



**Board of Directors Meeting  
Minutes – Approved**

<b>DATE: Wednesday May 16, 2018</b>	<b>TIME: 9:00am – 1:30pm</b>
<b>Location: 4711 Yonge Street, Suite 408, Toronto Ontario</b>	
<b>Chair:</b> Glenda Gies <b>Directors:</b> Tom Wright (Vice Chair), Joyce Barretto (Secretary), Ken Kawall (Treasurer), David Brezer, Saqib Cheema, Andrea Nemtin, Robert Poirier, Rajesh Sharma, Mary Shenstone, Nidhi Tandon	
<b>Guests:</b> John Armiento, Resource Recovery Policy Branch, MOECC Gail Bergman, Chaplin & Co. Chartered Accountants	
<b>RPRA:</b> Frank Denton, Noah Gitterman, Wilson Lee, Pat Moran, John Pinard, Geoff Rathbone, John Mastrella	
<b>Board Secretariat:</b> Andrea Abraham	

**1.0 Call to Order**

With a quorum present, the meeting was called to order at 9:01a.m.

**1.1 Adoption of the Agenda**

**Motion:** To adopt the meeting agenda as presented.

**It was duly Moved, Seconded and Carried.**

**1.2 Declaration of Real, Potential or Apparent Conflict of Interest**

None was declared.

**2.0 CONSENT ITEMS**

Two questions pertaining to items 2.4 and 2.5 were raised and clarification was provided.

**Motion:** IT IS RESOLVED:

1. That the Board of Directors approve the minutes of the April 9, 2018 Board meeting; and
2. That the Board receive the remaining consent items:
  - 2.2 Business Arising



- 2.3 Correspondence
- 2.4 Director of Transition Report
- 2.5 Director of I&IT Report

**It was duly Moved, Seconded and Carried.**

### **3.0 Board Committee Reports**

#### **3.1 Audit and Risk Committee Report**

The Chair of the Audit and Risk Committee reported on the Committee's discussions regarding the Business Continuity Plan as well as the 2017 Audited Financial Statements.

The Board discussed the Business Continuity Plan. It was suggested that staff create distinct business continuity scenarios in the plan. The CEO concurred and indicated that the Plan would be revised and presented at a future Board meeting.

##### **3.1c) 2017 Audited Finance Statements**

The Committee Chair and Board Treasurer informed the Board that they had met with the Auditor, Gail Bergman, of Chaplin and Co. Chartered Accountants, to review the 2017 Audit.

The Auditor reported that the auditor's report was unqualified and walked the board through the draft 2017 audited financial statements.

##### **Motion: IT IS RESOLVED:**

1. That the Board receive the Auditor's Report;
2. That the Board approve the 2017 Audited Financial Statements and the accompanying Notes to the Financial Statements and authorize the execution of the required documents by the Board Chair, Audit and Risk Committee Chair and Treasurer, as applicable; and,
3. That the Board authorize the inclusion of the 2017 Audited Financial Statements and the accompanying Notes to the Financial Statements in the 2017 Annual Report.

**It was duly Moved, Seconded and Carried.**

##### **3.1d) Appointment of Auditor**

In May 2017, the Board appointed Chaplin and Co Chartered Accountants to undertake the fiscal 2017 audit.

Based on a favourable review of Chaplin's services for the 2017 fiscal year and under the terms of the multiyear RFP process conducted in 2017, the Audit and Risk Committee recommended appointing



Chaplin and Co. Chartered Accountants for the fiscal 2018 audit. The Board discussed reviewing the appointment for 2019.

**Motion: IT IS RESOLVED:**

1. That the Board appoint Chaplin and Co. Chartered Accountants to undertake the audit of the 2018 fiscal year at a cost not to exceed budget; and
2. That staff bring forward a recommendation to the Audit and Risk Committee in early 2019 regarding the 2019 financial audit.

**It was duly Moved, Seconded and Carried.**

**3.1e) Timing of the Audit**

The 2017 audit was conducted in the first week of April 2018 which resulted in a compressed timeline for the Audit and Risk Committee's review and recommendation to the Board and consideration by the Board for inclusion in the Annual Report.

The Audit and Risk Committee has reviewed the schedule and recommends the annual audit be completed by the end of February each year. This would allow the Audit and Risk Committee to review the audit in March and the Board to consider the Committee's recommendation at its next meeting following the review by the Audit and Risk Committee.

**3.1f) Enterprise Risk Management**

The Board reviewed and discussed the updated Risk Register and Top 10 Risk Summary.

**3.2 Finance Committee Report**

**3.2 b) and c) 2017 ad 2018 Financial Reports**

The Chair of the Finance Committee reported on the Committee's discussions regarding the 2017 and 2018 Financial Reports and Financial Management and Controls Policy.

A question was asked about whether the Authority had any GIC Investments at this time. The Sr. Financial Analyst informed the Board that The Authority does not.

**3.2d) Operating Cash Flow**

The Chair of the Finance Committee stated that the organization is currently on track with the 2018 budget and noted the updates in the operating cash flow. Payroll for the organization is under budget due to the timing of hiring. The organization is currently undertaking a compensation study which will be presented in June to the Human Resources Committee and Board.



### **3.2e) Bank Facilities Update**

The CEO informed the Board that the Term Sheet was executed.

### **3.2f) Policy Review Staff Report**

The Chair of the Finance Committee explained that the draft Financial Management and Controls Policy was updated to reflect the Committee's discussions. The Finance Committee will forward the revised Financial Management and Controls Policy, Procurement Policy and Business Expense Policy following the Board's consideration of changes to the General By-Law at the June 21, 2018 Board meeting.

## **3.3 Governance Committee Report**

### **3.3b) Revised General By-Law Section 12**

The Chair of the Governance Committee explained that the Committee recommends changes to the General By-law sections 12.1 and 12.2 to accommodate proposed revisions to the Financial Management and Controls Policy. It was noted that the proposed changes must be shared with the Ministry before final approval by the Board scheduled for the June 21, 2018 Board meeting. It was discussed that the revisions will provide flexibility for the Board to designate signatories by Board resolution.

After discussion, the Board unanimously recommended that the proposed by-law changes be shared with the Ministry.

## **3.4 IFO Wind Up Ad Hoc Committee Report**

The Chair of the IFO Wind up Ad Hoc Committee reported on the Committee's discussions regarding the OTS Wind Up Plan, WEEE Wind Up, MHSW Wind Up and review of the Interim Wind Up Guide.

### **3.4b) Implementation of OTS Wind Up Plan – RPRA Terms and Conditions for Release of TreadMarks**

The CEO and Director of Transition identified the main objectives that informed the proposed direction regarding the TreadMarks IT system, including that it be made available to any participant in the tire recovery market in Ontario on the same terms, that users not be allowed to re-sell it, and that any agreements with users respect any third-party licenses relating to the software

The Board discussed implications of OTS ownership of the source code and documentation for the TreadMarks software, noting that the manner in which the software will be administered after OTS' wind up will be determined later this year. The proposed direction to OTS would limit use of the software in a



number of ways. There was further discussion about how the TreadMarks system may be used in the future in other jurisdictions or for other resource recovery material systems, noting that this decision will be made at a later date.

Risks related to allowing broad use of the software were discussed. It was also discussed that the proposed direction would require OTS to draft a license agreement for the TreadMarks IT software to be approved by the Authority.

**Motion:** Whereas Ontario Tire Stewardship (OTS) submitted a wind up plan for the Used Tires Program and OTS (“OTS Wind Up Plan”) to the Authority on November 30, 2017 as directed by the Minister of the Environment and Climate Change; and

Whereas, under s. 14(16) of the *Waste Diversion Transition Act, 2016*, approval of a wind up plan must be in writing and may include the conditions the Authority determines are appropriate; and

Whereas the Authority’s Board approved the OTS Wind Up Plan on March 22, 2018, with a number of conditions; and

Whereas one such condition was that OTS will make the TreadMarks IT system available to any party as directed by the Authority;

IT IS RESOLVED that the Board approve the following direction to OTS:

1. On request, OTS must provide the TreadMarks source code and supporting documentation to any producer, producer responsibility organization, or other person who performs an activity that relates to resource recovery or waste reduction in Ontario related to tires (“tire recovery market participants”), as designated under the Resource Recovery and Circular Economy Act, 2016 and the accompanying Tires Regulation.
2. OTS must offer the TreadMarks source code and supporting documentation on the same terms to all tire recovery market participants.
3. Tire recovery market participants must agree to use the TreadMarks source code and documentation solely in connection with performing an activity that relates to resource recovery or waste reduction for tires in Ontario.
4. Tire recovery market participants may be authorized to make available copies of the TreadMarks computer program or modified versions of it, but only (a) to other tire recovery market participants for the purpose of performing an activity that relates to resource recovery or waste reduction for tires in Ontario, (b) for the purpose of allowing those participants access to the TreadMarks IT system or modified versions of it, and (c) without charge.
5. Any authorization by OTS to make the TreadMarks source code and supporting documentation available to tire recovery market participants must comply and be consistent with OTS’ rights



and obligations under any licensing arrangements with third parties.

6. OTS must provide the Authority with a final draft of the term sheet or agreement it intends to use to authorize the use of the TreadMarks source code and supporting documentation by tire recovery market participants, for review and approval by the Authority's Chief Executive Officer.
7. OTS must notify the Authority of every party that has been provided with the TreadMarks source code and/or supporting documentation within 15 days of the source code and/or documentation being provided.

**It was duly Moved, Seconded and Carried.**

#### **3.4c) WEEE Wind Up**

The CEO informed the Board of the potential conflict of interest concern related to the preparation of the WEEE Wind Up Plan arising from cross membership on the Boards of Ontario Electronic Stewardship (OES) and Electronic Product Recycling Association (EPRA), as well as a service agreement between OES and EPRA.

The CEO advised that numerous conversations with OES and EPRA have taken place on the nature of the conflict of interest concern and potential measures to address it. OES has reported that it is developing proposed measures to address the concern for discussion with the Authority. Authority staff have advised OES that work or consultation on the Wind Up Plan should not occur until the potential conflict of interest has been addressed.

#### **3.4d) MHSW Wind Up**

The CEO informed the Board that the Board Chair, the CEO and the Director, Transition plan to meet with the Board Chair of Stewardship Ontario and staff at the Canadian Stewardship Services Alliance Inc. to review the Minister's direction letter and discuss steps Stewardship Ontario could take to comply with the Minister's direction regarding real, potential or apparent conflict.

#### **3.4e) Review of Interim Wind Up Guide**

The Interim Wind Up Guide was approved by the Board at the July 24, 2017 Board meeting. When the Board approved the Interim Wind Up Guide, it was noted that it would be reviewed following consideration of the OTS Wind Up Plan.

RPRA staff have reviewed the Wind Up Guide to integrate lessons learned during development of the Used Tires Wind Up Plan and to ensure consistency with the WEEE and MHSW wind up direction.

The majority of the revisions were administrative in nature. The language in section 13.2 Conflict of Interest was modified to mirror the language used in the Minister's letter.



**Motion:** Whereas any changes to the Wind Up Guide's Guiding Principles are subject to review by the IFO Wind Up Ad Hoc Committee and approval by the Board; and

Whereas the IFO Wind Up Ad Hoc Committee has reviewed the proposed changes to the Guide's Guiding Principle # 7 Independence and Professionalism;

IT IS RESOLVED that the Board approve the revision to Guiding Principle # 7 Independence and Professionalism to reference the prevention of any real, potential or apparent conflict of interest during development and implementation of a wind up plan.

**It was duly Moved, Seconded and Carried.**

#### **4.0 Final 2017 Annual Report**

The Director of Communications and Stakeholder Relations presented a revised draft 2017 Annual Report. The Report will be submitted to the Minister by June 1, 2018.

Board members were pleased with the design and content of the report.

**Motion:** Whereas S. 44 (3) of the *Resource Recovery and Circular Economy Act, 2016*, S.6 (2) of the *Waste Diversion Transition Act, 2016* and S. 9 (3-6) and Schedule A of the Transitional Operating Agreement outline requirements for the Authority to submit an Annual Report covering the previous fiscal year by June 1<sup>st</sup>; and

Whereas the Board has approved the Audited Financial Statements for 2017; and

Whereas the Board has reviewed the draft Final 2017 Annual Report; and

Whereas the Ministry was provided the draft 2017 Annual Report for review 45 days in advance of the May 16 Board Meeting;

IT IS RESOLVED that the Board approves the 2017 Annual Report subject to final edits for submission to the Minister by June 1<sup>st</sup>.

**It was duly Moved, Seconded and Carried.**

#### **5.0 2019 Business Plan Outline/Assumptions**

The CEO presented the 2019-2021 Business Plan outline, assumptions and timeline for the Board's input prior to preparation of a draft Business Plan for review at the August Board meeting. The final approved 2019-2021 Business Plan is due to the Minister on October 1, 2018.



Based on available information and discussions to date, staff recommend no changes, at this time, to the five Strategic Priorities established in 2018. Some changes to objectives are recommended. The CEO noted that the performance measures may evolve as the Business Plan is developed for Board review in August.

The Board inquired if the Amended Blue Box Program Plan would be a priority for 2019-2021. The Board Chair remarked that the future of the initiative remained uncertain.

The Board supported the approach to priorities and objectives proposed by staff and noted the importance of the Business Plan as a means of communicating the Authority's activities to stakeholders and the public.

## **6.0 Registrar Report**

The Registrar provided a status update on the Registry. A Registry web landing page has been developed and several e-blasts have been sent out. Staff are currently in the process of developing FAQs.

Training sessions for Registry and Compliance Officers continue. The soft launch of the Registry is scheduled for mid June to allow PROs to register prior to registration by producers. Staff are aware of four parties that are considering being a PRO for tire producers.

The Registrar was asked about risks associated with the Registry going live. The Registrar informed the Board that his primary concern is how best to communicate with the various obligated parties and ensuring these parties understand what they need to do once the Registry is available.

## **7.0 CEO Report**

The CEO provided an update on recent announcements made by the Authority related to the approval of the Used Tire Program Wind Up Plan and the Registry.

Staff will present a comprehensive Stakeholder Engagement and Communications Strategy to the Board at the June Board meeting.

An update was provided on the 2018 hiring strategy, noting that hiring is on track and the CEO is pleased with the skills and capability of the individuals onboarded.

## **8.0 Other Business**

The Board inquired about a keynote speaker at the June 21, 2018 AGM. It was noted that the Minister of the Environment and Climate Change presented at the 2017 AGM but, given the timing of the provincial election, a representative from the Ministry would not be available for the 2018 AGM.





Additional discussion ensued about the content of the Chair, CEO and Registrar remarks for the AGM

**9.0 In Camera Session**

**Motion:** To move In Camera.

**It was duly Moved, Seconded and Carried.**

**Motion:** To move out of In Camera.

**It was duly Moved, Seconded and Carried.**

**10.0 Adjournment**

The meeting was adjourned at 12:34p.m.

Glenda Gies

Joyce Barretto

Chair

Corporate Secretary

