

# **Annual General Meeting East Coast Credit Union**

*April 14, 2020*

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The Annual General Meeting of East Coast Credit Union (ECCU) was held on April 14<sup>th</sup>, 2020 via a Microsoft Teams Live Event. Chairperson Mary Oxner introduced herself, welcomed everyone in attendance, and called the meeting to order at 7:06 p.m.

Mary Oxner introduced the virtual head table as follows: Ken Shea (President & CEO), David Moorhouse (Parliamentarian/Scrutineer) and Caroline Dickie (Recording Secretary). Mary Oxner also introduced the Board of Directors.

## **Presentation of Bursaries**

Mary Oxner and Ken Shea presented the bursaries to the winners as follows:

- Taylor Myette, who is attending St. FX University to complete a Bachelor of Science.
- Chloe Stewart, who is attending Cape Breton University to complete a Bachelor of Arts in French and Biology.
- Marcel Desmond, who is attending St. FX University to complete a degree in Public Policy and Governance.
- Rebekah Richards, who is attending St. FX University to complete a Bachelor of Science in Human Kinetics.
- Broderick Murphy, who is attending Dalhousie University to complete a Bachelor of Medical Sciences.
- Nora MacNeil, who is completing a Bachelor of Medical Sciences.
- Rachael Carroll, who is attending St. FX University to complete a Bachelor of Nursing.
- Emily Johnston, who is attending Acadia University to complete a Bachelor of Nursing.
- Maggie Hull, who is attending Dalhousie University to complete a Bachelor of Nursing.
- Rebecca Tomlik, who is attending Dalhousie University to complete a Bachelor Music.

## **Appointment of AGM Parliamentarian and Scrutineer**

Mary Oxner re-introduced David Moorhouse, legal counsel for Atlantic Central and League Savings & Mortgage Company, who was appointed as Parliamentarian and as Voting Scrutineer for the meeting.

## **Declaration of a Quorum (requires 17)**

Anne Sears reported the number of eligible voting members participating was 17 and another 67 members who indicated that they would be attending the virtual AGM. She declared that a quorum was present.

A moment of silence was observed to honor members who passed away in 2019.

**Approval of Agenda**

Motion made by Colleen Roberts to approve the April 14, 2020 AGM Agenda; seconded by Corrine Carey.

**#01-2020 AGM**

**Motion carried**

**Approval of 2019 East Coast Credit Union AGM Meeting Minutes**

Motion made by Helen MacPherson to approve the minutes from the East Coast Credit Union 2019 Annual General Meeting; seconded by Melanie Sampson.

**#02-2020 AGM**

**Motion carried**

**Business Arising from the Minutes**

There was no business arising from the 2019 AGM minutes.

**Report from the Chair**

Mary Oxner noted that the coronavirus pandemic has caused much change, and our credit union is positioned to allow our members to use a multitude of mobile banking options to safeguard their own health and those of our financial services staff. Mary noted that the Board of Directors’ strategy continues to focus on our members, product and service innovation, developing and engaging employees, embracing new technologies, investing in digitization and engaging our communities. Mary noted that investing in digitization, our employees and our communities is a priority and will distinguish ECCU from our competitors. Mary noted that 2020 will bring challenges, and we look forward to facing those challenges with our members. Mary thanked the members, staff, and the Board for their support during the past year.

Mary Oxner asked Ken Shea to present his 2019 report.

**Report from the President & CEO**

Ken noted that the focus of 2019 was on growth, innovation, community support, and strengthening and growing our relationships with new and existing members. Ken noted that the year ended with strong growth and increased membership. We continued to analyze the financial services industry and the trend towards digital banking services. Ken noted that we introduced a new strategy, which is designed to effectively manage our branch network, improve service to members at each touchpoint including digital technology, and help us remain competitive in the marketplace. Ken noted that our member-focused employees are key to the success of our credit union and we continue to make employee engagement a priority. Ken noted that providing top of the line member experience is critical to our success, and the transformations of the Inverness and New Glasgow branches are part of delivering a new and improved member experience. Ken noted that new technologies are a key focus, with the introduction of the ClickSWITCH product and Apple Pay in 2019. Ken noted that the #EastCoastCUCares Random Acts of Kindness campaign was held for a third straight year and staff performed many wonderful acts of kindness throughout our communities. We also provided financial and in-kind support to many community organizations, including L’Arche Cape Breton, Junior Achievement, several hospitals across our region, Nova Scotia Nature Trust, and many more. We were also the presenting sponsor for the first annual Nova Scotia Summer Fest which took place in Antigonish. Ken noted that East Coast Credit Union was recognized with several awards in 2019, including the prestigious Coady Award, Atlantic

Canada's Top Employers by Atlantic Business Magazine, one of the Top Employers in Nova Scotia, the Canadian Credit Union Association National Award (Community Economic Development), an AIME Award recognizing marketing excellence, and were nominated for the Central 1 Innovation Credit Union of the Year. Ken Shea thanked the staff, management team, Board, and members for their support and cooperation during the past year.

Mary Oxner noted that East Coast Credit Union is donating \$10,000 to Feed Nova Scotia in light of the current pandemic situation in order to help those most vulnerable in our communities.

From the floor, Robin Barrett asked if the credit union was taking applications for the federal small and medium sized business loan program. Ken Shea replied that the program has been released on our website today, where members can access program information, and we are one of the first credit unions to offer it. Ken noted that we are also working on the provincial government's small business program and information will be posted to our website in the next few days as the details are finalized.

From the floor, Anuj Jain asked if Ken could share an overview of the credit unions loan portfolio, including what proportion of it is allocated to small, micro-businesses, small start-ups, women and minority owned businesses, social enterprises, etc. Ken Shea replied that while he doesn't have that information as we don't report on it, the credit unions loan portfolio is diverse, and utilizes the provincial government's small business loan guarantee program to support small business loans. The credit union is also supportive of social enterprises, providing funding and loans for them. From the floor, Anuj Jain asked how East Coast Credit Union compares to other peer credit unions in Nova Scotia. Ken Shea replied that we have the second highest growth in the province at almost 10%. He noted that our margins and net profit are slightly lower than our peers as we have a large fiscal footprint, but our other metrics are on par. We had a very successful year in 2019 and exceeded our budget.

### **Report from the Auditors**

Mary Oxner introduced David Yuill of BDO Canada LLP, the auditors of East Coast Credit Union.

David Yuill of BDO presented his audit report and an overview of the 2019 financial statements of East Coast Credit Union. David noted that an unqualified clean audit report was issued, and he highlighted the credit unions assets and loans growth, deposits, equity, financial revenue and expense, financial margin, other revenue, operating expenses, operating margin and net income.

From the floor, Robin Barrett thanked those involved in upgrading the e-transfer system to be able to do direct deposits without having to personally open each email and type in a password.

Ken Shea noted that regarding the earlier question about the federal business loan program, we've had over 63 businesses who have reached out to us to take advantage of the program.

From the floor, Anuj Jain asked how different branches are doing, especially more remote rural branches, in terms of their financial performance, and are there specific branches that are more active in loans and also savings growth. Ken Shea replied that while we report our financials as an organization, we do some work around how each branch is operating, making sure they have opportunities to grow and develop. Ken noted that branch profitability is complex, since some branches are higher in deposits while others are higher in loans, which skews their individual profitability. Ken noted that we instead look at the margin the branch creates, which tends to be positive in all of our branches. Ken noted that the overall financials of the organization are strong, and we continue to look at investing in the future and finding the best path forward.

From the floor, Mike MacIsaac asked for an explanation of the \$2.7M difference in the financial expense line. Ken Shea replied that interest rates increased in 2019, and when interest rates increase, we pay more for our members deposits. David Yuill confirmed that this was the cause for the difference.

Motion to approve the Auditors' Reports made by Dan Fougere; seconded by Kathy MacDonnell-Rankin.

**#03-2020 AGM**

**Motion carried**

### **Appointment of External Auditor**

Dan Fougere, Chair of the Audit Committee, presented the recommendation to appoint BDO as External Auditors for 2020.

Motion that East Coast Credit Union engage BDO, or successors, as our External Auditors for the fiscal year 2020 made by Dan Fougere; seconded by John Peach.

**#04-2020 AGM**

**Motion carried**

### **Election Results**

Tyrell Giffin, Chair of the Nominations Committee, reviewed the election process. He reviewed the role of the Nominations Committee, the electoral process, and noted that four three-year terms were available in this year's election. The Call for Nominations was made on January 30, resulting in a competent slate of six candidates, and electronic in-branch and online voting took place from March 19 to April 9. All regulations were followed with respect to the election and advertising was conducted on social media, on the credit union's website and in local newspapers. Tyrell noted that a member contest was held and was open to any eligible member who voted and consented to have their name entered into the draw to win three prizes of \$500, \$100 and \$100. Tyrell announced the prize winners: Michael Asprey (\$500 winner), Janine Mombourquette (\$100 winner) and Gordon Gammon (\$100 winner). Tyrell noted that two staff contests were held, where the branch with the highest percentage of their membership voting in the election would win a pizza party for staff and coffee and cake for their members. As well, any branch who achieved a voter increase of 1.5% or higher from last year would also receive a pizza party. Tyrell was pleased to announce that the branch with the highest percentage of their membership voting is the Havre Boucher branch, with 8% of their members having voted. Tyrell was also pleased to announce that the L'Ardoise branch achieved a 3% voter increase from last year and are the winners of a pizza party for their staff.

David Moorhouse, Voting Scrutineer, noted that the credit union utilized the evoting services of CUES (Credit Union Executives Society) for the 2020 election, which ran from March 19 to April 9, with members able to vote online or electronically in-branch. As tabulated, there were 681 total ballots cast, with 19 of those ballots being invalid for the following reasons: 8 were missing their User ID/Password, 6 had an invalid User ID/Password, 3 voted for more or less than the required number of candidates, and 2 had already voted online. David noted that all 19 invalid ballots cast were paper ballots. Of the 662 valid ballots cast, 58 were cast via paper and 604 were cast electronically. David noted that the election results were confirmed by the CUES Election Manager. The elected directors are, in alphabetical order, are Daniel Cooper, Dan Fougere, Helen MacPherson and Melanie Sampson.

### **Motion to Destroy the Ballots**

Motion made by Kathy MacDonnell-Rankin to approve the destruction of the ballots from the 2020 Board of Directors Election; seconded by Colleen Roberts.

**#05-2020 AGM**

**Motion carried**

### **Old Business**

Mary Oxner noted that one item of old business from the 2019 AGM is the Board of Directors election voting process. The Board committed to providing a report to the membership on voting options available. Mary asked Nominations Committee Chair Tyrell Giffin to present the report on this topic.

Tyrell Giffin noted that the Nominations Committee was tasked with researching and reporting on voting methods to the membership. The committee determined three methods of voting should be researched: our current system, where members must vote for the “full slate” of seats available and may only place one vote on each of the selected candidates. For example, if there are four seats available and six candidates running, the member must place one vote on four different candidates. The second method researched was the modified current method, where members would not have to vote for the “full slate” but still may only place one vote on each of the selected candidates. For example, if there are four seats available and six candidates running, the member may place one vote on up to four different candidates. The third method researched was cumulative voting, where members would be allocated votes equal to the number of seats available. The member would then be able to allocate these votes however they choose, including multiple votes on one candidate. For example, if there are four seats available and six candidates running, the member would receive four votes that could be placed all on one candidate, three on one and one on another, two on one candidate and two on another, and so on.

Tyrell noted that the committee conducted research on these three voting methods. Research conducted included online research, exchanging information with other similar sized credit unions across the country, and reaching out to other organizations such as municipalities to determine their voting methods of choice. Tyrell noted that once the research was complete, a voting system matrix was developed, displaying the three voting methods and a slate of criteria each voting method was rated against. Tyrell reviewed the voting method criteria and their definitions: satisfies “one member one vote” principle, used by other similar sized credit

unions across the country, allows members to vote for a number of candidates fewer than the number of available seats, removes the ability for “strategic voting”, heightens the opportunity for proportionate representation, increased chance for minority groups to elect a representative, widely used by other electing organizations, and increased voter engagement.

Tyrell reviewed the voting matrix, which displays the completed research and rankings of the three voting methods. Tyrell noted that the current system scored 4 yes and 4 no, the modified current method (not requiring full slate voting) scored 4 yes and 4 no, and cumulative voting scored 2 yes and 6 no.

From the floor, Corinne Carey asked if the committee explored a ranking of the candidates, for example, if there were six candidates, you would rank your choice from first to last. Tyrell Giffin responded that the committee had briefly discussed the ranked ballot method when determining what voting methods they would research, but felt at the time that it was not a suitable method to research further, as it didn’t meet the committee’s initial criteria.

From the floor, Anuj Jain commented that the second criteria of methods used by other credit unions seems quite relevant.

From the floor, Mike MacIsaac asked if all the criteria were weighted the same. Tyrell Giffin responded that the committee didn’t discuss weighting the criteria differently, and they were all weighted the same.

From the floor, Anuj Jain asked if there was any further explanation obtained from other credit unions on their voting methods of choice. Tyrell Giffin responded that the Nominations Committee had conversations with five other credit unions who said the method they used worked well for them, and they had used it for some time, but did not provide any further detail. Tyrell noted that the Nominations Committee discussed the pros and cons of the voting methods amongst themselves but didn’t discuss them with the other credit unions.

From the floor, Mike MacIsaac noted that voter engagement and one member, one vote are more important criteria than if the voting system is used by other credit unions, and we need to keep the cooperative principles in mind when making decisions.

Mary Oxner noted that voting information is reviewed regularly to determine what is best for East Coast Credit Union.

### **New Business**

There was no new business.

Mary Oxner thanked the Elections Team, the Marketing & Communications Team, and the IT department for their role in putting the meeting together. Mary also thanked the members for attending. Given the pandemic, she also thanked healthcare professionals and anyone in the front lines of delivery of food, medication, financial services, and cleaning for their commitment and willingness to do what they are doing.

Having concluded the business agenda, Mary Oxner declared the meeting adjourned.

The meeting adjourned at 8:37 pm.

Respectfully submitted,

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Caroline Dickie  
Recording Secretary

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Mary Oxner  
Chair of the Board