



**STELLERVISTA CREDIT UNION  
74th ANNUAL GENERAL MEETING  
WEDNESDAY, MAY 1, 2024**

**VIRTUAL MEETING VIA ZOOM, IN PERSON IN CASTLEGAR AT CASTLEGAR AND DISTRICT  
COMMUNITY COMPLEX**

**6:02-8:21pm PT**

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## **MINUTES**

### **1. Call to order**

*In the spirit of reconciliation, StellerVista Credit Union would like to respectfully acknowledge the land on which we serve our membership and meet is within ʔamakʔis Ktunaxa, the traditional and unceded homelands of the Ktunaxa Nation, as well as the traditional and unceded homelands of the Syilx, Sinixt, and Secwepemc.*

Lynnette Wray, Chair of the Board of Directors, called the 74<sup>th</sup> Annual General Meeting of StellerVista to order at 6:02pm, PT via Zoom virtual meeting and in person in Castlegar.

### **2. Roll Call (quorum 25 members)**

It was established there was a minimum quorum with a total of 81 members (virtually via Zoom 45 members, 36 in person in Castlegar) and 7 guests (7 virtually via Zoom).

### **3. Adoption of Agenda**

The agenda was provided via email and via paper copies in the venue in Castlegar.

**MOTION:** THAT THE 2024 STELLERVISTA AGM AGENDA BE ADOPTED AS PRESENTED.

Moved by L. Normington; seconded by K. Lo; **AIF/CARRIED**

### **4. Appointment of Recording Secretary**

Pam Pinch was appointed the recording secretary for the meeting.

### **5. Appointment of Parliamentarian**

Glen Purdy was appointed the parliamentarian for the meeting.

### **6. Introduction of Officers**

Chair Wray introduced the directors, officers, and special guests of StellerVista Credit Union. She also extended an additional welcome to our past directors joining us:

- Daniel Wack
- Robert Macrae
- Diane Byford
- Russ Pask
- Fred Padowinikoff
- Jerry Plonidin

## **7. Adoption of Rules of Order**

The Rules of Order were provided via email and are available online.

**MOTION:** THAT THE RULES OF ORDER FOR THE 2024 AGM BE ADOPTED AS CIRCULATED.  
Moved by F. Padowinikoff; Seconded by J. Plonidin; **AIF/CARRIED**

## **8. Adoption of Minutes from the 73<sup>rd</sup> AGM, held May 3<sup>rd</sup>, 2023**

**MOTION:** THAT THE MINUTES OF the 73<sup>rd</sup> ANNUAL GENERAL MEETING HELD MAY 3<sup>rd</sup>, 2023, BE ACCEPTED AS CIRCULATED.

Moved by D. Wack; seconded by D. Eveneshen; **AIF/CARRIED**

## **9. Board Chair Report – delivered by Chair, Lynnette Wray**

Chair Wray thanked everyone for joining us in person and online. 2023 was a transformative year for StellerVista, marked by significant changes for both members and employees. She encouraged everyone to refer to the annual report and the written summary of 2023.

This past year, the Board focused on steering the credit union through the operational merger. The Board is aware of the impact on our members and staff, particularly in the Castlegar, Slovan Valley and West Boundary branches, and the demands on our management teams, which affected their presence in the Cranbrook, Fernie, Elkford and Sparwood branches.

The amount of work was significant, and while most everything did go as planned, there were challenges, and those who were involved directly with integration faced much

larger than normal workloads – which again, impacted our branches and our members.

The process showed that change is challenging – however, the Board understands that change is necessary. The banking industry is rapidly evolving. Younger adults are demanding better and more digital services as well, the Canadian financial system is in the middle of a massive payments modernization process – one that credit unions like StellerVista are required to dedicate a significant amount of resources – almost all focused on technology and modernization. All this, matched with an economic environment that has been more challenging and more unpredictable than StellerVista is used to in the Canadian banking system.

Given the trend and requirement of change in our industry, our Board has placed enhanced governance as a top priority. In support of this, in 2023, the Board worked closely with a Governance Coach, established an Ad Hoc Integration Committee, enhanced the strategic planning process, and held over 65 board and committee meetings!

StellerVista's 11 directors are truly dedicated, as seen in the serious approach and commitment to not only meetings but also in how they continue to build the governance structure and strategy. Through ongoing professional development and strategic initiatives, the Board is geared up to meet increasing regulatory requirements and expectations. StellerVista had seven directors attend the World Conference in Vancouver, and had two directors complete their ICD, with another two director currently in mid program. Additionally, for the CUDA accreditation program, one Director became accredited, and two more are set to write the accreditation exam in June.

After tonight's AGM, StellerVista will welcome Norm Fraser from Fernie onto the Board.

The 2023 interest rate jumps have put pressure on financial margins across all comparable FIs, including StellerVista. These factors combined have created an impact on both the members and operations of StellerVista. A persistent challenge has been the scarcity of qualified job applicants, a problem that is compounded by a housing shortage across our communities. StellerVista is not alone but is impacted by it – and the goal moving forward is to build a robust team, to fill all vacant positions, and to ultimately deliver on the purpose – to build the economic well-being of StellerVista's members and neighbors.

StellerVista's recent member survey shows that five of the seven branches have exceeded expectations in service delivery, product offerings, and community value. However, satisfaction in Castlegar and Slokan Valley branches has fallen below industry standards, mainly due to issues arising from the banking integration last October, and the

temporary but noticeable increase in errors. Specific integration issues included challenges with two-factor authentication on MemberDirect, software and hardware malfunctions in the three west ATMs, and issues with Heritage Member Cards at various locations. StellerVista's teams worked diligently to correct these issues as they occurred – and the mitigation and reduction of errors is our top priority.

StellerVista is now in a stability period until August to prepare for future growth. This involves significant investments in training, IT systems, and branch renovations. These efforts aim to not only attract younger members but also enhance service levels for StellerVista's current members.

We continue to navigate these challenges, so the insights from our members remain invaluable. Members' feedback drives our improvement and helps refine StellerVista's strategic approach.

## **10. CEO Report – Jody Burk**

StellerVista Today:

- 19,800+ members
- 1,500 small businesses and 490 Not for Profit Organization
- \$930M+ in Assets Under Management
- \$595M + in Member Loans
- \$656M+ in Member Deposits
- 92 employees

How we measure our success:

- Employee Engagement – at System Average
- Member Loyalty – 4% below industry average
- Return On Asset – 3% over BC System ROA
- Community Value – 12% over industry average

Member Loyalty and Satisfaction:

- 50% impacted negatively from banking conversion in the fall of 2023.
- West Boundary Branch has the highest number of member satisfaction
- Member Service Center integration challenges
- 47% of members had a technical problem with online banking

Challenges:

- #1 issue in 2023 was that we were resourced challenged.

- Organizational turnover: 26 people left last year due to retirement and lost workers to the coal mines in the Elk Valley.
- External vendor errors including preauthorization debit card issue
- Expected and unexpected issues through the October 13 2023 banking system conversion including unexpected, mandatory ATM replacements

#### Accomplishments:

- 30 integration projects completed on time and under budget.
- 10 key risks identified though due diligence mitigated.
- Successfully updated and converted banking system.
- 2 new ATMs ordered and installed.
- First Phase implementation of tech infrastructure upgrades completed.
- Harmonized regulatory reporting to meet new standards.
- Products and fees revamp across the organization.
- Exterior upgrade to Slocan Valley branch.
- Implementation of new patronage and dividend program to Castlegar, West Boundary and Slocan Valley branches.
- \$200,000 in grants, student awards and donations gave out to our communities.

#### Lesson Learned:

- Communication!
- Vendor Management and oversight is challenging but critical.
- Own the issues!
- Our people are our most important resources.
- Training and education are key.

#### Benefits to Members:

- Huge jump in community investment with StellerVista.
  - Increased security and fraud measures for digital banking.
  - Added day of service by phone for members in our Castlegar, Slocan Valley and West Boundary branches.
  - New online banking and mobile app launched.
  - New business banking accounts have developed with very competitive pricing.
  - New business banking tools available through MemberDirect Small Business/
  - Etransfer is now free for all Castlegar, Slocan Valley and West Boundary members.
- Costs and Outcomes of the merger were reviewed including being 11% under budget on merger and integration costs and a 68% community donation increase.
  - Return on Assets reviewed – 3% under System Average

Upcoming for 2024:

- Patronage Rewards \$398,000
  - 2024 first six months will be stabilizing our organization including training our new staff, hiring and filling vacancies, and solidifying our network and communications.
  - We are organizing Open Houses, a Member Advisory Committee and Member Surveys throughout the year.
  - Exterior Castlegar branch renovations with interior renovation scheduled for Q3-Q4.
  - Exterior Slocan Valley branch renovations with interior renovation scheduled for Q4 2024.
  - Interior West Boundary branch renovations are currently underway.
- Jody shared our revised Purpose, Vision, Mission, Values and Outcome statement – these are available on our website.

## **11. Auditor's Report including overview of Financial Statements - David Adams**

- A clear opinion was rendered for this year's audit, the information is present fairly in all material respects in accordance with International Financial Reporting Standards.
- All assets, liability and revenue were brought in for the Heritage Credit Union at the beginning of the year.
- Statement of Consolidated Financial Position was reviewed.
- Assets increased to \$700 million for 2023. Increase of 45%.
  - Loans to Members – 85%
  - Cash – 12% - requirement to maintain 8% of liquidity over the year.
  - Investment in Subsidiaries
  - Tangible Assets – equipment, insurance license, land, investments, etc.
- Liabilities increased to \$658 million in 2023.
  - Member Deposits and Non Equity Shares – approximately 99%.
- Members' equity increased to \$41.8 million in 2023. Increase of 43%.
  - Equity Shares, Accumulated Income (fair value of our assets and liabilities), Earnings.
- Deposits increased to \$655 million in 2023. Increase of 47%.
  - Deposits are greater than loans resulting in sufficient liquidity on hand.
- Loans increased to \$595 million in 2023. Increase of 46%.
- Revenue increased to \$31.8 million in 2023.
- Expense increased to \$31.5 million in 2023.
- There is a significant increase in 2023 due to the large changes in interest rates which affect both revenue and expenses.

- Net income was \$249,000 for 2023.
- Earnings before Distributions were \$921,000 with \$5,000 to Corporate Taxes, \$445,000 in Member Rewards, \$222,000 in Community Giving and \$249,000 in Retained Earnings.
- It is the auditor's opinion that the members' investment in the credit union is safe and sound.
- Financials are available to members online.

**MOTION:** THAT THE AUDITOR'S REPORT AND THE FINANCIAL STATEMENTS FOR 2023 PRESENTED BY DAVID ADAMS of ADAMS WOOLEY CHARTED PROFESSIONAL ACCOUNTANTS BE ACCEPTED.

Moved by D. Ashton; seconded by L. Bomak; **AIF/CARRIED**

## 12. Appointment of Auditors

- It is noted that the Board of Directors have been given direction by the Audit Committee for our external audit services for 2024 after a detailed Request for Proposal (RFP) process.

**MOTION:** THAT ADAMS WOOLEY, CHARTERED PROFESSIONAL ACCOUNTANTS, IS APPOINTED AUDITOR FOR 2024 WITH REMUNERATION TO BE DETERMINED BY THE BOARD OF DIRECTORS.

Moved by D. Eveneshen; seconded by L. Bomak; **AIF/CARRIED**

## 13. Nominating Committee Report including Director's Election Results – Jose Galdamez

- Jose Galdamez, Chair of the Nominating Committee, reported that we had a call for nominations 90 days prior to our AGM date of May 1st, 2024, for 1 director position from the Elk Valley.
- Our nomination period was from January 31-March 3, 2024.
- We received one nomination during our nomination period. Norm Fraser, from Fernie, acclaimed to a 3 year term.
- Due to the resignation of Jean-Ann Debreceni, the Board has appointed Denine Milner, from Cranbrook, to a 1 year term.

**MOTION:** THAT THE NOMINATING COMMITTEE REPORT BE ACCEPTED AS PRESENTED.

Moved by K. Lo; seconded by L. Normington; **AIF. Carried**

## 14. Member Questions

Question from the Floor in Castlegar: Great job on limiting corporate tax exposure – only \$5,000 in corporate tax! Can we have a further explanation on how that was achieved?

Comment from External Auditor: Corporate tax exposure is not necessarily a reflection of accounting income. There are multiple deductions that are available to credit unions so in this case, there were several asset purchases that had capital cost allowances available to them. These allowances are available as a deductible for tax purposes from income.

Comment from the Floor in Castlegar: Are we still using the same supplier for our debit cards if we have had some many issues in the past few months from them? Can we change suppliers?

Comment from Management: Management encourages all members who are experiencing issues with their debit cards to speak with local branch management and/or staff to have them replaced. If members receive information from staff indicating that there is “nothing we can do”, this is not accurate information. Members are encouraged to speak with branch managers with their concerns.

Question from the online virtual Chat: What is being done to retain and attract staff to the Elk Valley branches?

Answer: In the Elk Valley we have three branches – Fernie, Sparwood and Elk Valley. Each community varies in their attraction issues although all communities suffer from lack of available housing. It is very difficult to attract staff if there are no homes available for them and their families. The Sparwood branch continues to provide challenges in recruiting a work leader/supervisor. This is a familiar theme across all seven branches.

Comment from the Floor in Castlegar: Concerns were brought forward regarding the lack of paper statements for her accounts being available.

Comment from Management: Paper statements are available in branch for member accounts. Members are encouraged to visit their local branch to request this service.

Comment from the Floor in Castlegar: What is the tender process/requirements the credit union goes through to award a contracted job to a contractor (either local or non-local)?

Comment from Management: StellerVista utilizes a national architect and engineering firm for our drawings and design, and we then proceed with a tender bid process across the province. We also gathered six local contractor names from Kootenay Savings Credit Union and Nelson & District Credit Union and included them in the tender bid process to



ensure a broad process. The architect and engineering firm then shortlists to two-three contractors where experience, cost and references are used in the final selection by StellerVista. We selected a local Castlegar firm for the exterior renovation.

Question from the Floor in Castlegar: Concerns were brought forward regarding challenges with certain contractors having workers that are part of a union or not part of a union – is the credit union ensuring these workers are getting paid?

Answer from Management: StellerVista feels the challenge of obtaining local contractors for any projects. It is recommended that the Board review the process of obtaining local contractors and the local bid process for work done at our credit unions to ensure we are performing our due diligence for our communities.

Comment from CBAL Representative: Concerns about not using unionized contractors and questions regarding the process involved in choosing a local contractor. Should more merit be given to a unionized contractor firm?

Response from Management: StellerVista looks at all areas of the bid process to ensure that our contracts are best for our members overall.

Question from the Floor in Castlegar: Concerns over the renovations underway and the value of a reception/greeting area contributing to the overall esthetics of the busy branch environment.

Answer from Management: StellerVista has reviewed the numbers from all branches and the statistics indicate that lending numbers are down and traffic in branches is down overall. There are some days that are busier than others in branch, however those are often days that include visits by our older age demographic members. Our intention with our renovations is to focus on the age demographic that we are trying to attract for new members, 30-50 year olds.

Question from the Floor in Castlegar: Concerns over how many staff have left the organization since the merger and the amount of vast knowledge that has left with them. Where was the effort in trying to keep these individuals who were forced to leave due to the stress of the changes and the challenges that came with dealing with dissatisfied members?

Answer from Management: StellerVista hears the frustration over the experiences with debit card and credit card issues, new staff coming on and being trained, staff and historical knowledge leaving the organization, membership lost, and business lost in the Slocan Valley because of the merger and the lack of accountability and communication for

the banking conversion and integration. StellerVista understands that 20% of the membership was impacted negatively by the banking conversion with some more severely than others. We believe that the integration overall went well and was successful. The Castlegar and Slocan Valley branches had very few retirements ahead of becoming part of StellerVista, however there was a significant increase in retirements in the past 12 months. This could be due to the recognition of the workload coming with new training or once required to train, realizing that this was not for them. We are challenged in our hiring of a supervisor for the busy Slocan Valley branch. We have seen a very minor impact of members and/or business leaving due to the merger or banking conversion.

**MOTION:** THAT THE ANNUAL GENERAL MEETING OF STELLERVISTA CREDIT UNION HAVE TIME EXTENDED FOR AN ADDITIONAL 15 MINUTES.

Moved by Wendy ???; seconded by R. Macrae; **AIF. Carried**

Question from the Floor in Castlegar: Concerns on a five day hold on a cheque when depositing online.

Answer from Management: Management believes that this is an error, and that the local manager will be able to rectify this concern immediately.

Question from the online virtual Chat: Why would the board approve this merger for management to do on the side of their desks? What was the decision on moving from the old MemberDirect platform to the new platform? Is the board looking at a reduction in increased fee income and loss of free products?

Answer from Management: We anticipated that we would have dedicated staff to ensure the completion of all identified integration tasks. With some staff turnover, it was imperative that we focus on running the branches amidst the integration when resulted in some tasks falling slightly behind schedule.

Management will response directly to the member regarding the MemberDirect platform choice.

The fee increase has been quite limited – the number reflecting that is that of both credit unions becoming combined. StellerVista has a policy that ensures our service fees are 2% lower than other chartered banks. Service charges had not been updated at the previous Heritage Credit Union for over 15 years and therefore outdated. We also pay back a patronage reward on service charges.

Question from the Floor in Castlegar: Why did the remuneration increase for the directors

and the senior management, and the service fees go up for members? Could the fees not have been reduced?

Answer from Management: Remuneration across the senior managers is in line with other credit unions across BC and Western Canada and is reviewed annually. Remuneration for directors is capped at the amount that the membership approved in 2023 at the AGM and is a maximum allowable amount. Service charges make us now competitive with other financial institutions as well as 14% of StellerVista patronage rewards were paid for 2023 based on service charges.

## 15. Good and Welfare

Congratulations to our recipients of our long-term service awards named here:

- 30 years - Jody Burk
- 20 years - Donna Durban, Jeniece Scott, Bernie Nevakshonoff, Alan Fillis, Ellen Vandaelle 10 year - Pam Pinch
- 5 years - Sarah Chiz, George Freitag (Director), Drew Dreger, Halyna Ishchook, Rowena Lennox, Anu Dhillon, Amanda Laughton

The Board would like to thank Jean-Ann Debreceni once again for her many years of dedicated service to the credit union.

StellerVista would like to honor the memory of Marg Poohachoff, a former director and Board Chair whose contributions helped shape the legacy of Heritage Credit Union. We remain grateful for her longstanding commitment to our community and to the foundations of this organization.

## 16. Adjournment

**MOTION:** THAT THE 74<sup>TH</sup> STELLERVISTA CREDIT UNION AGM BE ADJOURNED.

Moved by D. Wack; **AIF/CARRIED**

The meeting was adjourned at 8:49pm PT.