



**Board of Directors Meeting
Minutes – Approved**

DATE: Thursday, April 18, 2019	TIME: 9:00 a.m. – 3:50 p.m.
LOCATION: 4711 Yonge Street, Suite 408, Toronto Ontario	
Chair: Glenda Gies (Chair) Directors: Tom Wright (Vice Chair), Joyce Barretto (Secretary), Ken Kawall (Treasurer), David Brezer, Saqib Cheema, Andrea Nemtin, Robert Poirier, Rajesh Sharma, Mary Shenstone, Nidhi Tandon	
Guests: John Armiento, Resource Recovery Policy Branch, MECP Bruce Campbell, OTS Administrator (Item 3.0)	
RPRA: Frank Denton, Noah Gitterman, Wilson Lee, Pat Moran, Sandra Montague, John Pinard, Geoff Rathbone	
Board Secretariat: Andrea Abraham	

1.0 Call to Order

With a quorum present, the meeting was called to order at 9:00 a.m.

1.1 Adoption of the Agenda

A request was made to move item 15.0 Generative Discussion before the In Camera Discussion item 14.0.

Motion: To adopt the meeting agenda as amended.

It was duly Moved, Seconded and Carried.

1.2 Declaration of Real, Potential or Apparent Conflict of Interest

The Board Chair declared a conflict under item 14.8 Other In Camera Business, indicating she will excuse herself from the meeting and ask the Vice Chair to chair this portion of the agenda.

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 OTS Administrator Report

The OTS Administrator presented an update to the Board regarding wind up and the recent direction from the Minister to amend OTS's wind up plan to create a program to use OTS surplus funds for the benefit of consumers. The Administrator highlighted:

- Considerations for choosing which approach to take to benefit consumers
- Uncertainty regarding the CRA's decisions about ITC claims, which will affect the size of the final surplus
- The liquidator appointment process has been put on hold in light of the Minister's direction to amend the wind-up plan
- OTS's ongoing monitoring of a dispute between a major processor and its haulers
- Transfer of data from OTS to the Authority
- OTS's human resources capacity as wind up continues

Board members asked about OTS's human resources needs. The Administrator commented that human resource needs are dependent on the nature and timing of the consumer rebate program. Questions were asked about different options for the consumer rebate program and impacts on various elements of the tire sector.

Questions were asked about how to manage the uncertainty about the size of the final surplus due to ongoing discussions with the CRA. It was noted that OTS is not recommending a delay in consultations about the rebate program due to uncertainty. It was discussed that OTS should not rebate any surplus amounts for which there is uncertainty.

4.0 Board Chair Report

The Chair presented her report to the Board, including a discussion of recent correspondence. It was noted that the Board found the Chair's summary of developments in resource recovery markets to be very helpful.

5.0 CEO Report & Attestation

The CEO presented his report to the Board. The CEO highlighted:

- Timing of WEEE and MHSW wind ups
- The possibility of additional responsibilities being assigned to the Authority by the ministry
- The recent discussion paper released by the ministry, and its potential impacts on the Authority
- The Authority's capacity to meet the timelines expected by the ministry
- An update to the Authority's stakeholder engagement plan



The Board considered the timelines for WEEE and MHSW wind ups and questions were asked about ongoing uncertainty regarding ministry decisions. The Board discussed the Authority's capacity to take on additional responsibilities and staff efforts to reduce unnecessary burdens on the businesses it regulates.

6.0 Consent Items

Motion: IT IS RESOLVED:

1. That the Board of Directors approve the following minutes:
 - 6.1 Minutes of February 28, 2019 Board Meeting - APPROVED
 - 6.2 Minutes of April 4, 2019 Board Meeting - APPROVED

2. That the Board receive the remaining consent items:
 - 6.3 Business Arising
 - 6.4 Correspondence
 - 6.5 Audit and Risk Committee Report Information Item
 - a) Minutes of December 5, 2018
 - b) Appointment of Auditor
 - 6.6 Finance and Technology Committee Report Information Item
 - a) Minutes of January 21, 2019
 - b) 2018 Review Board Remuneration and Board/CEO Expense Claims
 - c) Quarterly Financial Reports - Draft December 2018 YTD/Variance Analysis
 - d) Investment Strategy for Excess Cash
 - 6.7 Human Resources Committee Report Information Item
 - a) Minutes of January 21, 2019
 - b) HR Performance Report
 - 6.8 IFO Wind Up Ad Hoc Committee Report Information Item
 - a) Minutes of February 20, 2019
 - b) Business Arising
 - c) Director of Transition Report
 - d) Committee Mandate and Workplan

It was duly Moved, Seconded and Carried.

7.0 Board Committee Reports

7.1 Audit and Risk Committee Report

The Chair of the Audit and Risk Committee discussed the Committee's meeting with the Auditor and its review of the draft 2018 financial statements. The Committee Chair highlighted that the Auditor found that the statements are in accordance with Canadian accounting standards for not-for-profit



organizations, and that the auditor received full support from staff. Items noted in the Auditor's findings letter have been addressed, except for a question about the tax treatment of certain transactions, which is a subject of ongoing discussion by the Committee. The Board asked questions about the tax matter, which were addressed by the Director of Legal Services. There was a discussion about how other regulatory authorities that have dealt with similar tax matters.

Motion

Whereas the Authority's finances are audited annually; and,

Whereas the Audit and Risk Committee and the Chair of the Finance and Technology Committee reviewed the Draft Audited 2018 Financial Statements and the Recommendations arising from the 2018 Audit with the Auditor duly appointed by the Board;

IT IS RESOLVED that the Board authorizes that the draft 2018 Audited Financial Statements and the accompanying notes and draft 2018 Auditor's Report accompany the draft 2018 Annual Report when submitted to the Ministry for review; and

Further, that the submission include an explanation of any outstanding matters that may impact the final Statements.

It was duly Moved, Seconded and Carried.

7.2 Finance and Technology Committee Report

The Chair of the Finance and Technology Committee presented his report to the Board. The Committee Chair provided an update on the Authority's financing strategy for upcoming Registry projects for new materials, including WEEE.

7.3 IFO Wind Up Ad Hoc Committee Report

The IFO Wind Up Ad Hoc Committee Chair presented her report to the Board. The Committee Chair noted that the Committee discussed various options for returning OTS surplus to tires consumers, and also focused its attention on what will happen to any residual funds that remain after the consumer rebate program is complete. It was discussed that any rebate program will likely leave some residual amounts that will need to be dealt with. The Director of Legal Services provided legal advice on options for distributing the residual amount.

Questions were asked about who will run the OTS rebate program, and staff noted that this has not yet been determined, but that multiple options are being considered.



8.0 Governance Committee Workplan: Report from Governance Committee Chair

The Chair of the Governance Committee presented an interim report to the Board on items that had been raised at the Board retreat in January. The Committee Chair noted that an update to the Authority's Regulatory Governance document would be considered at the next Governance Committee meeting, as well as a proposed Registrar's reporting protocol. Development of a Delegation of Authority protocol is being deferred to Q3.

9.0 Registrar Report

The Registrar presented his report to the Board. The Registrar highlighted that:

- There have been no major issues regarding 2019 tires registrations to date
- The Registrar is working with PROs to ensure compliance with the accessibility requirements for tires
- Timelines for winding up the WEEE and battery programs will affect the development of the Registry

The Board discussed the report.

10.0 MHSW Common Cost Allocation

The CEO introduced the item which arises from a request from the Stewardship Ontario (SO) Board Chair to modify the common cost allocation methodology in the MHSW Program Plan.

The Registrar provided background for the request to change the MHSW Program Plan, including communications with Stewardship Ontario regarding the matter. The Registrar explained that, as a result of stewards leaving the MHSW program to join industry stewardship plans, the application of the existing MHSW common cost allocation formula resulted in some stewards bearing disproportionate program costs, or in some MHSW material categories, bearing costs when there were no stewards left in the SO program. The Registrar explained why he recommends an earlier start date for adjustments to common cost allocations than the date requested by the SO Chair.

The Board discussed the proposed program change and the Director of Legal Services provided advice to the Board regarding the change. Questions were asked about the impact of the program change on stewards. Staff noted that as a result of MHSW Program surpluses, the change likely would not result in any invoices for payments or credits being issued to stewards. Questions were asked about the start date for adjusting allocations. The Registrar responded that the earlier start date ensures fairness for affected stewards in compliance with legislative requirements.

Motion:



IT IS RESOLVED that considering the request from the Chair of Stewardship Ontario, and on the recommendation of the Registrar, the common cost allocation methodology in Part III – Program Cost, section 7.0 of the Final Consolidated MHSW Program Plan – July 30, 2009, is amended so that those costs are allocated as follows:

- (a) 85% - split by material based on relative share of supply chain expense, and
- (b) 15% - split by material based on relative share of number of stewards,

and necessary adjustments are made to the program reserve fund based on this cost allocation method as of July 1, 2015, in compliance with the legislative requirements.

It was duly Moved, Seconded and Carried.

11.0 Draft Annual Report

The CEO presented a draft of the annual report to the Board. The Board discussed a recent change to the Ontario government's Agencies and Appointments Directive, which now directs that Annual Reports be produced without graphics or images. It was noted that, while not bound by the directive, the Authority operates in the spirit of government directives.

Motion:

Whereas Section 9.3(b) of the Transitional Operating Agreement requires the Authority to enable the Ministry to review and comment on the Authority's draft Annual Report by providing the Ministry with a copy of the report at least six weeks prior to final approval by the Board;

Be it resolved that the Authority formally provide the draft 2018 Annual Report to the Ministry for review and comment prior to consideration by the Board of the draft final 2018 Annual Report on May 16, 2019.

It was duly Moved, Seconded and Carried.

12.0 3 Year Business Plan – Strategic Priorities

The CEO presented a high level overview of the strategic priorities being incorporated into development of the 2020 - 2022 Business Plan, and the process for developing the plan. It was noted that developing the plan will be an iterative process, including additional feedback from the Finance and Technology Committee, the Board, and the Ministry. The CEO noted that business planning is occurring in a period of uncertainty regarding the programs for which the Authority will be responsible in the 2020 to 2022 planning period.

13.0 Other Business



No other business items were raised.

15.0 Generative Discussion – Minister’s Discussion Paper – J. Armiento

John Armiento presented the Ministry’s discussion paper *Reducing Litter and Waste in Our Communities: Discussion Paper*. The Board asked a number of questions including about potential future impacts on the Authority’s mandate and responsibilities.

14.0 In Camera Discussion

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.

16.0 Adjournment

The meeting was adjourned at 3:50 p.m.

Glenda Gies

Joyce Barretto

Chair

Corporate Secretary