

Resource Productivity & Recovery Authority
Board Meeting Minutes
Thursday, March 23, 2017 at 9:00 a.m.
4711 Yonge Street, Suite 1102, Toronto, Ontario

In Attendance:

Directors:

Joyce Barretto
David Brezer
Glenda Gies
Nidhi Tandon
Tom Wright

Guests:

Lisa Kingsmore, MOECC

Staff:

Michael Scott, CEO
Geoff Rathbone, Director of Operations
Sarrah Young, Board Secretariat
Laura Price, Communications Advisor

1. CALL TO ORDER

With a quorum present, the meeting was called to order at 1:02 p.m.

1.1. Adoption of the Agenda

The Chair noted that comments from the Minister on the bylaws had not been received, and items 4.2.2 and 4.2.3 would be deferred to the April 6 Board meeting.

Motion: To adopt the agenda as presented.

The motion was duly moved and seconded. Carried

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

None were declared.

1.3. Correspondence

Motion: To receive the correspondence items for information.

The motion was duly moved and seconded. Carried

2. APPROVAL OF MINUTES

2.1. Minutes of the February 23, 2017 Board Meeting.

Some editorial changes were noted.

Motion: To approve the minutes of February 23, 2017, as revised.

The motion was duly moved and seconded. Carried

3. BLUE BOX PROGRAM

3.1. SO Blue Box Fee Setting Methodology

Staff provided a summary of the process to revise the steward fee setting methodology, noting timelines. Discussions included the evolving tonne, contamination/comingling, and the effects/implications of changes to the methodology.

Staff noted that consultations had been completed in February and that the revised methodology is improved and better reflects the changing composition of Blue Box materials. Staff recommended Board approval of the methodology.

The Chair noted that the revised methodology had already been implemented in three other provinces.

Motion:

Whereas, Stewardship Ontario has requested a change to the Methodology for Calculating Stewardship Ontario Material Specific Fee Rates (the “fee setting methodology”) as outlined in the Blue Box Program Plan dated February 2003, as subsequently modified, and set out in Schedule A to the Program Agreement between Stewardship Ontario and RPRA (the “Program Agreement”);

And Whereas, Stewardship Ontario and RPRA have consulted on the change in the fee setting methodology in accordance with Section 12(2) of the Waste Diversion Transition Act;

And Whereas, pursuant to clause 3.5 (iii) of the Program Agreement, a change in the fee setting methodology is a material change requiring the approval of the Minister pursuant to Section 12 of the Waste Diversion Transition Act, 2016;

Be it therefore resolved that:

- 1) RPRA approves replacing the fee setting methodology in the Program Agreement with the new methodology, as set out in the ‘New Methodology for Setting Blue Box Steward Fees’;**
- 2) The Program Agreement be revised by deleting the text following the heading “Methodology for Calculating Stewardship Ontario Material Specific Fee Rates” in Schedule A and inserting the new fee**

setting methodology in the attachment to this Motion; and

3) RPRA deliver the amendment to the Program Agreement referred to above to the Minister of the Environment and Climate Change for review and approval as a material change pursuant to Section 12 of the Waste Diversion Transition Act, 2016.

The motion was duly moved and seconded. Carried

4. BOARD COMMITTEE REPORTS

4.1. Human Resources and Nominations Committee

The Board was updated on timelines and hiring process for senior positions.

4.2. Governance Committee

4.2.1. Whistle-blower Policy

The draft policy was reviewed and discussed. Several edits and corrections to the policy were noted.

Motion: To approve the Whistleblower Policy with revisions noted.

The motion was duly moved and seconded. Carried

4.2.2. Bylaw 2017-1

This item was deferred.

4.2.3. Bylaw 2017-2 Code of Conduct

This item was deferred.

4.3. Audit Committee

4.3.1. Draft Audited Financial Statements

The Chair of the Audit Committee reviewed the financial statements, and recommended Board approval.

The Chair also advised that an RFP for external auditing services would be issued in order for the Authority to be in a position to appoint an auditor at the annual meeting in June. A draft RFP would be reviewed at the next Audit Committee meeting, and will be presented to the Board at the April 6 Board meeting.

It was noted that the terms of reference for the Audit Committee would need to be updated to reflect the responsibilities arising from the Whistleblower Policy.

Motion:

To receive the January 1 to November, 2016 audited Financial Statements and the December 1 to December 31, 2016 audited Financial Statements;

To approve the January 1 to December 31, 2016 audited Financial Statements, segregated by the RRCEA and the WDTA;

To authorize execution of the required documents by the Board Chair, Audit Committee Chair, Secretary-Treasurer and CEO, as applicable; and

To include the January 1 to December 31, 2016 audited Financial Statements, segregated by the RRCEA and the WDTA, in the draft Annual Report to be provided to the Minister in accordance with the Transitional Operating Agreement.

The motion was duly moved and seconded. Carried

4.4. Finance Committee

4.4.1. Final Draft Registry RFP

Staff summarized the updated draft RFP, and noted the changes to reflect additional comments from the Fairness Monitor.

A concern was raised that the technical references to the website in the RFP may be misinterpreted given the references to the Registry in the Act. Staff were asked to update the RFP to avoid any misinterpretation.

Other revisions were noted, and clarification of some terms was provided.

Motion:

Whereas Finance Committee, the Independent IT Advisor, the Fairness Monitor and Legal have reviewed and provided comments on the draft RFP for procurement of services to implement the Registry;

Be it therefore resolved:

That the Board, subject to final discussion with the Chair, approve release of the RFP for the Registry, and that staff report back to the Board at the May 23, 2017 meeting with a recommended vendor(s).

The motion was duly moved and seconded. Carried

4.4.2. Administration of Director Remuneration Policy

The Board reviewed the policy.

Motion:

Whereas the Finance Committee has reviewed and is recommending approval of a policy that establishes the process for the administration of per diem remuneration;

Be It Therefore Resolved:

That the Board approve the RPRA Administration of Director Remuneration Policy.

The motion was duly moved and seconded. Carried

4.4.3. MoU Enforcement MOECC/RPRA

Staff summarized the changes to the revised MoU.

Some minor edits/corrections were noted.

The Board discussed the implications of changing the signatories, and determined to approve the MoU with minor corrections, and subject to resolution of signatories.

Motion:

Whereas the Finance Committee has reviewed and recommends approval of the MoU for the provision of investigation and enforcement services by the IEB of the MOECC to RPRA;

And whereas the MoU has been approved by the IEB of the MOECC;

Be It Therefore Resolved:

That the Board approves the MoU, with minor corrections, for the provision of investigation and enforcement services by the IEB of the MOECC for RPRA.

The motion was duly moved and seconded. Carried

4.5. Ad Hoc Committee re: Transitional Operating Agreement

4.5.1. Draft Transitional Operating Agreement

The Chair noted that, since distribution of the Board agenda package, the Ministry had proposed minor additional revisions. These revisions were subsequently forwarded to Legal for review and, together with comments from Legal, to the Ad Hoc Committee for their review.

The version distributed subsequent to the Board agenda package incorporates the Ministry's recent revisions and is recommended by the Ad Hoc Committee for approval by Board.

Motion:

Whereas the Authority must enter into an operating agreement with the Minister of the Environment and Climate Change as set out in Section 28 of the Resource Recovery and Circular Economy Act, 2016; and

Whereas the Ad Hoc Committee established by the Board to review the operating agreement recommends approval of the Transitional Operating Agreement with the Minister of the Environment and Climate Change;

Be It Therefore Resolved:

That the Board authorizes the Chair to execute the Transitional Operating Agreement and forward it to the Minister of the Environment and Climate Change.

The motion was duly moved and seconded. Carried

5. DRAFT 2017 BUSINESS PLAN

The CEO reviewed the timelines for submission of the draft 2017 Business Plan to the Minister, and encouraged the Board to submit comments by the end of March.

The Board was encouraged to review the draft Plan within the context of the Minister's direction regarding content of the Authority's first business plan.

The CEO noted that the draft Plan is based on the provisional 2017 budget approved by the Board.

A number of questions were raised and suggestions provided.

Staff was directed to expand the notes to the budget and forward a revised version of the document to the Board for review.

6. OTS FORENSIC INVESTIGATION UPDATE

The Board was updated on the Ernst & Young forensic investigation.

7. RPRA FEE SETTING – CONSULTATION PLAN

Staff noted that a RPRA fee policy is required so that fees can be collected from obligated parties as set out in Section 41 of the Resource Recovery and Circular Economy Act.

Staff discussed the timeframe for fee setting and noted that a draft fee policy would be brought to the May 23 Board meeting. The draft policy will address fee categories, integration with the Authority's budget process and reserve policy, and the process to repay the debt accumulated prior to recovery from future obligated parties.

8. CEO REPORT

The Board discussed the CEO Report.

9. OTHER BUSINESS

On behalf of Board, the Chair thanked Michael Scott for his support and assistance since proclamation of the Waste-Free Ontario Act.

10. IN-CAMERA DISCUSSION

Motion: To move In Camera.

The motion was duly moved and seconded. Carried

Motion: To move out of In Camera.

The motion was duly moved and seconded. Carried

11. ADJOURNMENT

The meeting was adjourned at 4:53 p.m.