4 The Board will work with OMAFRA on relevant and necessary changes to the Act and Regulations including an increase in the size of the Board. OFTB envisages a hybrid board model of representative	2019

Strategic Goal – what are we trying to achieve?	Strategic Action – how are we going to achieve it?	Target timeline
	<p>directors (one from the wholesaler tenant group, one from the dealer-grower tenant group and one from the buyer group) and six independent directors whose skills will be relevant to the needs of the OFT. The Board expects that it will be responsible for bringing forward recommendations for appointments to the Board and Chair for the Minister’s approval in fulfilment of its responsibility for succession planning for Board members.</p>	



## Proposed Governance Model for the Ontario Food Terminal Board

\*Terms of reference for the three new Committees proposed have been developed and approved by the Board and are included in the Appendix to this strategy.

9.2 Human Resources

Strategic Goal – what are we trying to achieve?		Strategic Action – how are we going to achieve it?	Target timeline
9.2.1G	The Board of Directors will ensure a highly competent, committed, and effective senior executive officer leads the management team with high standards of integrity and service The organization will be known as an outstanding employer and be a place of choice to work	9.2.1A The Board will delegate to the Governance and Human Resources Committee the responsibility for annual performance and compensation reviews for the senior executive position; the Governance and Human Resources Committee will recommend to the Board the best title for the senior executive position consistent with the role and responsibilities.	2020
9.2.2G		9.2.3A The Board will work with government to amend the Act so that the General Manager’s position is entirely within the Board’s purview to hire and dismiss and no longer requires Ministerial or Cabinet approval.	2020
		9.2.3A The Board will task the Governance and Human Resources Committee with reviewing management’s succession plan and executive development plan annually	Annual
		9.2.4A The Board will specify that the General Manager meet with the OMAFRA Deputy Minister twice annually and with the OMAFRA Minister together with the Board Chair once annually and report to the Board on the outcome of each meeting	Annual

9.3 Client relationships

Strategic Goal – what are we trying to achieve?		Strategic Action – how are we going to achieve it?	Target timeline
9.3.1G	The Board will phase out the distinction between growers and dealers over a five year period, coinciding with the opening of the new farmers’ market facility, so that all tenants in the new farmers’ market pay the same rate for equivalent space	9.3.1A The Board will convene an ad hoc association of grower/dealer tenants who lease permanent space in the farmers’ market as needed to keep this stakeholder group informed of the farmers’ market reconstruction plan and how their businesses can benefit from this project	Phased to 2025
9.3.2.G	The Board will segregate and designate the farmers’ market area of the Terminal for selling only product grown in Canada. Imported product will be permitted to be sold only by wholesaler tenants.	9.3.2A The rental/lease structure for access to the anticipated new farmers’ market facility will not distinguish between growers and dealers but it will stipulate that only product grown in Canada can be sold – the Board will encourage governments to require and enforce country of origin disclosure on product packaging.	
		9.3.3A The Board will request additional tools and authorities under regulation to assign tickets under the Provincial Offences Act in order to enforce compliance with the Canada-only requirement for the farmers’ market space	Changes to the Regulations will be made at the time of their next revision in 2020

9.4 Technology and systems

Strategic Goal – what are we trying to achieve?		Strategic Action – how are we going to achieve it?	Target timeline
9.4.1G	The Board will embrace information technologies that enable it to fulfill its role in facilitating the trading of fresh products	9.4.1A The Board will give management direction to lead a pilot project in cooperation with Ontario growers, dealers and/or grower organizations to assess a role as a virtual distribution hub. This pilot will determine what future role the Board can play in providing access to digital space to facilitate trading to complement its current role as a landlord providing access to physical space. The recommended starting point for the pilot is digitally mapping the product mix in supply at the Terminal and making product availability known to registered buyers in a searchable, accurate real-time database. In phase two, the real-time database could include forecasts of expected availability. In phase three, it could enable digital transactions to be done.	2020
9.4.2G	The Board will embrace energy efficient, low carbon footprint technologies that reduce emissions and noise levels while providing the energy required for cold chain management, lighting and movement of goods		2020
		9.4.2A The Board requests that management develop a plan, including dedicated human resources and associated budget, to implement the pilot project.	2020
		9.4.2C Not less frequently than once every three years the Board will direct management to undertake a comprehensive energy assessment to ensure that best in class solutions are utilized.	2021

9.5 Capital Infrastructure

Strategic Goal – what are we trying to achieve?		Strategic Action – how are we going to achieve it?	Target timeline
9.5.1G	After consultation with users, the Board will develop plans for, and proceed to build, an updated farmers’ market that anticipates the future while enhancing food safety and efficient logistics	9.5.1A The Board will obtain the necessary approvals to finance the construction costs of the updated farmers’ market by issuing its own bonds and/or other appropriate means	2022
9.5.2G	The design of the facility will anticipate future needs as fully as possible including greater use of electrically powered vehicles and a wider range of possible wares such as cheese and/or fish	9.5.2A The Board will develop and conduct a competitive and fair process for allocating spaces to vendors of Canadian-grown fresh products	2022
		9.5.3A The Board will investigate options for an additional storey or storeys above the farmers’ market that could generate additional rental income – this additional space is expected to be aligned with the OFT’s purpose such as inviting a university or community college to establish a Centre for Innovation in Food Marketing and could be undertaken in partnership with a developer to bring experience to the project and reduce the risk	2022
9.5.3G	The external appearance of the OFT’s property will be beautified and greened to enable better congruence with the community	9.5.3A The Board will investigate options for an additional storey or storeys above the farmers’ market that could generate additional rental income – this additional space is expected to be aligned with the OFT’s purpose such as inviting a university or community college to establish a Centre for Innovation in Food Marketing and could be undertaken in partnership with a developer to bring experience to the project and reduce the risk	2019-2020
		9.5.4A The Board will invest in noise abatement measures that reduce ambient noise levels in the neighbourhood originating from activity at the OFTB	2019-2020



Strategic Goal – what are we trying to achieve?		Strategic Action – how are we going to achieve it?	Target timeline
9.6.1G	All fresh food products traded through the Ontario Food Terminal will meet Canada GAP certification standards	9.6.1A Future leases will stipulate food safety compliance/certification as a condition of using the OFT	Phased to 2022
9.6.2G	The collection of waste that needs to go to landfill will be reduced to the minimum	9.6.1B Future leases will stipulate the use of acceptable and unacceptable packaging materials as the Board works with users to achieve its waste reduction goals	Phased to 2022

Strategic Goal – what are we trying to achieve?		Strategic Action – how are we going to achieve it?	Target timeline
9.7.1G	The Board will relentlessly drive growth in the trading of fresh products in order to maximize the input/output volume through its facilities in alignment with market needs and trends	9.7.1A The Board will support flexible, intelligent and transparent supply chains in trading fresh produce by offering outstanding facilities that are efficient, safe, and accessible.	2020
9.7.2G	The Board will invest in building its brand with particular focus on prospective (i.e. not current) users of the facility, both vendors and buyers, to promote the OFT as a valuable site for undertaking commercial exchange	9.7.2A The Board will improve its capacity to measure its impact and forecast needs	2020
		9.7.3A The Board will undertake stakeholder and community relations to increase awareness of the OFT’s valuable role and promote the opportunity to do business at the OFT to prospective users.	2020
		9.7.4A The Board, in cooperation with government, will undertake proactive government outreach to ensure public officials are well informed	2020
		9.7.5.A The Board directs management to explore utilizing the visibility of the Terminal from the Gardiner Expressway for positioning additional signage which could be used either as an income source or as a means of promoting what the Terminal does	

## 10. Alignment With The Minister's Direction

	<b>Minister's Direction</b>	<b>Plan Reference</b>	<b>Discussion</b>
1	Continue your work towards improvements to be made to the Farmers' Market area of the Terminal, including working with the Toronto Produce Wholesalers' Association on the significant investment they announced earlier this summer;	9.5	The TPWA could channel their investment commitment through the purchase of bonds if that financing option is chosen.
2	Explore opportunities for expansion at the Terminal including identifying where legislative changes would be required to facilitate those changes (e.g., expanding products offered for sale);	9.5	The plan proposes explicitly adding the products of ornamental horticulture to the list of wares offered for sale.
3	Develop a long-term asset management and capital improvement plan;	9.5	
4	Work towards improving technology on site, such as adding Wi-Fi service, which would enhance e-commerce and better record transactions;	9.4	A comprehensive pilot to examine digital technology options for improving information on supply is proposed
5	Evaluate whether there is demand for additional office space and whether this could be an opportunity for additional revenue;	9.5	The option of looking at additional storeys is set out in the plan
6	Review the Terminal's operating hours to see if changes could benefit buyers and sellers;	9.1	This matter will be raised at the first 2020 meeting of the Advisory Committee to obtain user input on the operating hours
7	Improve the Terminal's governance, with revised policies and procedures that could benefit its day-to-day operation. This includes looking at the current enforcement model to make sure rules that protect buyers, sellers and consumers are being followed by all; and	9.1 9.2 9.6	Changes in the policies respecting such matters as ending the distinction between farmers and dealers, as they relate to rental fees, are proposed to achieve greater equity as well as changes to food safety certification
8	Make recommendations on an expanded board that would include representation from wholesalers, farmers market tenants and buyers	9.1	The plan proposes to increase the size of the Board from 7 to 9 with specific representation from users

## 11. Other Input

The Ontario Ministry of Agriculture, Food and Rural Affairs awarded a contract to the consulting firm, MNP, that was released in October 2019 entitled *Independent Review of Opportunities and Challenges for Economic Growth at the Ontario Food Terminal*. As part of their assignment, MNP examined other produce terminals in US centres and undertook an extensive survey of users of the OFT. This MNP report was available to the Board prior to the finalization of the plan. The Board is satisfied that this strategic plan responds to the highest priority needs identified by users of the Terminal as reported in MNP's survey results.

## Appendices

### Terms of Reference for the Committees

- A Finance and Audit Committee
- B Governance and Human Resources Committee
- C User Advisory Committee



# Finance and Audit Committee

## Terms of Reference

### 1. Constitution

The Board of Directors has resolved to establish a committee of the Board to be known as the **Finance and Audit Committee**.

### 2. Purpose

#### 2.1 Finance

- Assist the Board in fulfilling its oversight responsibilities for the financial affairs of the organization.
- Recommend sound financial policies and internal control practices with the goal of sustaining long term financial health of the Corporation; without limiting the generality of the foregoing the Committee will:
  - Review the annual budget prepared by management and recommend an annual budget to the Board for approval. The budget will address both the operating and capital requirements of the organization and therefore will include cash flow projections.
  - Review quarterly financial reporting including actual versus budgeted results and, when satisfied, recommend acceptance by the Board, including any recommendations for any corrective action that may be required. The internally prepared financial statements will normally be provided by management to the Committee at least one week prior to the meeting at which they will be considered.
- Review and recommend to the Board all arrangements related to debt financing including, when appropriate, the issuance and/or redemption of OFTB bonds
- Review and assess the levels of risk to which the organization is exposed and, annually, review insurance policies in place with the broker or brokers responsible to be satisfied that they provide for reasonable levels of protection against insurable risks
- Require certification from management on a quarterly basis that all tax accounts and filings are current and in good standing including those related to commodity taxes and payroll withholdings
- Establish and review policies related to procurement practices, travel expenses for Board directors and management, signing authorities for financial documents, investment instruments, debt instruments, records retention and back-up, and cyber security and make recommendations to the Board for their adoption and or revision as necessary

## 2.2 Audit

- To liaise with the independent auditor, as determined by the Ontario Auditor-General, on all matters related to the audit including timing, financial policies requiring disclosure, the opinion provided with the audit, and any engagement, representation and management letters that might be issued
- To schedule an in camera session, without management present, with the auditor prior to recommending the draft audited financial statements to the Board
- To review the draft audited financial statements including the notes and to recommend their acceptance to the Board

## 3. Membership

The Committee will consist of three voting directors, one of whom will be a person holding a CPA designation or otherwise having significant experience in financial matters.

In considering qualifications of directors to serve on this Committee, they must be individuals who have competency related to understanding financial statements and who do not have close ties to staff.

The Chairperson of the Committee will be designated by the Board and shall not be the Chairperson of the organization.

If additional skills or expertise are required by the Committee, beyond those represented by its standing members, the Committee may request the Board add an additional person or persons that brings those skills. Such an additional person or persons may be a voting member of the Committee, an observer to the Committee, or an expert resource to the Committee, at the discretion of the Board.

The senior executive officer of the organization may be an observer at meetings of the Committee, at the discretion of the Chair, provided that any meeting at which the senior executive officer is present also will have a designated in camera session from which the senior executive officer will be excused.

## 4. Frequency of Meetings

The Committee is expected to meet quarterly, at least one week prior to the Board meeting where its recommendations will be considered, so that its recommendations can be provided to the Board in advance. Additional meetings may be held as required by the Committee Chair or at the request of a quorum of the Committee.



# Governance and Human Resources Committee

## Terms of Reference

### 1. Constitution

The Board of Directors has resolved to establish a committee of the Board to be known as the **Governance and Human Resources Committee** to help the Board improve its own functioning, structure, composition, and succession planning. In addition to monitoring general Board governance matters based on Board bylaws and requirements under law, this committee will act as the recommendations committee for the Board for the selection of the senior executive officer, the chairperson and directors. As well, this committee will engage in oversight to ensure high levels of Board and executive performance.

### 2. Purpose

#### 2.1 Board Governance

- Direct and oversee the annual assessment of the Board, Board committees, and individual Board members; review the assessments, and make recommendations to the Board regarding ways in which the performance of the Board can be enhanced.
- Ensure that the Board has in place written policies, acts in compliance with those policies as approved by the Board, and keeps the policies updated, in order to maintain a high standard of best practices governance in all respects. Without limiting the generality of the foregoing, the Board will ensure that there are clear policies related to conflict of interest, code of conduct/ethics, whistle-blowing, and reporting and addressing workplace complaints related to safety and harassment.
- Draft annual governance objectives and action plans for the Board's deliberation and approval.
- Assess the qualifications of individuals to assume Board director roles, including the Chairperson, and submit recommendations to the Board for the Board, in turn, to submit to OMAFRA.
- The Committee is responsible for monitoring and assessing the degree of Board independence, both from management and among the directors themselves, with the goal of ensuring a high level of independence.

#### 2.2 Human Resources

- When the position of the senior executive officer is vacant, the Committee is responsible for leading the recruiting process, including conducting interviews of candidates, and making a recommendation for selection of the senior executive officer to be the management leader of the organization.



- Annually, assess the performance of the senior executive officer in a face-to-face meeting with the individual holding that office
- Set the compensation level for the senior executive officer, including benefits, aligned with the budgetary allocation approved by the Board
- Annually, there is a constructive interaction between the Senior Executive Officer and the Deputy Minister at the Ontario Ministry of Agriculture, Food and Rural Affairs
- Establish a succession plan for the senior executive officer role to ensure sufficient organizational depth to enable the organization to function in the event the position is temporarily vacant
- To the extent permitted by the Act, recommend to the Board the termination of the position of senior executive officer when that step is determined to be in the best interests of the organization
- Develop and recommend to the Board human resources policies

### 3. Membership

The Committee will consist of three voting directors, at least one of whom will be the Chair or Vice-Chair. If the Chair is not a member of the Committee, the Chair will be invited and welcomed to all meetings of the Committee as a contributing observer on the understanding that the Committee will request that the Chair be excused from deliberations related to the performance of the Chair.

In considering qualifications of directors to serve on this Committee, they must be individuals who are primarily concerned with the long term interests of the organization, and not have close ties to staff or to particular interests represented on the Board.

The Chairperson of the Committee will be designated by the Board and shall not be the Chairperson of the organization.

If additional skills or expertise are required by the Committee, beyond those represented by its standing members, the Committee may request the Board to add an additional person or persons that brings those skills. Such an additional person or persons may be a voting member of the Committee, an observer to the Committee, or an expert resource to the Committee, at the discretion of the Board.

The senior executive officer of the organization may be an observer at meetings of the Committee, at the discretion of the Chair, provided that any meeting at which the senior executive officer is present also will have a designated in camera session from which the senior executive officer will be excused.

### 4. Frequency of Meetings

The Committee is expected to meet quarterly, at least one week prior to the Board meeting where its recommendations will be considered, so that its recommendations can be provided to the Board in advance. Additional meetings may be held as required by the Committee Chair or at the request of a quorum of the Committee.



# User Advisory Committee

## Terms of Reference

### 1. Constitution

The Board of Directors has resolved to establish a committee of the Board to be known as the **User Advisory Committee** to provide input to the Board on matters concerning the development and business-building initiatives of the organization.

### 2. Purpose

- To provide a formal consultative process through which users and potential users of the organization can provide input and advice to the Board on planning decisions and policies
- To provide a forum through which users can identify needs, opportunities, threats, risks, concerns and raise other relevant issues for the consideration of the Board, it being understood that the issues to be considered by the Committee are macro, affecting significant interests of multiple users, and not micro, primarily directly affecting one or two businesses
- The term “user” includes those currently buying and selling at the Terminal.

### 3. Membership

The Committee will be chaired by one Board director designated by the Board. The chairperson shall be independent of all users and not tied directly to any business interest at the Terminal.

In considering qualifications of participants to serve on this Committee, they must be appointed by firms doing business at the Terminal. Individuals must be able to think strategically. The Committee is not to be used for individual firms to promote their own firm’s specific interests.

If additional skills or expertise are required by the Committee, beyond those represented by its standing members, the Committee may request the Board add an additional person or persons that brings those skills. Such an additional person or persons may be a voting member of the Committee, an observer to the Committee, or an expert resource to the Committee, at the discretion of the Board.

The senior executive officer of the organization will be a member of the Committee. The Chair, of the Committee will meet in camera for sessions from which the senior executive officer is excused.

The number of standing representatives on the User Advisory Committee shall normally be limited to twelve excluding the Chair and the senior executive officer. The composition of the twelve is expected to reflect approximately four buyers, four wholesale tenants, four farmers’ market users.

## 4. Frequency of Meetings

The Advisory Committee is expected to meet up to four times per year. A greater frequency of meeting may be determined to be necessary from time to time by the Chair in consultation with members.