



Annual Report 2020

Board and Management Report

M. Frost , Board Co-Chair and J. Ha, Interim General Manager

CCEC Credit Union is a unique financial co-operative that provides financial services, in the fashion of traditional credit unions. We are firmly committed to both member ownership and community solutions to social/individual problems. We are also committed to challenging systemic barriers that entrench poverty or economic disadvantages for women, youth, and others who experience such barriers. We are dedicated to meeting the needs of community groups, of all kinds, and their members.

The fiscal 2019-2020 was a period of transition for your board and management team, and we continue in our ongoing financial rehabilitation. For the second consecutive year we recorded strong earnings, and have achieved this during a change in management, a decline in overall assets and in the number of active board members. That said, there are significant and important challenges for us to address this year to ensure CCEC remains strong into the foreseeable future.

The deposit base suffered a blow in early 2020, as changes in the regulation of “high risk” accounts resulted in the necessary closure of a number of deposit accounts at CCEC, a drop of roughly \$10 million in overall assets. With the advent of the COVID-19 pandemic, and the responsive drop in the prime lending rates in early 2020, it has been difficult to remain competitive in mortgage lending, CCEC’s primary lending market. Our loan portfolio, while retaining its high quality (defaults under 0.5% by the year-end), shrank as a result of market interest rates dropping to a level that CCEC cannot maintain. Member loans therefore declined by \$5 million year-over-year by September 2020.

The high levels of income seen over the past couple of years can be expected to taper off dramatically this year – effectively curtailing a period of abnormal profitability during our recovery. Operating costs continue to be controlled closely, coming in at \$1.35M (2019: \$1.5M) despite the disruptions of the ever-changing economic climate. Our capital ratio and our liquidity ratio are well above the regulatory requirements. Given our small capital base, however, we will continue to retain profits as they are earned.

CCEC continues to provide basic banking services and loans to a host of individuals and groups – community service, activist, and arts organizations. Residential and commercial mortgages however, (the latter primarily housing cooperatives) remain the largest part of the lending portfolio at roughly \$23.3 million. CCEC’s emergency short-term loan program (ESLP) also remains successful with 131 loans granted for an average of just under \$500. In the current year, we will continue to re-affirm our commitment to co-ops, non-profits, and small businesses as we navigate our way through what will likely be another year of COVID-related market disruption. Front-of-mind, as always, is our service to our members and our community, and preservation and protection of our members’ assets.

Board and Management Report continued

Notably, in 2020, we said farewell to Denis Flinn, our General Manager. The board wishes Denis the very best as he moves on to the next stage of his life and career. Since February, Jo Ha has filled the role of Interim General Manager, leading the management team and staff through a myriad of changes while moving the credit union forward in its path to improved services and security for its members. The board has tremendous appreciation for the dedication and diligence being shown by Jo, the others in the management team, and the staff during these turbulent times.

Your board is proud of the progress we have made and looks forward to the challenges we face in the course that lies before us. We thank all our volunteer directors and credit committee members. And we thank you – our member-owners. Your organization continues to be an example of citizen activism. Your current directors are Marty Frost, Helesia Luke, Michelle Fortin, Donalda Greenwell-Baker, and Dawn Morrison.

Credit Committee Report

Nat Marshik, Credit Committee Member

The purpose of the Credit Committee is to provide democratic, member-led oversight for the approval of loans. The committee has 7 members, who each serve 3-year terms, up to a maximum of 3 terms overall (or nine years). We are a traditional credit union, and one of the last to employ a member-led credit review body!

What kind of loans does the Credit Committee review? Our Investment & Lending Policy sets limits on what types of loans management is allowed to approve without Credit Committee oversight. As soon as a limit is crossed, management must bring it to Credit Committee for discussion. For example, a loan application might need Credit Committee review if the amount is high, or if it’s in a higher risk category.

The Credit Committee’s role is to review and recommend approval, if we are satisfied that the management has done due diligence and that the loan is an acceptable one for CCEC to support. Our recommendations are then considered and officially confirmed by the Board.

The primary qualifications you need to be on the committee are a commitment to attend each monthly meeting, a willingness to learn and ask questions, and a commitment to uphold the values, policies, and sustainability of the credit union. You don’t have to be an expert on loans or finance – ongoing training is provided.

In 2020, the Credit Committee adapted to the changes brought about by the pandemic by moving all our meetings online, to a monthly zoom call. To ensure confidentiality, we review loan

applications live during the call. Jo shares the key information on her screen, while keeping the identities of the loan applicants anonymized, to protect privacy. Management has also kept us up to date with monthly reports on pandemic-related lending programs, such as the CEBA loan for small businesses, and the mortgage deferral program, which are governed by the federal government’s COVID relief policies.

All in all, the Credit Committee is an excellent learning opportunity, a chance to keep the credit union’s checks and balances robust, and a meaningful way to provide support to the Board and management team. If you are interested in getting involved please speak with Jo or a member of the Board.

Directors' Disclosure and Accountability

The following information is provided pursuant to the BCFSA Governance Guideline. Directors of CCEC Credit Union are elected by and from the membership. Directors sit as volunteers and receive no compensation for their time and efforts. The duties of the Board of Directors are set out in the Credit Union Incorporation Act and the Financial Institutions Act, and the directors are collectively responsible for the overall management of the credit union. The legislation requires the directors to establish three committees with specified responsibilities; the Audit Committee (overseeing financial reporting), the Conduct Review Committee (overseeing related party transactions), and the Investment and Lending Committee (overseeing investments, loans and risk man-

agement). The Board has defined the first two committees as 'committees of the whole'.

The Board may establish other committees and, at year-end, three committees were in place; the Executive Committee, the Strategic Planning and Member Engagement Committee, and the Nominating Committee. Some directors may also serve on the board of the CCEC Development Society.

The CCEC Rules limit a director to serving no more than 3 consecutive terms of 3 years. Pursuant to Board policy, the credit union covers all costs related to basic credit union director training ('CUDA') and may also cover professional development costs as appropriate. The credit union also covers the costs related to external advi-

sors to the Board, out-of-pocket expenses incurred, and meeting related costs (e.g. food).

In the fiscal 2019-2020, the total expenses incurred for director training, advisors, and meeting expenses totaled \$2,138 (2018-2019: \$6,505; 2017-2018: \$7,270).

The CCEC General Manager's compensation is set by the board of directors and is to be consistent and competitive with compensation at similar sized institutions and credit unions. Management remuneration includes a base salary, with a comprehensive benefits package. In the fiscal 2019-2020, the total compensation paid to the General Manager was \$80,133 (due to GM departure in May 2020). (2018-2019: \$88,806; 2017-2018: \$111,547).

The Board of Directors as of September 30, 2020

Marty Frost is an independent management consultant assisting with the formation, management and development of cooperatives and non-profit enterprises. Served since February 2013.	Board President & Co-chair, Audit Committee, Conduct Review Committee, Investment and Lending Committee. Strategic Planning and Member Engagement Committee & Nominating Committee. Also a director of CCEC Development Society.
Donalda Greenwell-Baker is long-time community organizer, union representative and committee member. Most recently she has become involved in provincial and federal politics as an organizer and assistant. Served since February 2019.	Board Vice President & Co-chair, Audit Committee, Conduct Review Committee, Strategic Planning and Member Engagement Committee & Nominating Committee.
Helesia Luke is a communications and development professional with First Call Child and Youth Advocacy Coalition. Formerly worked with the Columbia Institute and operated an independent business. Served since February 2018.	Board Secretary, Audit Committee, Conduct Review Committee, Strategic Planning and Member Engagement Committee, Investment & Lending Committee.
Michelle Fortin is Executive Director for Options for Sexual Health BC and also volunteers as a director of the Vancouver Pride Society and is active in other LGBTQ projects. Served since February 2018.	Audit Committee, Conduct Review Committee. Strategic Planning and Member Engagement Committee. Also a director of CCEC Development Society.
Dawn Morrison is of Secwepemc ancestry and is the Founder/Curator of the Working Group on Indigenous Food Sovereignty. Served since February 2020.	Audit Committee, Conduct Review Committee, Strategic Planning and Member Engagement Committee.

Roger Inman Memorial Award

The Roger Inman Memorial Award is presented annually to a CCEC Member in recognition of a project, group or individual that has made a significant contribution to the economic development of the community. CCEC is committed to keeping our money and resources working in our community.

For 2020, we announce joint winners: **DOXA Documentary Film Festival** and **Pride in Art Society**. The Trustees of the Roger Inman Trust Fund are pleased to present both members with a \$1,000 cash award and recognition.



"DOXA Documentary Film Festival is honoured to accept the Roger Inman Memorial Award. We feel very proud to join the ranks of amazing organizations from award years past, and look forward to continually supporting the values of cooperation, curiosity, and critical media engagement."

DOXA is presented by the Documentary Media Society, a Vancouver-based non-profit charitable society (incorporated in 1998). They are devoted to presenting independent and innovative documentaries to Vancouver audiences (and, as of recently, beyond). The society exists to educate the public about doc film as an art form. The 20th annual festival is May 6-12, 2021.



"The Pride in Art Society is honoured to be awarded the Roger Inman Memorial Award. Our whole-hearted thanks to the trustees and to CCEC for its dedication to keeping money and resources working in our community by supporting and promoting the development of organizations like ours."

The Pride in Art Society (PiA) produces, presents and exhibits art with a curatorial vision favouring challenging, thought-provoking contemporary art work that pushes boundaries and initiates dialogue. Our annual Queer Arts Festival (QAF) is a professional, artist-run, multidisciplinary festival and our year-round SUM gallery is Canada's only queer-mandated art gallery.

Staff at CCEC

Jo Ha, Interim General Manager
 Kirk McLardie, Manager, Risk and Branch Operations
 Terry Aske, Manager, Administration
 Joanne MacKinnon, Member Relations
 Atilio Alvarez, Personal Loans Officer

Wendy Frost, Sr. Member Services
 Paul Coulter, Clearing Administrator
 Diane Leblanc, Member Services
 Yolanda Triana, Member Services
 April Walker, Member Services
 Arvid Vimb, Member Services

The majority of staff at CCEC are proud members of Unifor Local 3000.

CCEC Credit Union, 2248 Commercial Drive, Vancouver, BC V5N 4B5 | T: 604.254.4100 | F: 604.254.6558 | ccec.bc.ca

We acknowledge this is the traditional and unceded territory of the Coast Salish Peoples, which includes the Musqueam, Squamish & Tsleil-waututh First Nations.