

**NELSON & DISTRICT CREDIT UNION
ANNUAL GENERAL MEETING
APRIL 29, 2014
AGENDA**

- 7:00 pm** Call to Order
- Credentials Report
- Adoption of Rules of Order
- Appointment of Recording Secretary and Parliamentarian
- Adoption of Agenda
- Approval of April 17, 2013 Annual General Meeting Minutes
- Business Arising From the Minutes
- 7:15 pm** Report of the Chair, Board of Directors
- Report on the Board Committees
- Report of the Auditor, Presentation of Financial Statements
- Report of the Management
- Report on Labour \ Management Relations
- Question Period on Report of the Board of Directors, Management & Auditor
- Approval of the Auditor's Report
- Appointment of the Auditor
- 7:45 pm** New Business
- Presentation of Ordinary Resolution
- Announcement of Long Term Service
- Announce Board Election Results
- 8:00 pm** Guest Speaker
- Good and Welfare
- 8:30 pm** Adjournment
- Refreshments & Social

**NELSON & DISTRICT CREDIT UNION
62nd ANNUAL GENERAL MEETING
APRIL 17, 2013
MINUTES**

The 62nd Annual General Meeting of Nelson & District Credit Union (NDCU) was held at the Prestige Lakeside Resort, Nelson, on April 17, 2013.

CALL TO ORDER

John Malakoff, Chair, Board of Directors called the meeting to order at 7:08 pm.

CREDENTIALS REPORT

John Yowek, NDCU Controller declared a quorum was present with fifty five (55) members and eight (8) guests in attendance.

ADOPTION OF RULES OF ORDER

MOVED: GORDON PLAYER \ SECONDED \ CARRIED

MOTION: *That the Meeting Standing Rules of Order be adopted as circulated.*

APPOINTMENT OF RECORDING SECRETARY AND PARLIAMENTARIAN

Virginia Makaroff was appointed Recording Secretary.

Josh Smienk was appointed Parliamentarian.

ADOPTION OF AGENDA

MOVED: ANDY CHUTE \ SECONDED \ CARRIED

MOTION: *That the agenda be adopted as circulated.*

APPOINTMENT OF SCRUTINEER

Stefan Lehmann of Berg Lehmann was appointed to act as Scrutineer of the meeting.

INTRODUCTIONS

John Malakoff, Chair introduced the 2012 NDCU Board of Directors and provided a brief biography on each Director.

Directors in attendance:

John Edwards
Regina Day
Laureen Barker

Mark Martin
Gordon Player
Lorne Westnedge

Andy Chute
Colin McClure
John Malakoff

John Malakoff introduced guests:

Brent Tremblay, CEO
Forrest Drinnan, Chair, Board of Directors
Linda MacDermid, Director
Am Naqvi, Director
Sandy Thor-Larsen

Kootenay Savings Credit Union
Kootenay Savings Credit Union
Kootenay Savings Credit Union
Kootenay Savings Credit Union
Kootenay Insurance Services Ltd.

John Malakoff introduced Doug Stoddart, CEO.

APPROVAL OF APRIL 24, 2012 ANNUAL GENERAL MEETING MINUTES

No corrections to the minutes were received. John Malakoff declared the April 24, 2012 Annual General Meeting Minutes approved.

BUSINESS ARISING FROM THE MINUTES

There was no business arising from the Minutes.

REPORT OF THE CHAIR, BOARD OF DIRECTORS

John Malakoff advised the Report of the Chair, Board of Directors is presented in the 2012 Annual Report.

MOVED: ANDY CHUTE \ SECONDED \ CARRIED

MOTION: That the Report of Chair be adopted as presented.

REPORT ON THE BOARD COMMITTEES

John Malakoff reported that each year the Board of Directors reviews the purpose of each Committee, and when required, changes to the Committee's responsibilities, structure and Terms of Reference are proposed. Except for the 3 Committees (Audit, Conduct Review and Investment & Lending) that are mandated under Provincial legislation, the Board has the authority to add, change or eliminate Committees as needed. NDCU Directors' serve conscientiously on the various Board Committees and participate well in discussions at the Board Meetings.

John Malakoff provided a summary of the responsibilities, activities and major functions of each of the Board Committees:

Executive Committee
Investment & Lending Committee
Community & Member Relations

Nominating Committee
Governance Committee

Audit Committee
Conduct Review Committee

John Malakoff acknowledged the Board for their continued dedication, diligence and hard work. On behalf of the Board, he thanked the Staff and Management for their continued support, dedication and team effort in meeting the members' financial needs and making NDCU successful.

REPORT OF THE AUDITOR, PRESENTATION OF FINANCIAL STATEMENTS

Stefan Lehmann of the firm Berg Lehmann presented the Report of the Auditor for the year ended December 31, 2012. He advised that Berg Lehmann has audited the consolidated financial statements of NDCU which comprise the consolidated statements of financial position as at December 31, 2012, and the consolidated statements of comprehensive income, changes in members' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The financial statements have been approved by the Board of Directors.

Berg Lehmann, the external, independent auditors appointed by the membership, examined the financial statements of the Credit Union in accordance with Canadian generally accepted auditing standards. They have had full access to the Audit Committee of the Board. They report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nelson & District Credit Union as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT OF THE MANAGEMENT

Doug Stoddart, CEO reported on:

- **2012 Financial Results:**

The biggest financial challenge for NDCU continues to be the low interest rate environment. This impacts the Credit Union's financial margin. NDCU's financial margin has reduced by \$587,000. since December 31, 2008.

NDCU's bottom line has now reached a break-even point and operating expenses will need to be controlled very carefully, so as not to erode one of NDCU's financial strengths, which is our capital position. NDCU's largest expense is Salaries & Benefits, which increased by 5% the past year.

The break-even point has impacted NDCU 2012 Community & Investment Program contributions. In 2012, NDCU contributed \$158,118. to individuals, community groups and organizations. This is down significantly from the high point in 2009 when NDCU contributed \$318,433.

- **2012 Successes:**

NDCU successfully accomplished its' migration to CHIP payment technology in 2012 and converted NDCU membercards to CHIP compliant membercards.

A Mortgage Campaign was launched in November 2012 and NDCU grew \$6.9M in mortgages during the winter months.

NDCU youth membership (under the age of 28) is very impressive with 1751 members. NDCU must interact with this group to help define our future.

A key to future success is collaboration, whether with other Credit Unions, Co-operatives, other community groups or Government. In 2012, NDCU collaborated with East Kootenay Community Credit Union and Grand Forks District Savings Credit Union to form a company to deliver Wealth Management services to the membership.

- Future Challenges:

Due to the low interest rate environment, the Employees Pension Plan is underfunded. The estimate is an impact of 40% on the future cost of the Pension Plan for the next 10 years.

The Federal Budget eliminated a special tax rate enjoyed by Credit Unions. In addition, a change in the BC Government, may impact the BC Credit Union system with a new Corporate Capital Tax on retained earnings.

Increase in regulatory changes, implementation of new legislation and an increase in governance processes impact the Credit Union; as these changes come with a cost, but do not provide a revenue stream.

A major challenge is how members are doing their banking today, compared to 5 years ago, and how best to meet the banking needs of current and future members. The Board has established a Future Directions Committee comprised of Board Members, Management and Staff to look at our future in the year 2015 and beyond.

Doug Stoddart thanked the Board for their dedication to their Credit Union. He thanked the employees – “without you we are nothing!” And thanked the members – “without you we are not here!”

REPORT ON LABOUR \ MANAGEMENT RELATIONS

Candace Wolbaum, Manager Communications and Training delivered the report on Labour \ Management Relations. She reported that a joint committee of 4 Management delegates and 4 USW employee delegates meet regularly to discuss items that are brought to their attention from employees, managers as well as Articles within the Collective Agreement that need clarification and/or amendments.

Issues discussed at the Labour \ Management during 2012 include:

Job evaluation process

Vacation scheduling process

Cross-training program

Camera positioning

Part-time benefit calculation – Letter of Understanding has been signed

Bargaining Bisquick – a tool to be used to achieve productive and efficient contract negotiations

The current Collective Agreement expires on May 31, 2013 and dates have been set to begin the negotiations process. The Labour \ Management Committee looks forward to positive and productive negotiations and continued success within the Committee and the organization.

QUESTION PERIOD ON REPORT OF THE BOARD OF DIRECTORS, MANAGEMENT & AUDITOR

Mr. Alan Collier requested confirmation and an explanation on the Net Loss of \$23,935. as reported in the 2012 Annual Report.

The CEO confirmed that NDCU is reporting a Net Loss in 2012 of \$23,935. He referred to his earlier comments on the low interest rate environment and the impact to Financial Margin. Also, that NDCU's bottom line has now reached a break-even point. The CEO noted that the \$275,759. Other Comprehensive Income reported on the financial statement is an accounting entry for the re-evaluation of Autoplan licenses from Kootenay Insurance Services Ltd. (NDCU is a 1\3 owner).

Mr. Alan Collier provided positive comments on NDCU's 1751 youth memberships.

APPROVAL OF THE AUDITOR'S REPORT

MOVED: COLIN McCLURE \ SECONDED \ CARRIED

MOTION: That the Auditor's Report on the Nelson & District Credit Union 2012 financial statements be approved.

APPOINTMENT OF THE AUDITOR

MOVED: COLIN McCLURE \ SECONDED \ CARRIED

MOTION: That the firm Berg Lehmann be appointed Auditor for the 2013 financial year, and that the Board of Directors be hereby authorized to approve remuneration of the Auditor for the 2013 financial year.

NEW BUSINESS

There was no new business.

ANNOUNCEMENT OF LONG TERM SERVICE

Director Regina Day acknowledged the long term service of the following staff members:

Robert Boyd	Rossland Branch	5 years
Niva Harrison	Rossland Branch	5 years
Vivi Lindsay	Allard Insurance	10 years
Candace Wolbaum	Nelson Branch	10 years
Karlene Davidson	Nelson Branch	10 years
Elke O'Sullivan	Nelson Branch	15 years
Susan Tesoriere	East Shore Branch	20 years
Doug Stoddart	Nelson Branch	20 years
Nancy Sturtevant	Nelson Branch	20 years
Tera De Vuono	Nelson Branch	20 years

ANNOUNCE BOARD ELECTION RESULTS

Regina Day, Chair, Nominating Committee advised that in December 2012, the Nominating Committee provided a Call for Nominations Notice for three available positions to the Board of Directors. In-branch voting for one At Large Director position was held at all three branches on April 9, 10, and 11, 2013.

Regina Day announced the successful candidates:

Colin McClure	re-elected by acclamation as Nelson Director	3-year term
Michael Bancroft	elected by acclamation as Nelson Director	3-year term
Laureen Barker	elected as At Large Director	3-year term

Regina Day extended congratulations to the successful candidates. Regina Day thanked Robert Agnew and John Malakoff who ran for the At Large Director position.

GUEST SPEAKER

Tom Murray, Senior Manager introduced guest speakers: Russell Precious, Nelson Commons Project Manager and Deirdrie Lang, Kootenay Co-op General Manager.

An informative presentation was provided on the history of the Kootenay Co-op and on the Kootenay Co-op's initiative of the development of their Nelson Commons project in the downtown core of Nelson. Concept drawings on the residential component, commercial space for purchase and/or lease and civic space were presented. Updated information, progress reports and feedback surveys are available on the website: www.nelsoncommons.ca

J. Malakoff thanked Mr. Precious and Ms. Lang for providing the update on the Nelson Commons project to the members of NDCU.

GOOD AND WELFARE

Doug Stoddart conducted draws for doorprizes.

The Chair acknowledged Rick Loewen, who read a written statement from Jeff Bromley, Financial Secretary, USW Local 1- 405. Mr. Bromley sent his apologies that he was not able to attend the NDCU Annual General Meeting. He wrote that through consistent involvement and attendance at the Labour \ Management Meetings, much has been accomplished by the hard work of the Committee, and that the hard work will foster a good relationship between the parties. Negotiations are slated to begin in a few weeks and it is the goal of the Bargaining Committee to negotiate a fair deal for the USW members; and are hopeful that can and will be accomplished over the next six weeks. He congratulated both NDCU and the USW members who work at the Credit Union for the hard work they do in making the Credit Union successful.

Andy Chute, 1st Vice Chair provided a tribute to John Malakoff and expressed thanks to John Malakoff for his dedication to NDCU and his service as Chair of the Board of Directors. Andy Chute wished him the very best in his future endeavours. John Malakoff responded with his comments that it was an honour and privilege to serve as a Director of NDCU. He thanked the Directors, CEO, Management and Staff for their support over the past years.

Tom Atkins, Manager – Marketing & Relationship Development invited the members to view the displays provided by NDCU Community & Investment Program recipients: The Nelson Electric Tramway Society, Crawford Bay Elementary Secondary School and Osprey Community Foundation and the Nelson Commons display.

ADJOURNMENT

John Malakoff adjourned the meeting at 8:30 pm.

John Malakoff, Chair
Board of Directors