



**CCEC**  
credit union

# 2020 Annual General Meeting

## February 5, 2020

### Agenda

1. Call to order
  2. Ascertainment of quorum, (35)
  3. Appointment of recording secretary (and parliamentarian)
  4. Approval of rules of order
  5. Adoption of Agenda
  6. Approval of minutes (Feb 6, 2019), business arising out of minutes
  7. Report of the directors and management
  8. Report of the credit committee
  9. Presentation of financial statements
  10. Report of the auditor and approval of auditor's report
  11. Appointment of auditor
  12. Elections, Board and Credit Committee
  13. Roger Inman Award
  14. Other Business
  15. Adjournment
- NEXT: Door Prizes

### Rules of Order

“The object of Rules of Order is to facilitate the smooth functioning of the assembly and to provide a firm basis for resolving questions of procedure that may arise.”

#### Debate

Speakers will address the Chair at all times and must be recognized before speaking. Upon recognition by the Chair, the speaker will state his or her name and, if representing an organization, the name of the organization. Only Members (including delegates) shall be entitled to the floor. No one may speak longer than two minutes at a time, or more than twice on the same question without permission of the Chair. All other speakers must obtain the permission of the Chair and then only to provide information.

#### Voting

Members may vote in accordance with the Rules of CCEC Credit Union. Voting shall be in one of the following manners: by show of hands, roll call, or secret ballot. The Chair may designate any of the methods used. All voting on elections shall be by secret ballot.

#### General Rules

Roberts Rules of Order, Newly Revised, shall govern the meeting in all cases to which they are applicable, not specifically provided for in these Rules of Order and the Rules of CCEC Credit Union.

**CCEC Credit Union AGM Minutes**  
**At Cafe Deux Soleils, 2096 Commercial Drive**  
**February 6, 2019**

**1. Call to Order, at 7:04pm**

- a. Marty Frost welcomed members and others in attendance to our 43rd Annual General Meeting. He acknowledged that the meeting was taking place on the traditional territory of the Coast Salish people.
- b. Special guests were acknowledged:
  - Debbie Bass of MNP, our auditor
  - Phil Moore formerly of GVC and longtime CU advocate and professional.
  - Jennifer Scott from Stabilization Central.
  - Richard Chen, Lillian Kuo and Charlene Loui-Ying from FICOM

**2. Ascertainment of Quorum, (35)**

- a. Marty asked the registration table for the number of members registered. 49 members in attendance confirmed. Quorum was ascertained.
- b. Marty then introduced the Board of Directors. In attendance were Jan, Michelle, Shannon, Helesia and Marty. Gilad was noted absent with regrets. Scott was in Australia.

**3. Appointment of Recording Secretary and Parliamentarian**

- a. Motion to appoint **Denis Flinn** as recording secretary. Moved by round of applause. Seconded. Approved with none opposed.
- b. Motion to appoint **Phil Moore** as parliamentarian. Moved by Shannon Daub. Seconded by Michelle Fortin. Approved with none opposed.

**4. Approval of Rules of Order**

- a. Marty drew attention to the information package distributed to all attendees for review of rules of order. No questions were put forward.
- b. Motion to adopt the rules of order as circulated. Moved by Willem Haan. Seconded by Don Berg. Approved with none opposed.

**5. Adoption of Agenda,**

- a. Marty presented the agenda for questions. None put forward.
- b. Motion to adopt agenda as circulated. Moved by Dennis McCrossan. Seconded by Doug Gook. Approved with none opposed.

6. **Approval of Minutes (Feb 7, 2018),**

- a. Marty presented the minutes of the previous AGM and opened the floor to questions, comments and proposed changes. None were put forward.
- b. Motion to approve minutes. Moved by Don Berg. Seconded by Shannon Daub. Approved with none opposed.
- c. It was subsequently noted there are two 13's on the agenda circulated.

7. **Report of the Directors and Management,**

- a. Marty drew specific note to the extensive work which has been done over the past year. He observed that it had been a challenging year with very good financial results. He reported that the board was now proceeding with a positive outlook.
- b. Ross Gentleman referenced some key points in the written report on the year ended September 30, 2018. Denis Flinn had come on as the Assistant GM, and Kirk McLardie had assumed the role of Manager, Branch Operations. Both have worked well in the transition. Terry Aske, Paul Coulter, Wendy, April - all in attendance - were thanked for their contributions. All staff have been instrumental in delivering a successful 2017-18.
- c. Attention was then drawn to the additional reports: Disclosure of our Board of Directors, the cost of governance, and other disclosures about our financial management.
- d. Special thanks was extended to Joanne for managing our logistics, member relations and all the incidentals which arise around the AGM.
- e. Marty then also took the opportunity to thank directors, credit committee members, and staff.
- f. Marty invited questions on the reports from the floor. None were put forward.
- g. Motion to accept the reports. Don Berg moved. Nat Marshik seconded. Carried. None opposed.

8. **Report of the Credit Committee**

- a. Marty invited Dennis to speak on behalf of the Credit Committee
- b. **Dennis McCrossan** presented the committee report. He acknowledged the committee members present.
- c. Marty opened the floor to comments and questions. Michelle Fortin expressed her appreciation for the quality and content of Dennis' report.
- d. Motion to accept the report. Moved by Regina. Seconded by Doug Gook. Approved with none opposed.

## 9. Presentation of Financial Statements

- a. Ross was invited by Marty to introduce the financial statements and highlight matters of importance.
- b. Ross noted the following highlights:
  - Our assets grew from \$48MM to \$56MM due primarily due to deposits. Roughly 16% growth - far in excess of the Credit Union system average; however, we were not in a position to make many loans due to capital restrictions.
  - Our financial margin was recovering, due to increasing market rates, and a larger asset pool.
  - Our income from member loans went up 29% yr to yr. Our financial margin was up 35%, and our other income went up by about 75% due to service fees from various accounts.
  - Last year's financial loss had placed us in a very precarious position. We have recovered from a \$727K loss in 2017 to \$525K in profit in 2018.
  - Ross also noted that since year end, we have further enhanced our capital position, and have a much stronger base; in our view the future is bright. Key components of the Capital Ratio are the retained earnings, and member share capital.
- c. Ross then invited Debbie to offer her audit opinion on the financial statements.

## 10. Report of the Auditor and Approval of Auditor's Report,

- a. Debbie Bass opened by noting the unqualified audit opinion. Statements are viewed as accurate and compliant with required accounting standards.
- b. The floor was opened to questions. Several were put forward about the nature of our assets, our emergency loan program, and loan impairment. These questions were answered by Ross and Denis. Once questions had been addressed, the floor was given back to Marty.
- c. Motion that the financial statements and the report of the auditor be accepted, and that the surplus be retained for the general purposes of the credit union. Moved by Michelle Fortin. Seconded by Donalda Greenwell-Baker. Approved with none opposing.

## 11. Appointment of Auditor

- a. Chair Marty reported the Board recommendation for re-appointment of MNP as auditor for the fiscal year ending September 30, 2019. Their familiarity with credit unions, and high standard of service were noted.

- b. Motion to appoint MNP as auditor for the fiscal year ending September 30, 2019, with the board authorized to set the fee. Moved by Dennis. Seconded by Regina. Approved with none opposing.

## 12. Elections, Board and Credit Committee

- a. Marty invited **Michelle Fortin** to assume the role of Chair to report for the Nominations Committee and to conduct elections. Michelle accepted.
- b. Michelle provided a report outlining:
- striking of the Nominations Committee
  - self-assessments performed by Board and Credit Committee
  - circulation of notices of vacancies in accordance with regulation.
  - Open houses at Cafe Deux Soleils in November and one at the branch in December.
  - invitation and acceptance by prospective directors to sit in on our January Board meeting.
- c. Michelle then moved on to outline the vacancies and nominations received for both Board & Credit Committee.
- 4 board vacancies with 5 running: Marty Frost, Drew Glover, Donalda Greenwell-Baker, Don Berg and Sven Biggs.
  - 3 Credit Committee vacancies with one running: Nat Marshik.

Committee report was then closed, and elections were started.

- d. Michelle began by clarifying the rules governing the elections, and then asked three times for nominations from the floor for board of directors. Seeing none nominations for the Board are closed.
- e. Michelle then asked three times for nominations from the floor for credit committee. On first call:
- Willem Haan was nominated from the floor by Regina.
  - Andy Miller was also nominated from the floor by Dennis.

No further nominees on second and third call. Nominations for the Credit Committee were closed.

- f. All nominees for Board and Credit Committee vacancies were confirmed members in good standing, and have no issues which may render them ineligible.
- g. Michelle noted that there are 3 nominees and 3 openings on the Credit Committee.

- h. Each Credit Committee candidate spoke briefly to the members. **Credit Committee nominees were welcomed by acclamation without vote: Nat Marshik, Willem Haan, and Andy Miller. Welcome!**
- i. Board nominees were each given a chance to speak to the membership.
- j. Michelle, as chair then directed members to vote by writing for their desired four (4) director candidates on the orange ballots. It was clarified a ballot must list four (4) candidates, or the ballot would be spoiled.
- k. Chair appointed **Debbie Bass and Dennis McCrossan** as scrutineers and ask them to collect and count the ballots.
- l. Michelle then returned the chair back to Marty with the proviso that she would report back to the meeting after the scrutineers have reported the ballot counts.

### 13. New Business - Special Resolutions

- a. Marty, as Chair, then asked Shannon Daub to assume the role of Chair to present the special resolutions.
- b. Shannon asked members to refer to the notice of resolutions to see the specific texts, noting 2/3 majority support needed to pass each special resolution. The option to vote by ballot was offered as an alternative to voting by show of hands if the meeting so directed. Show of hands was accepted. Phil Moore and Dennis McCrossan were appointed by the Chair to count the votes from the floor.
- c. **SR#1** – Shannon introduced and read the resolution in its entirety.

*SPECIAL RESOLUTION #1*

*WHEREAS the co-operative model of member-ownership gives consumers the right of ownership and the right to be a director or member of the credit committee;*

*AND WHEREAS employees have interests which may, from time to time, conflict with the interest of the general membership;*

*AND WHEREAS it is prudent and common among credit unions to preclude employees from being directors or credit committee members;*

**IT IS RESOLVED THAT** Rule 9.3 be amended by adding the following section after section 'b)' as an added criteria for ineligibility:

*c) is an employee of the Credit Union, a subsidiary of the Credit Union or an affiliated corporation of the Credit Union.*

Moved: Helesia. Seconded: Donalda.

- Concerns were raised about a conflict between this rule amendment and rules 5.4 and 7.3. This was noted as a valid concern worthy of further review.
- The membership engaged the resolution with many comments and questions. Shannon and Ross offered responses and rationale.
- Call the question – For/Against/Abstain Count: 37 in favour. 4 opposed. 2 abstentions.
- **Resolution is carried with requisite 2/3 majority support.**

d. **SR#2** – Shannon introduced the special resolution and read it in its entirety.

*SPECIAL RESOLUTION #2*

*WHEREAS the membership has a right to know of any potential conflicts of interest which may compromise a potential director or credit committee member in the exercise of their duties, and in particular their duty to act in the best interest of the credit union;*

**IT IS RESOLVED THAT** Rule 9.6 be renumbered '9.6 a)' and the following be inserted after

*b) The Nominating Committee shall inquire into any potential conflicts of interest arising from a candidate's prior employment with the credit union, or the candidate's immediate family members' employment with the credit union, and report on these to the membership prior to the election.*

*c) The Nominating Committee shall inquire into a candidate's business with the credit union, outstanding legal actions involving the credit union, and other potential conflicts of interest and report on these to the membership prior to the election.*

Moved: Michelle. Seconded: Cindy.

- Questions and discussion were put forward by members.
- Call the question – For/Against/Abstain Count: Clearly in favour. None opposed or abstaining.
- **Resolution is carried with requisite 2/3 majority support.**

- e. **SR#3** – Shannon introduced and read the special resolution in its entirety.

*SPECIAL RESOLUTION #3*

*WHEREAS the directors do not have the explicit authority under the credit union Rules to remove a director or credit committee member from office for misconduct;*

*AND WHEREAS this limitation makes it difficult to enforce confidentiality and ethical conduct guidelines;*

*AND WHEREAS it is prudent and common among credit unions to provide for such events, even if uncommon;*

**IT IS RESOLVED THAT** *Rule 5.12 be amended by deleting the word “or” at the end of section ‘b)’, replacing the period at the end of section ‘c)’ with “; or”, and then adding the following after section ‘c)’:*

*d) the director is ordered to vacate by a resolution of the directors passed by not less than two thirds (2/3) of the directors, if that director:*

*i) has failed without being excused to attend three consecutive meetings of the board or any three consecutive meetings of a committee of the board; or*

*ii) is required by the Rules to vacate the office of director, but has not tendered her resignation as a director; or*

*iii) has breached the code of ethical conduct adopted by the board; or  
iv) has breached the confidentiality of any proceedings, deliberations, or information of the directors, as determined by the other directors in accordance with the policies and procedures established by the Conduct Review Committee.*

*At least seven (7) days prior to the directors meeting at which the removal of a director is to be considered, the secretary will provide such director with notice of the meeting and the grounds for considering the director’s removal. The director may appear and make submissions at the meeting prior to the directors voting on the resolution for the director’s removal.*

Moved: Cindy. Seconded: Helesia.

- Request was made to clarify what is covered in the Code of Ethical Conduct. Shannon explained broadly the duties prescribed under the code.
- Call the question – For/Against/Abstain Count: 38 in favour. 4 opposed. 1 abstention.
- **Resolution is carried with requisite 2/3 majority support.**



f. **SR#4** – Shannon introduced and read the special resolution in its entirety.

*SPECIAL RESOLUTION #4*

*WHEREAS the Rules do not permit notices to be sent electronically and now electronic media have become common;*

*IT IS RESOLVED THAT the credit union Rules are amended by adding the following:*

**Rule 13. Electronic Communication**

*Subject to the Credit Union Incorporation Act, the Financial Institutions Act and the Electronic Transactions Act, at the Board's discretion, any information or notices that are required to be provided or mailed to members may be either mailed or provided by electronic means and members may vote by electronic means, the Board of Directors may prescribe such technological and other requirements for the use of such electronic means as the Board of Directors in their discretion considers desirable in the circumstances.*

Moved: Helesia. Seconded: Carol.

- Concerns were raised regarding about cyber-security and the inclusion of electronic voting in the text. Complexity of the wording was also questioned.
- It was noted this is a move to improve access. Comments was put forward there are digital tools available to protect the integrity of voting digitally.
- Call the question – For/Against/Abstain Count: 20 in favour, 16 opposed. 7 abstaining.
- **Resolution was defeated.**

g. Shannon thanked the floor for their participation and their critiques.

h. It was generally agreed that the directors would review CCEC Rules 5.4 and 7.3 and any conflicts arising from the newly passed Special Resolutions. The board will report to the next AGM and may proposes special resolutions if required.

**The election ballot counts were provided to the chair.** Shannon announced the election results: Drew Glover, Donald Greenwell-Baker, Sven Biggs and Marty Frost. She thanked all candidates and the scrutineers. She noted that the ballots would be destroyed unless the assembly provided other direction, none was provided.

Shannon then handed back duties of Chair to Marty Frost.

#### **14. Roger Inman Award**

Chair asked Gerry Dragomir to report out on the Inman Award program and to announce the winning group.

- a. Gerry noted the award was in honour of an individual who contributed lots of time and effort to the early years of CCEC and who had a strong interest in community development. Hence the award goes to member groups active in social justice and community economic development, as selected this year by the Trustees.
- b. The winner is: Wild Salmon Caravan. Runners-up: Hummingbird Tea and Working Group on Indigenous Food Sovereignty.
- c. **Dawn Morrison** was invited to say a few words on behalf of Wild Salmon Caravan. Dawn expressed her gratitude to be here to represent the Wild Salmon Caravan and Food Sovereignty. Wild Salmon Caravan started in 2014 by a group of academics and women to take leadership to address the problem of declining salmon stocks by engaging people through Arts & Culture. Showcasing the cooperative efforts going into their work was highlighted as a key component of their message and strategy.

#### **15. Other Business**

Marty asked if there was any other business to be brought to the attention of the members present.

- a. Ross advised many credit unions have been targeted by cyber attacks - we're no exception. He encouraged members to use complex passwords and update them from time to time.
- b. Ross also thanked David Sargeant and Jennifer Scott for their roles in our turnaround in 2018.
- c. Marty recognized two volunteers retiring at this meeting: Scott Nelson, Sean Tyson.
- d. Marty advised that on the close of the meeting the door prizes were to be announced. He thanked those who made the donations. He encouraged members to linger after the meeting and visit.

#### **16. Adjournment at 9:37pm.**

Chair requested motion to adjourn at 9:37pm. Carried.