

**Board of Directors Meeting
Minutes – Approved**

DATE: Tuesday May 18, 2021	TIME: 10:02am – 3:35pm
Meeting conducted online	
<p>Chair: Robert Poirier Directors: Tom Wright (Vice-Chair), Mary Shenstone (Secretary), Ken Kawall (Treasurer), Saqib Cheema, Tanweer Gilani, Andrea Nemtin, Rajesh Sharma, Jeffrey Steiner</p> <p>Guests: Christine Bomé Charles O’Hara Resource Recovery Policy Branch, MECP Gail Bergman, Chaplin and Co. Chartered Accounts [Agenda item 6.1]</p> <p>RPRA: Frank Denton, Noah Gitterman, Wilson Lee, Sandra Montague, John Pinard, Emily Rix</p> <p>Board Secretariat: Andrea Abraham</p>	

1.0 Call to Order

With a quorum present, the meeting was called to order at 10:02 a.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

Directors R. Poirier, T. Wright, K. Kawall and M. Shenstone declared potential conflicts under agenda item 6.3 d) Nominees for Appointment of Board Officers.

Directors R. Poirier and S. Cheema declared potential conflicts under agenda item 6.3 e) Expiry of Elected Director Terms.

Directors S. Cheema, K. Kawall, A. Nemtin and T. Wright declared potential conflicts under agenda item 6.3 g) Nominees for Board Committees and Committee Chairs.

2.0 Board 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.

3.0 CEO Report

The CEO presented his report, which focused on ministry updates, stakeholder engagement and staff updates.

4.0 Registrar Report

The Registrar provided an update on the Electrical and Electronic Equipment (EEE) program.

There was a discussion regarding stakeholder concerns about diversion performance under the new program.

There was a discussion about delivery risks. The Registrar informed the Board that staff are balancing pressure to deliver and onboard new staff while maintaining the culture of the compliance team.

5.0 Consent Items

There was a discussion on a letter received from AMO, OWMA and the City of Toronto regarding performance reporting under the RRCEA programs.

The Board requested an amendment to the March 26, 2021, minutes.

Motion: IT IS RESOLVED:

That the Board of Directors approve the following minutes as amended:

- 5.1 Minutes of the March 26, 2021 Board Meeting

That the Board receive the remaining consent items:

- 5.2 Business Arising
- 5.3 Correspondence
- 5.4 Audit and Risk Committee Report Information Items
 - a) Minutes of the December 7, 2020 Meeting
 - b) Business Continuity Plan
- 5.5 Finance and Technology Committee Report Information Items
 - a) Minutes of the March 26 Meeting



- b) Q4. 2020 Review Board Remuneration and Board/CEO Expense Claims
- c) Q4. 2020 YTD/Variance Analysis
- d) Q4. 2020 Registry Expenditure Report
- e) Fees Pre-Meeting Discussion

- 5.6 Governance Committee Report Information Items
 - a) Minutes of the January 20, 2021 Meeting
 - b) Chair Report – ICD Session: How Does Good Governance Evolve through the Transition to Post-Pandemic Life in the Not-for-Profit Sector?
 - c) Update Skills Matrix
 - d) Registrar Reporting Protocol Annual Review
 - e) Delegation of Authority Policy

- 5.7 Human Resources Committee Report Information Items
 - a) Minutes of January 18, 2021 Meeting
 - b) HR Performance Report

It was duly Moved, Seconded and Carried.

6.0 Board Committee Reports

6.1 Audit and Risk Committee Report

- a) 2020 Audit and Financial Statements
 - i) Presentation of Auditor's Report
 - ii) 2020 Audit Findings Letter (Management Letter)
 - iii) 2020 Audited Financial Statements
 - iv) Chaplin & Co Representation Letter December 2020

The Audit and Risk Committee Chair welcomed G. Bergman, the Auditor with Chaplin & Co Chartered Accountants, to the meeting and summarized the Committee's discussion of the Auditor's Report and the Audited Financial Statements.

Ms. Bergman presented her report. The Board discussed the report.

The Treasurer noted that, as in the past years, he was invited to sit in on the Audit and Risk Committee's discussion of the Auditor's Report, and that he had no concerns with the auditor's findings or the Committee's recommendations.

The Board Chair informed Members that the motion to approve the 2020 Financial Statements would be considered at the Annual Meeting of the Board.

Motion:

IT IS RESOLVED that the Board authorizes the execution of the required documents relating to the financial statements and the independent audit by the Board Chair, Treasurer, Audit and Risk Committee Chair, and CEO, as applicable.

It was duly Moved, Seconded and Carried.

b) Enterprise Risk Management

The Audit and Risk Committee Chair summarized the Committee's discussion regarding the process proposed by Management to assign risks to the various committees and the request to defer the plan to strengthening the ERM process until 2022.

The CFAO informed the Board that the following committees reviewed their risks: Human Resources Committee, Governance Committee, and Finance and Technology Committee. At the next regularly scheduled meetings the committees will focus on mitigation measures related to those risks.

6.2 Finance and Technology Committee Report

a) Enterprise Risk Management – Risk assigned to Finance and Technology Committee

The Finance and Technology Committee Chair summarized the Committee's discussion on the risks assigned to the committee and how it will fulfill this responsibility. The Committee was supportive of the approach proposed by management and will focus on mitigation measures related to those risks at its next meeting.

b) Approval of 2021 RRCEA Fees for Tires, EEE and Batteries

The Finance and Technology Committee Chair presented the Committee's recommendation to approve the 2021 RRCEA Fees for Tires, EEE and Batteries.

The Finance and Technology Committee Chair summarized the Committee's discussions and recommendation, including its discussion of stakeholder concerns related to fixed fees, deficits and surplus from prior years, and having to pay 2021 fees soon after 2020 fees were paid. The Board discussed the Committee's recommendation. There was also a discussion about how to better communicate the Authority's fee decision, including the accompanying consultation report, to provide additional clarity and transparency, and help address some stakeholder concerns.

There was also a discussion about phase 2 of the 2021 fee consultation, and the impact of the anticipated timing of the release of new Blue Box and Hazardous and Special Products regulations on that consultation.

Motion

BE IT RESOLVED that the following 2021 Registry Fee Schedule for Tires, batteries and electronics is approved by the Board.

Material Group	Registrant	Proposed 2021 Registry Fees
Tires	Producer: 0-999 tires supplied	\$75 Flat Fee
	Producer: 1,000+ tires supplied	\$0.135 (13.5¢) per tire supplied*
EEE and Batteries	Producer: <ul style="list-style-type: none"> • 6360 kg or less of ITT/AV supplied, or • 6250 kg or less of batteries supplied 	\$75 Flat Fee
	Producer: <ul style="list-style-type: none"> • > 6360 kg of ITT/AV, or • > 6250 kg of batteries supplied 	\$0.04 (4.0¢) per kg supplied**

*The number of tires supplied is based on a rolling average of three years (2017-2019 for 2021 fees) of data required to be submitted by producers under the Tires Regulation.

**The kg supplied for EEE is based on the average of the 2018 and 2019 supply data required to be submitted by producers under the Electrical and Electronic Equipment Regulation, net of the number of kg that the producer is permitted to count toward a reduction in the management requirement under the regulation. The kg supplied for batteries is based on an average of 2018, 2019, and 2020 supply data required to be submitted by single-use battery producers and 2018 and 2019 data required to be submitted by rechargeable battery producers under the Batteries Regulation, net of the number of kg that the producer is permitted to count toward a reduction in the management requirement under the regulation.

Fee payment timeline

When producers register on the Registry, fees will be automatically calculated. Fees are due based on the terms of the invoice.

Other charges and fees

The Authority will levy other charges as follows:

- A monthly 1.5% late payment fee as a percentage of the fee value
- Ministry of the Environment, Conservation and Parks costs associated with Environmental Review Tribunal hearings resulting from the appeal of compliance orders and administrative penalty orders from affected parties
- Prosecution costs directly from affected parties

It was duly Moved, Seconded and Carried.

6.3 Governance Committee Report

a) Enterprise Risk Management – Risks assigned to Governance Committee

The Governance Committee Chair summarized the Committee's discussion on the risks assigned to the committee and how it will fulfill this responsibility. The Committee was supportive of the approach proposed by Management and will focus on mitigation measures for those risks at its next meeting.

b) Board 2021 Evaluation

The Governance Committee Chair presented the Committee's recommendation on the 2021 Board evaluation. The Committee Chair reminded members that under the Operating Agreement there is a requirement to conduct Individual Board Director evaluations as well as a full board evaluation in 2021.

The Board discussed the proposed options and agreed that a process with third party support would be best. The Committee Chair will consider options and report back at a future Board meeting.

c) Documented Process for Annual Appointment of Committee Chairs, Members, Board Chair and Vice-Chair

The Governance Committee Chair presented the report and the Committee's recommendation. He informed the Board that 2021 would be a transition year and the proposed new process would commence in 2022.

The Board discussed amending the Terms of Office as outlined in the By-law, to allow the Chair and Vice Chair to be appointed for two-year terms. For clarity, a motion to appoint the Chair and Vice Chair for a two-year can only take place after the By-law is amended with the first instance likely in May 2022.

Motion

The Committee recommends the Board approve the following motions:

IT IS RESOLVED THAT the following proposed by-law change be shared with the Ministry:

9.2 Term of Office

The Chair and Vice-Chair shall hold office until the second Annual Meeting following their appointment. All other Officers shall hold office until the next Annual Meeting following their appointment, provided that any Officer who is an employee of the Authority shall hold office so long as they are employed by the Authority, or until they are removed as an Officer by the Board.

IT IS RESOLVED THAT the Board approves the proposed approaches to Officer and Committee appointments, as recommended by the Governance Committee.

It was duly Moved, Seconded and Carried.

d) Nominees for Appointment of Board Officers

Board Directors R. Poirier, T. Wright, K. Kawall and M. Shenstone declared a potential conflict of interest relating to their appointments. The Board discussed the potential conflict and determined to proceed with the discussion with the four Directors present.

The Governance Committee Chair presented the Committee's recommendations regarding the appointment of Board officers for the next year.

The Board discussed the process for appointing Board Officers and the Governance Committee's recommendations. All four recommended appointees were interested in retaining their appointments for another year, when a new appointment process would be implemented.

The Committee Chair informed Members that the motion to appoint Board Officers would be considered at the Annual Meeting of the Board.

e) Expiry of Elected Director Terms

Board Directors R. Poirier and S. Cheema declared a potential conflict of interest. The Board discussed the potential conflict and determined to proceed with the discussion with the two Board Directors present.

The Governance Committee Chair presented the report on Expiry of Elected Director Terms and the Committee's recommendation to update the term limits in the Authority's by-law to match the limits set out in the Operating Agreement. The Committee discussed the decision on re-electing directors be made after the proposed by-law changes relating to director term limits are considered.

The Board discussed the proposed by-law changes.

Motion:

The Committee recommends that the Board approve the following motion:

IT IS RESOLVED that a proposed by-law change, making the director term limits in the by-law the same as the director term limits in the Operating Agreement, be shared with the Ministry.

It was duly Moved, Seconded and Carried.

f) Board Member Remuneration

The Board Chair presented the report on Board Member Remuneration and the Committee's recommendation to update how Board members are remunerated for meeting preparation, and to clarify that Board members can be remunerated for attending Committee meetings even if they are not a member of that meeting.

The Board discussed the proposed changes to how Board members are remunerated.

Motion

The Committee recommends that the Board approve the following motions:

IT IS RESOLVED that a proposed by-law change, clarifying that directors are eligible for remuneration, when they are invited to attend Committee, even if they are not members of the Committee, be shared with the Ministry; and

IT IS RESOLVED that management are directed to update the Director Remuneration Policy and Administration of Director Remuneration Policy, as necessary, to reflect the Board's discussion relating to meeting preparation time and board education.

It was duly Moved, Seconded and Carried.

g) Nominees for Board Committees and Committee Chairs

C. Bomé, S. Cheema, K. Kawall, A. Nemtin and T. Wright declared a potential conflict of interest. The Board discussed the potential conflict and determined to proceed with the discussion with the five individuals present.

The Committee Chair informed Members that the motion to appoint nominees for Board Committees and Committee Chair positions would be considered at the Annual Meeting of the Board.

The Governance Committee Chair presented the Committee's recommendations regarding the appointment of Committee Members and Committee Chairs for the next year.

The Board discussed the proposed composition of the Committees and the rationale for members participating on more than one committee.

There was a discussion of the WDTA Transition and Oversight Committee and how long it would continue to operate. The CEO informed the Board that this committee would continue to operate until the Blue Box Program fully transitions, and there are no additional Blue Box steward obligations to approve, and no Wind up Plan amendments to approve.

6.4 Human Resources Committee Report

- a) Enterprise Risk Management – Risks assigned to the Human Resources Committee

The Human Resources Committee Chair summarized the Committee's discussion on the risks assigned to the committee and how it will fulfill this responsibility. The Committee was supportive of the approach proposed by Management and will focus on mitigation measures for those risks at its next meeting.

7.0 Draft Final 2020 Annual Report

The Board Chair presented the Draft Final 2020 Annual Report for approval. The Board discussed the report. The Chief of Communications & Stakeholder Relations commented that Board members had until Friday May 21, 2021 to submit final edits.

Board members suggested edits for the purposes and clarity.

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 Operating Agreement outline requirements for the Authority to submit an Annual Report covering the previous fiscal year by June 1st; and

Whereas the Ministry was provided the draft 2020 Annual Report for review 6 weeks in advance of the May 18 Board Meeting;;

Be it resolved that the Board approves the Final 2020 Annual Report, subject to revisions arising from final comments, and to include the Audited Financial Statements Approved by the Board, for submission to the Minister by June 1st and for public posting on the Authority's website.

It was duly Moved, Seconded and Carried.

8.0 Other Business

No new business was brought forward for discussion.

9.0 In Camera Discussion

Motion: To move In Camera.

It was duly Moved, Seconded and Carried.

The Board requested that the following record of in camera activities be added to the public minutes. The CEO, Registrar, CFAO and Board Secretariat were present for agenda items 9.1 a) and 9.1 b) and 9.3 a).

9.1 Human Resources Committee Report (With Staff)

- a) HR Policies Review
 - i. HR Policy Manual
 - ii. Compensation Policy
 - iii. Performance Management Framework

The Board received and discussed the report on the HR Policies Review, including the recommended changes to the HR Policy Manual.

Motion

IT IS RESOLVED that the updated Human Resources Policy Manual be approved effective July 1, 2021.

It was duly Moved, Seconded and Carried.

- b) 2021 Compensation Review Update

The Board discussed the 2021 Compensation Review Update.

- c) Registrar Succession Update and Performance Criteria

The Board requested only the CEO and CFAO be present for this agenda item.

The Board discussed the Registrar Succession Update and Performance Criteria.

9.3 a) Appointment of Stewardship Ontario Administrator

The Board discussed that Stewardship Ontario has informed the Authority that its board intends to resign immediately after an anticipated Blue Box regulation under the Resource Recovery and Circular Economy Act is released. The Board discussed the need to appointment an administrator of Stewardship Ontario if the Board resigns, and the process for doing so. The Board agreed that a selection committee would be established, comprising Board members and management, to recommend to the Board an administrator of Stewardship Ontario for the purposes of section 43 of the Waste Diversion Transition Act, in the event the Stewardship Ontario board resigns.

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 3:35 p.m.

Robert Poirier

Mary Shenstone

Chair

Corporate Secretary