

MEETING RULES OF ORDER

1. Pursuant to Nelson & District Credit Union Rules (“the Rules”), Rule 5.3, the rules contained in the current edition of Robert’s Rules of Order Newly Revised – 11th Edition shall govern this meeting in all cases to which they are applicable and in which they are not inconsistent with the Rules and any special rules of order the Meeting may adopt.
2. A member wishing to introduce a motion or to speak shall rise, approach the microphone, address the Chair and await recognition before speaking. The member must announce their name each time they rise to speak.
3. Members shall have the right to speak a maximum of twice to any debateable motion for a maximum of two minutes each time, but shall only have the right to speak a second time so long as no member who has not yet spoken is seeking the floor. Amendments of speaking times shall be at the discretion of the Meeting upon adoption of a motion to limit or extend the limits of debate with a 2/3 vote.
4. Voting on motions shall be by show of hands and the Chair’s decision as to whether a motion is won or lost is final, unless immediately upon the decision of the Chair being declared, ten or more voting members then present by standing, demand a standing vote, whereupon the Chair shall again put the same question to the meeting to be decided by a count of those standing in favour of and against the motion. In the same event that the result of the standing vote is questioned by fifty or more voting members then present, or at the time in the discretion of the Chair, the Chair shall order that the matter before the meeting be determined by ballot, and the result of such ballot shall be final.
5. No vote by proxy shall be recognized or allowed.
6. The Chair shall appoint a committee of three to approve the minutes.
7. The Chair shall appoint all committees for the functioning of the meeting.
8. Mobile phones and pagers shall be silenced during the meetings. Video cameras and recording equipment, other than that approved by the Chair, shall not be permitted in the assembly hall.

NELSON & DISTRICT CREDIT UNION
ANNUAL GENERAL MEETING
APRIL 30, 2019
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 24, 2018 Annual General Meeting Minutes
- Business Arising Out of Minutes
- 7:15 pm** Report of the Chair, Board of Directors
- Report of the Management
- Presentation of Financial Statements
- Report of the Auditor
- Question Period on Report of the Board of Directors, Management & Auditor
- Approval of the Auditor's Report
- Report on the Board Committees
- Report on Labour \ Management Relations
- Announce Board Election Results
- Announce Special Resolution Results
- Appointment of the Auditor
- Unfinished Business
- Question Period
- 7:45 pm** New Business
- Question Period
- Announcement of Long Term Service
- Good and Welfare
- 8:00 pm** Adjournment

NELSON & DISTRICT CREDIT UNION
67th ANNUAL GENERAL MEETING
APRIL 24, 2018
MINUTES

The 67th Annual General Meeting of Nelson & District Credit Union (NDCU) was held at The Adventure Hotel, Nelson, on April 24, 2018.

CALL TO ORDER

Andy Chute, Chair, Board of Directors called the meeting to order at 7:04 pm.

CREDENTIALS REPORT

John Yowek, Controller, declared a quorum was present with forty-four (44) members and six (6) guests in attendance.

ADOPTION OF RULES OF ORDER

MOVED \ SECONDED \ CARRIED

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

APPOINTMENT OF RECORDING SECRETARY

Virginia Makaroff was appointed Recording Secretary.

APPOINTMENT OF PARLIAMENTARIAN

Ron Bogusz was appointed Parliamentarian.

ADOPTION OF AGENDA

MOVED \ SECONDED \ CARRIED

MOTION: That the Agenda be adopted as circulated.

APPOINTMENT OF SCRUTINEER

John Yowek, Controller, was appointed to act as Scrutineer of the meeting.

INTRODUCTIONS

Andy Chute introduced guests in attendance:

Rob Collins	Grant Thornton
Chris Gleimius	FICOM
Karen Kraan	FICOM
Dan Wack	Heritage Credit Union
Linda MacDermid	Kootenay Savings Credit Union
Am Naqvi	Kootenay Savings Credit Union

APPROVAL OF APRIL MAY 2, 2017 ANNUAL GENERAL MEETNG MINUTES

Hearing no corrections to the Minutes, Andy Chute, Chair, declared the May 2, 2017 Annual General Meeting Minutes hereby approved.

BUSINESS ARISING FROM THE MINUTES

There was no business arising from the Minutes.

REPORT OF THE CHAIR, BOARD OF DIRECTORS

Andy Chute, Chair, advised the Report of the Chair, Board of Directors is presented in the 2017 Annual Report.

MOVED \ SECONDED \ CARRIED

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

REPORT OF THE MANAGEMENT

Tom Murray, CEO, welcomed members and guests to the 2017 AGM.

Tom Murray was pleased to report NDCU's earnings for 2017 at \$1.1 Million, the best year of earnings since 2007, and a significant increase from 2016, which had a loss in earnings of (\$33,730.). T. Murray thanked the employees and the Board for their diligent work in reducing expenses in 2017.

Tom Murray advised that NDCU achieved loan growth of 9.5% and delinquency is at an all-time low of 0.04%. He extended his compliments to the Lending Staff and thanked the members for paying their loans. Assets grew by 2.5%.

Tom Murray commented that 2017 was a year of change internally for NDCU, and a "Back to Basics" theme was launched. He discussed the following initiatives:

Operations:

- A new Management Organizational Structure was implemented. The new structure moved from specific Branch Managers to a functional organization approach; whereby, a Lending Team or Member Service Team across all 3 branches reports to a Manager with skills and expertise in lending or member experience.
- Consistent policies and procedures were developed and put into practice.
- 2017 Employee Engagement Survey results were better than the 2016 results.
- Strategic Planning Session held September 2017 reaffirmed NDCU's 3 strategic priorities for 2018.

Technology:

- Introduction of ClickSwitch, a tool that makes it simple to change automatic debits and credits between institutions.
- Virtual Wealth, an online investing advisor.
- New ATMs.

Members and Community:

- Trusted Advisor Training commenced in early 2018, all employees are participating in the training program, and the goal of the program is to improve service and advice to NDCU members.
- Community Investment Program sponsorships in 2017 totalled \$80.k.
- NDCU employee, Tara Keirn, participated in the Canadian Co-operative Association's Credit Union Coaching Program in Ghana, where she spent 14 days providing hands-on coaching and mentorship to Credit Union Managers and Staff.
- NDCU Board and Management were actively involved in the due diligence process of Exploring Strength and Unity (ESU).

PRESENTATION OF FINANCIAL STATEMENTS

NDCU Condensed Consolidated Financial Statements are included in the 2017 Annual Report. The 2017 Consolidated Financial Statements were available at Registration, and each table has 2 copies of the 2017 Consolidated Financial Statements.

John Yowek, Controller, presented the 2017 Financial Statements:

- Assets increased to \$216.M from \$212.M
- Members' Loans increased to \$169.M from \$154.M
- Members' Deposits increased to \$198.M from \$195.M
- Financial Margin increased to \$5.2M from \$4.3M
- Total Comprehensive Income was \$1.1M from a loss of \$(33,730.)

REPORT OF THE AUDITOR

Rob Collins, Grant Thornton, read the Independent Auditors' Report as provided in the 2017 Consolidated Financial Statements.

Grant Thornton has audited the accompanying consolidated financial statements of NDCU, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statement of comprehensive income, consolidated statement of changes in members' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Grant Thornton conducted the audit in accordance with Canadian generally accepted auditing standards. They report, in their opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nelson & District Credit Union as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Rob Collins, Grant Thornton, noted that the consolidated financial statements for the Credit Union for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on these statements on March 1, 2017.

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

Michael Wicks asked for clarification on what is reported under Other Liabilities and under Other Income.

Colin McClure, Audit Committee Chair, responded that Other Liabilities is detailed in the NDCU Consolidated Financial Statement, Consolidated Statement of Financial position (page 4) and includes: Accounts Payable and Accrued Liabilities. Other Income is detailed in the NDCU Consolidated Financial Statement, Consolidated Statement of Comprehensive Income (page 5) and includes: Account Service Charges, Commissions and Other Income, Equity Investment Income, Foreign Exchange, Other Services and Investment Property Income.

Bonnie Baker provided comments that she is pleased with NDCU's financial results and increase in revenue; she requested information on how NDCU accomplished these results.

The CEO responded that in 2017 NDCU had a number of one-time events. One event was the repayment of Nelson Commons investment of \$230,000. Salaries and Benefits were reduced by \$150,000. as 4 employees that retired or moved on, were not replaced. NDCU's loan portfolio grew in 2017; loan interest revenue increased and this helped the bottom line and improved NDCU's performance.

Bonnie Baker thanked the Credit Union for eliminating the \$5.00 service fee to deposit a US Cheque to her account.

Michael Wicks requested that the CEO provide further comments on the new Functional Management organization structure.

The CEO provided commentary that NDCU's previous staffing and management structure was based on a model that has been in place at NDCU for 20 years. The new Functional Management model will better position NDCU for the changing financial services industry landscape, bring consistency to practices and procedures, and allow staff and management to develop specific expertise in the area of their business.

APPROVAL OF THE AUDITORS' REPORT

MOVED \ SECONDED \ CARRIED

MOTION: That the Auditors' Report and the Financial Statements for 2017 as presented be accepted.

REPORT ON THE BOARD COMMITTEES

Andy Chute, Chair, advised the written Report on the Board Committees is included with the member's AGM packages.

REPORT ON LABOUR \ MANAGEMENT RELATIONS

Candace Wolbaum, Senior Manager Human Resources, delivered the report on Labour \ Management Relations.

She reported that the goal of Labour \ Management Committee is to foster a relationship that is respectful and collaborative between NDCU and the United Steelworkers Local 1-405. The relationship continues to be positive, and any issues or concerns that arise are dealt with in a considerate manner. Last year the Committee met on 7 occasions.

Candace Wolbaum thanked the Committee members, leaders and employees for their continued commitment.

ANNOUNCE BOARD ELECTION RESULTS

Lorne Westnedge, Nominations Committee Chair, advised that in December 2017, the Nominations Committee provided a Call for Nominations Notice for 4 available positions to the Board of Directors. The closing date for the Call for Nominations was January 31, 2018. In-branch voting for 1 Nelson Area Representative position was held at the Nelson Branch on April 10, 11 and 12, 2018.

Lorne Westnedge, Nominations Committee Chair, announced the successful candidates:

Paula Kiss	elected as Nelson Area Representative	3-year term
John Edwards	re-elected by acclamation as East Shore Representative Area	3-year term
Karina Farr	re-elected by acclamation as Rossland Representative Area	3-year term
Michael Ramsey	elected by acclamation as Rossland Representative Area	1-year term

Lorne Westnedge thanked Greg Stacey who ran for the Nelson Representative Area position.

APPOINTMENT OF THE AUDITOR

MOVED \ SECONDED \ CARRIED

MOTION: That the firm Grant Thornton be appointed auditor for the 2018 financial year, and that the Board of Directors are authorized to approve the remuneration of the auditor for the 2018 financial year.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

There was no New Business.

ANNOUNCEMENT OF LONG TERM SERVICE

Director Lorne Westnedge acknowledged the long term service of the following employee:

Heather Gingras	Teller \ Member Service	Nelson Branch	5 years
Robert Boyd	Financial Services Officer	Rossland Branch	10 years
Karlene Davidson	Retail Loans Underwriter	Nelson Branch	15 years
Candace Wolbaum	Senior Manager, Human Resources	Nelson Branch	15 years
Elke O'Sullivan	Accounting Clerk	Nelson Branch	20 years
Nancy Sturtevant	Commercial Services Officer (Retired)	Nelson Branch	25 years
Susan Tesoriere	Manager, Member Experience	East Shore Branch	25 years
Tera Devuono	Accounting Supervisor	Nelson Branch	25 years

PRESENTATION ON EXPLORING STRENGTH AND UNITY

Andy Chute, Chair, delivered a Powerpoint Presentation on the Exploring Strength and Unity initiative.

The Board of Directors and Senior Leaders of Columbia Valley, Creston & District, East Kootenay Community, Grand Forks, Heritage, Kootenay Savings and Nelson & District Credit Unions are exploring the pros and cons of amalgamation. The seven Credit Unions have a long history of alliances and collaborations across the region.

There are a few key principles in place that all partners have agreed are paramount in the decision-making process: job security, local decision making and continued community investment. All of the partners involved are considered healthy and successful Credit Unions by their Boards. The goal is to leverage and build off existing partnerships, work with partners to keep things as local and regionalized as possible. The partners are exploring to understand the potential of amalgamation to a single regional operation, strong enough to innovate and lead the financial sector in our area for decades to come.

The concept was formed by a Group of 21 – 2 Board members and the CEO from each Credit Union. The Group 21 developed a Concept Paper which was accepted for further analysis by all 7 Credit Unions. Next, the Management Teams and Board members of all 7 Credit Unions began a thorough due diligence process. The results of the due diligence process are being used to develop the final Business Case for the combined Credit Union. The Board of Directors from each Credit Union will assess the Business Case, and determine if an amalgamation is fair to their Credit Union and stakeholders.

The Business Case will require a review and consent from the Regulator - Financial Institutions Commission of BC (FICOM). During this process, each partnering Credit Union will begin a formal consultation process with their members. Members will have the opportunity to learn more about the proposed new Credit union. The final stage of approval will be a vote by members of each participating Credit Union.

Defining hard timelines for this exploration project is a challenge; as amalgamations of seven or more partners is a very rare concept in Canada, and one that has not been seen in BC. The partners are committed to doing it right and are working closely with industry professionals, and government regulators to ensure the process is done properly.

It is expected that this entire process will continue through 2018. Members will be provided with adequate information and lead time regarding any potential membership vote.

Andy Chute introduced Director John Kortram and Director Michael Bancroft, NDCU's Board members on the Group 21. Directors Kortram and Bancroft welcomed input, comments and questions from the membership.

Director Kortram, Director Bancroft, and the Board Chair responded to questions and comments raised from the floor. Summarized as follows:

- Positive comments on the amalgamation of West Kootenay Credit Unions; however, caution was raised on the amalgamation with East Kootenay Credit Unions; concerns discussed: time change, distance and culture.
- Comments were shared – "Bigger is not Better"; ensure that there are no jobs losses; jobs remain local; NDCU Board to consider lessons learned from local amalgamations of Interior Health Services and School District #8. The NDCU Board will take these comments under advisement.
- Question was raised on the process if one or more Credit Unions choose not to proceed. Director Kortram explained that the Business Case is being developed with 7 Credit Unions, if a Credit Union(s) chooses not to proceed; the Business Case will need to be re-written with the Credit Unions that will proceed.
- Question was raised on what type of threats would cease if this amalgamation is approved. The Board Chair responded that the main benefit of the amalgamation is the reduction of duplication of services; specifically in IT, banking systems, external auditors, and regulatory compliance. The amalgamated Credit Union would be more efficient; able to provide better products and services to the members; and have the ability to distribute more funds to the communities \ community organizations.
- Favourable comments were provided on the Credit Unions coming together as equal partners in order to remain viable, and to provide competitive products, services and technology.
- The Board was reminded that the Credit Union is not a big business but a Co-operative; keeping the Co-operative principles are essential; comments were also shared that the Credit Union \ Co-operative system is stronger together.
- How does a member stay informed and up to date on the amalgamation process. Andy Chute, Chair advised that a website has been established for the most up to date and accurate information. The website is: www.exploringstrengthandunity.ca. The website will be updated as new information becomes available. The website has a Contact Us link for members to provide any ideas, issues questions or concerns.

Andy Chute, Chair thanked the members for their questions and input.

David L. Healey asked for details that necessitated the closure of the Nelson Branch ATM during evening hours.

The CEO reported that an automatic timer lock was installed on the Nelson Branch ATM door due to an increase in vestibule trespassing and vandalism. Management is monitoring the situation, and it is hoped that the overnight vestibule trespassing will cease with the approaching warmer weather, and the ATM will re-open during evening hours.

The CEO noted that the 2 Nelson ATMs are configured to dispense CDN \$50. and CDN \$20. from one ATM and CDN \$20 and CDN \$10. from the other ATM. Signage has been provided on each ATM.

GOOD AND WELFARE

Director Lorne Westnedge acknowledged the passing of Mary McMurray, previous NDCU Human Resources Manager from 1983 to 2005.

Director Lorne Westnedge thanked Andy Chute for his 12 years of service to the NDCU Board of Directors. Andy Chute chose not to seek re-election and will be stepping down from the NDCU Board. Director Westnedge wished Andy Chute well in his new career and future endeavours.

Andy Chute responded with his comments that it was an honour and privilege to serve as a Director of NDCU. He thanked the members, Directors, Management and Staff for their support over the years.

Tom Murray, CEO conducted draws for doorprizes.

A question was raised from the floor about additional questions.

Andy Chute, Chair asked the membership if they had additional questions.

Colleen Driscoll requested an update on the Global Payment MasterCard.

The CEO responded that the Global Payment MasterCard will work until February 2019. NDCU has a new relationship with credit card provider – Collabria. NDCU is seeking a Global Payment MasterCard replacement product with Collabria. NDCU will continue to provide communication and updates to the membership on credit card products.

David W. Clark voiced his concerns on NDCU's Director election process. He stated that he requested the telephone numbers of the candidates in order to speak with the candidates personally, and was not provided with the candidate's telephone number.

Andy Chute, Chair, responded to Mr. Clark, that NDCU's policy is not to provide the telephone numbers of the candidates. Candidate biographies are provided to NDCU membership via NDCU Dollars & Sense Newsletter – Election Edition. As per NDCU's Nominations Committee Campaigning Guidelines, each candidate supplies a maximum 250 word policy statement to the membership. Andy Chute, Chair advised he will speak with Mr. Clark after the meeting to discuss his concerns and input.

Jeff Bromley, Financial Secretary, USW Local 1- 405 congratulated the Credit Union on a very successful year. He extended congratulations to the USW members for their hard work in making the Credit Union successful. Mr. Bromley provided positive comments on the status of labour relations between NDCU and USW. He extended compliments on the new leadership at NDCU.

ADJOURNMENT

Andy Chute, Chair, adjourned the meeting at 8:39 pm.

2018 NDCU Board Committees Report
Submitted by Lorne Westnedge, Chair, Board of Directors

Nelson & District Credit Union's Board started the year with 8 Directors. In April, the vacant seat for the Rossland representative area was filled, and an election was held in the Nelson representative area to fill a seat that was not being filled by an incumbent. So, we had 9 directors after last year's annual meeting, but, unfortunately, 1 recently elected board member resigned part way through the year due to changes in personal circumstances. Directors also represent the East Shore and "at large" positions. In 2018 there were a total of 17 board meetings, 12 of these were "in person" and 5 were held by e-mail to make a decision on a specific issue.

Each Board member also served on a number of board committees, which met a total of 40 times, plus 23 times via e-mail.

In this year's Annual Report we have included a Corporate Governance Report which describes the role of each of our committees. As that report describes what each committee does, I will not repeat that here. I will simply name the committee and the board member who chairs it.

Audit Committee - chaired by Colin McClure

Conduct Review Committee - chaired by Michael Ramsey

Executive Committee - chaired by Lorne Westnedge

Governance Committee - chaired by Lauren Barker

Investment & Lending Committee - chaired by Michael Bancroft

Nominations Committee - chaired by John Edwards

Member Relations Committee - chaired by Karina Farr

Exploring Strength and Unity - this is a collaborative group made up of 6 credit unions in the Boundary, E. & W. Kootenays and Columbia areas, looking into the possibility of amalgamation into one regional credit union. NDCU's representatives on this group have been Michael Bancroft, John Kortram and our CEO, Tom Murray. Near the end of 2018 we named 3 directors to sit on the inaugural board. Those appointed to this board are Lauren Barker, Karina Farr and John Kortram.

Additionally, NDCU partners with other regional credit unions in a number of companies that provide specific services to our members. These are:

Kootenay Insurance Services Ltd. - NDCU Representative - Michael Ramsey

0948859 B.C. Ltd (MoneyWorks). - NDCU Representative - Lorne Westnedge

Kootenay Risk Services - This is a management run board. Our representative is Tom Murray, CEO.

The committees also have management resource persons assigned to support them. We are grateful for the knowledge and commitment that these people bring to these meetings.

Lorne Westnedge
Board Chair