

**Minutes of the 75th Annual General Meeting of
Ladysmith & District Credit Union
September 15, 2020**

1. Welcome:

President Elaine Layman welcomed members and guests to the 75th Annual General Meeting of the Ladysmith & District Credit Union (LDCU) noting it was our first ever virtual meeting.

She acknowledged that we stand on the traditional territories of the Stz'uminus First Nation and thanked them, as original keepers of this land, for their work and dedication to this land we call home.

2. Introductions:

President Elaine introduced the members of the Board of Directors: Ross Davis, Tim Richards, Rob Viala, David O'Connor, Gerry Clark and Carol Warkentin. Tim Richards and Rob Viala attended virtually.

She then introduced Chief Executive Officer (CEO) John de Leeuw and Debbie Bass from the accounting firm of MNP. Debbie Bass attended virtually.

3. Meeting Documents

CEO John de Leeuw advised that the meeting documents were provided to members on the AGM registration page of the LDCU website and they include the Agenda, Minutes of the 74th AGM and the 2019 Annual Report.

CEO John de Leeuw then outlined in detail the new procedures in place for virtual voting and member questions.

4. Rules of Order

President Elaine declared a quorum with 79 members present and noted there were 3 guests. President Elaine then displayed the Rules of Order and read them out to everyone. She asked if anyone had any questions. No one inquired.

5. Agenda Approval

President Elaine called for a motion to approve the agenda for this AGM as outlined in the meeting documents. This was moved by Rod Alsop and seconded by Courtney Henn. Carried by the membership.

6. 74th AGM Minutes:

President Elaine called for a motion to approve the minutes of the 74th Annual General Meeting, as outlined in the meeting documents. This was moved by Mitch Wilson and seconded by Rod Alsop. Carried by the membership.

7. **Business Arising:**

President Elaine then asked if there was any business arising from the 2019 AGM minutes. No one inquired.

8. **Board Report**

President Elaine advised that she trusted everyone had a chance to read the Board Report contained in the meeting documents and highlighted them as follows:

- 2019 was another excellent year for LDCU and its subsidiaries with strong growth and revenue exceeding all expectations.
- Today we celebrate our 75th Annual General Meeting (last year we celebrated our 75th Anniversary) and we look forward to the future as we hold our first ever virtual AGM.
- Although 2020 has been incredibly challenging for our community, the caring nature of our community was evidenced by outpouring of support during these times.
- LDCU moved quickly to aid members affected by the pandemic, offering loan and mortgage deferrals and Emergency Relief Term Loans (up to \$1,000,000 in total assistance) before any other financial stimulus was made available.
- We are proud of the strong financial position of LDCU with its excellent Capital and Liquidity levels that provide us with strength and stability in the midst of the pandemic.
- LDCU quickly initiated all protocols for the pandemic, the Main Branch remained open, the Insurance Division processed requests though phone and email, the Wealth Management remained in close contact with its members while closed for a brief period and the Stz'uminus Branch also closed for a brief period.
- Our staff have been unwavering in their courage and leadership throughout this pandemic.
- LDCU's Board is holding their Strategic Planning Session next month where we chart LDCU's path forward. This year we will also prepare for a possible second pandemic wave and ensure LDCU remains strong and emerges in a good or better position from when it began.
- Our history clearly demonstrates that our Credit Union rises up to face difficulties and uncertainties with strength and leadership.
- Thank you to John de Leeuw our CEO, his management team and all the staff for their hard work, especially during this difficult time.
- Thank you to my fellow directors, for your continued tireless service to the Credit Union. I am honoured to serve beside you as we chart our path into the future.

President Elaine then inquired if there were any questions about the Board Report. None were raised. President Elaine called for a motion to approve the Board Report. This was moved by Gary Redmond and seconded by Maria de Leeuw. Carried by the membership.

9. **Credit Committee Report**

President Elaine called for a motion to approve the 2019 Credit Committee Report as outlined in the meeting documents. This was moved by Gary Redmond, seconded by Melanie Davis. Carried by the membership.

10. CEO Report

CEO John de Leeuw then presented the CEO Report noting:

- 2019 was a relatively stable year with no Bank of Canada Prime Rate changes and minimal mortgage rate changes. The housing market was slower but steady compared to the previous two years and prices continued to rise, reaching record prices across the Province, including Ladysmith.
- 2019 brought a second consecutive year of phenomenal growth for LDCU and John outlined the financials in graphs and noted:
 - LDCU grew by almost \$11 million to just over \$191 million, couple that with our growth of \$12.7 million in 2018, we have grown by more than \$23.6 million in the past two years. If we add in the assets of our two subsidiaries, our total assets under administration exceed \$250 million.
 - Loans portfolio grew by more than \$5.1 million and in the past five years our portfolio has increased by almost \$27 million.
 - 2019 Deposit growth was very impressive with growth of over \$10 million, reaching almost \$179 million by the end of the year. In the past 5 years our deposit portfolio has grown by over \$33 million.
 - Asset growth grew by 6.05% and mirrors our deposit growth very closely.
 - Personal and commercial mortgages account for almost \$130 million of our total loan portfolio of \$148 million as of December 31st, 2019.
 - Demand Deposits grew tremendously in 2019, rising by over \$12.4 million.
 - Financial Income and financial expense increased by almost the same in 2019.
 - Financial Margin declined slightly in 2019 due to significant interest rate competition, but remains very strong, at almost \$4 million.
 - Other income increased in 2019, mainly due to the first full year of revenue from our wealth management subsidiary.
 - Operating Expenses rose by \$372,000 which was reasonable in that it included costs for the first full year of our wealth management subsidiary.
 - The largest increases in Operating Costs were Premises & Equipment and Depreciation, both are attributed to the cost of our wealth management subsidiary.
 - Although Total Income from operations fell slightly, it was over \$900,000 and one of our best years ever.
 - Retained Earnings was almost \$11 million, which is very important to us and would help in future years if our financial performance is not as strong.
- John discussed the handling of the pandemic by LDCU staff noting:
 - Every single staff member responded with strength, poise, and absolute commitment to their roles in LDCU during the pandemic. This year his pride to work at the Credit Union was taken to a whole new level.
 - John took time to sincerely thank all staff in attendance for their strength, commitment and courage and sent out special thanks and appreciation to the IT Department for their work in setting up this virtual meeting.

President Elaine asked for a motion to approve the CEO's Report as presented. This was moved by Gary Redmond and seconded by Brenda Moore. Carried by the membership.

11. Auditor's Report

The Auditor's Report was then presented by Debbie Bass of MNP. Debbie advised that she was pleased to report that MNP has issued a clean unmodified audit opinion and the full set of LDCU's 2019 consolidated statements fairly represent the financial position of LDCU. Debbie asked if there were any questions on the Auditor's Report. There were no questions.

President Elaine thanked Debbie and her entire team and asked for a motion to approve the Auditor's Report as presented. This was moved by Anne St. Laurent and seconded by Kendre Haugen. Carried by the membership.

12. Nominating Committee Report

Director Ross Davis presented the Nominating Committee report. Ross outlined the guidelines followed when directors reach the end of their term. Ross mentioned the newsletter sent to the LDCU's membership stating the expiration of the terms of two directors. The two directors whose terms are expiring are David O'Connor and Tim Richards. Ross advised that David O'Connor and Tim Richards have completed the nomination package and no other nominations were received. Ross advised that pursuant to Article 4.14 of the Credit Union Rules, David O'Connor and Tim Richards are elected via acclamation. David O'Connor and Tim Richards will serve three years and their terms will expire at the 2023 AGM.

President Elaine asked for a motion to accept the Nominating Report as presented. This was moved by Brenda Moore and seconded by Gary Redmond. Carried by the membership.

13. Appointment of Auditors for 2020

President Elaine asked for a motion that MNP be appointed auditors for 2020 with the Board given the authority to set their remuneration. It was moved by Maria de Leeuw and seconded by Gary Redmond. Carried by the membership.

14. New or Unfinished Business

President Elaine called for any New or Unfinished Business. There was none.

15. Announcement of Gift Certificates

President Elaine advised that, for our first ever virtual meeting, every member attending this meeting will receive a \$75 gift certificate to one of our local businesses:

- Plantitude
- The Old Town Bakery
- Bouma Meats
- The Wordly Gourmet Kitchen Store
- Maya Norte

16. Thank you and Adjournment:

President Elaine thanked all members for attending our 75th AGM and first virtual AGM. She noted how it showcases LDCU's ability to adapt and grow and continue to serve our community as it has for almost 77 years. She also thanked the staff for the excellent year and, in particular the IT department for putting together this virtual AGM.

The meeting was adjourned at 8:05 pm through a motion by Anita McLeod.