



# AGENDA

Welcome to our 76<sup>th</sup> Annual General Meeting

Introduction of Guests, Officers and Head Table

Quorum

Call to Order

Approval of Agenda

Approval of Minutes of the 75<sup>th</sup> Annual General Meeting

Business Arising from the Minutes

Operations Report to Membership

Nominating Committee Report

Audit and Finance Committee Report

Credit Committee Report

Community Sponsorship Report

Resolution#1

Auditor's Report and Financial Statement

New Business

Adjournment



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Financial Statements*	Available at Registration

\*also available on website

# Minutes of the 75<sup>th</sup> Annual Meeting

## Welcome:

Sonia Matichuk introduced herself and welcomed everyone to the 75th Annual Meeting.

Sonia Matichuk introduced our guest speakers.

Caroline McAuley

Mayor, Town of Vermilion

Cliff McAuley

Caroline McAuley thanked Vermilion Credit Union for the invite to the AGM and for their 75 years of business in the Town of Vermilion. Caroline listed off some statistics from 1943 as in, the cost of a new home was \$3,600, average salary was \$2,410 per year, a car loan was \$900.00, average rent was \$40.00 per month, movies were \$.35 and Gasoline was \$.15. Caroline said that she and husband Cliff moved first to Mannville, and Cliff drove to Kitscoty to work, while she drove the opposite direction to Vegreville. The use of the revolutionary ATM that only Vermilion Credit Union had became very handy for them. In closing, Caroline thanked the Credit Union for the service they provide, for being an amazing community builder, as well as offering up their parking lot to the Biz Kids and wished the Credit Union many more years of business in the community.

Richard Starke

MLA for Vermilion – Lloydminster

Alison Starke

Richard Starke began with humor by saying that it was a pleasure to be in attendance and commented that the lack of 'red' ink throughout the AGM booklet financials is testimony to the success of the credit union movement. Richard believes the credit union system began with its courageous founders, with foresight in 1943, especially being in the era of the Second World War. Richard added that this small group in Vermilion had to pool their resources together in a cooperative manner to provide the necessary financial services to their community. Mr. Starke commented on behalf of his wife Alison and himself that the charter banks lost their business years ago. Mr. Starke continued in saying how credit unions are tremendous supporters on an annual basis of their communities, schools and have members; not shareholders. In closing, Richard Starke commended Vermilion Credit Union on its 75 years of service on behalf of the Alberta Legislature and constituency of Vermilion and Lloydminster.

## Introduction of Guests:

Sonia Matichuk requested that the guests stand for introductions.

Brenda Nilsson

Credit Union Deposit Guarantee Corporation (CUDGC)  
Manager Regulation and Credit Risk

Walker Rogers

Credit Union Deposit Guarantee Corporation (CUDGC)  
Executive Vice President, Regulation & Risk Assessment

Kelly Longley

Encompass Credit Union – President & CEO

Lee Whidden

Encompass Credit Union - Director

Ray Styranka	Encompass Credit Union - VP Credit & Director of Lending
Trevor Dodd Bernadette Dodd	Metrix Group LLP, formerly known as Hawkings Epp Dumont LLP
Michael Epp Gayle Epp	Metrix Group LLP, formerly known as Hawkings Epp Dumont
Brian Thorne Jilaine Thorne	Lakeland Credit Union - Chief Executive Officer
Shirley Mayowski Wayne Mayowski	Lakeland Credit Union - Vice President, Finance & Risk
Jim Jackson	Deputy Mayor, Village of Mannville

**Introduction of Officers:**

Sonia Matichuk introduced the head table and the Board of Directors in attendance.

**Staff Long Term Service Awards**

David Eremko, CEO acknowledged and thanked the Long Term Staff. David presented each staff member with a service plaque and provided history of their careers. David then congratulated; Dawn Jackson and Laurie Barlow on their 10 years, Tammy Snelgrove on her 15 years, Trina Fisher on her 20 years, Carrie Barlow on 30 years and Elaine Poliakiwski on 40 years of service.

**Quorum Report: - Devon Whitten**

Devon reported 109 members and 24 guests in attendance which represents a quorum.

**Call to Order**

Sonia Matichuk congratulated all long term employees and called the meeting to order at 7:43 p.m.

**Approval of Agenda:**

Caroline McAuley moved for the agenda to be accepted as presented. Seconded by Randy Martin. All in Favor. Carried.

### Presentation of Minutes from 74th Annual Meeting:

David Eremko moved to adopt the minutes as presented. Greg Lumley seconded. All in Favor. Carried.

### Business Arising from the Minutes:

There was no business arising from the minutes.

### Operational Reports:

#### Devon Whitten, Board Chair

Devon stated that he is honored to remain chair of the Board for Vermilion Credit Union, which is a Credit Union with a 75 year history of local ownership and investing back to the community. Devon stated that the Board continues to evolve to add more value to the organization and that they have had successes and challenges but have progressed and will continue in the years to come. Devon continued by saying that the Board has taken steps to evaluate their performance. In closing Devon added that the Credit Union paid back 34% of income back to their members, donated \$34,000 to charities and causes throughout the area, contributed \$75,000 to the Valley Lodge Modernization Project and the staff and management team have spent 1,100 hour of volunteering in our community. In closing, Devon said we are lucky to have great management and staff, thanked the membership and is proud that Vermilion Credit Union is a figure head in the community.

#### David Eremko, Chief Executive Officer

David welcomed all members and special guests to the meeting and as in Caroline McAuley's speech filled with historical highlights; he quoted the weather as minus 2 with a low of minus 10. David said that first off, we need to thank the people who provided the initial investment of \$5 in common shares to launch our Credit Union on March 18, 1943. Dave added that we can only imagine the climate of our communities during a time of unimaginable hardship in our country's era engulfed in the war effort.

Our membership has been the fabric of our community and Credit Union over the past 75 years. Farmers, business owners, teachers, home makers, laborers, seniors, youth have all experienced the difference and value of being a member. We have grown to 4,136 members as of today and we look forward to growing and developing our member base of the next years to further solidify our role in our communities.

David said that the Credit Union system has always been innovative and responsive to the needs of their members and that this has been demonstrated by so many of the products and services that we take for granted today. David named some of the "firsts" of Credit Unions as being, Registered Education Savings Plans, Debit Card service, home equity lines of credit, open mortgages, full-service ATMS, functional online banking as well as the first financial institution to lend to women in their own names. Our goal is to continue this tradition and provide the products and services that enrich our member's lives as well as improve your overall banking experience. This will be evident as VCU undertakes enhanced online and mobile services, fraud detection initiative, new credit/debit card offerings, as well as branch improvement and renovations that are currently under development.

David thanked our peers throughout the Credit Union system as well as our close Credit Union neighbors who work together with us throughout the year and commented that a number of them are in the room tonight.

David Eremko spoke to the financials as he referred all in attendance to the PowerPoint charts and graphs and provided highlights of the report.

In closing, David commented on how the Credit Union system has changed significantly since our incorporation. David added that we recognize that our climate has changed from a high of 129 Credit Unions in 1986 to the current level of 20 Credit Unions throughout the province and that we are resilient and strong, which our external auditor will attest to. David's closing remarks included that we have weathered the latest economic upheaval in our province and look forward to the journey in front of us, as we strive to make meaningful financial difference for our members and the communities we serve. David thanked the membership; past and present, the board and to all valued employees for 75 years of successful operation.

David Eremko moved the Operational Reports for acceptance. Seconded by Randy Lamport. All in favor. Carried.

#### **Nominating Committee Report:**

Toland Cochrane explained that there are 9 members on the Board and that this year, three Director's terms expired. As Toland continued, he said that the terms of Larry Bingham, Willow Jaremco and Sonia Matichuk had expired. Toland, then thanked Larry Bingham and Willow Jaremco for allowing their names to stand and thanked Sonia Matichuk for her 15 years of dedicated service on the Board. Toland explained that in seeking out nominees by means of Social Media, website, word of mouth and newspapers that Lonnie Wolgein accepted, thus being elected by acclamation.

Toland Cochrane moved that the Nominating Committee Report be accepted. Larry Tyner seconded the motion. All in Favor. Carried.

#### **Audit and Finance Committee Report:**

Wayne Wright, Chair of the Audit and Finance Committee, presented his report and referred all in attendance to Page 18 showing highlights. Wayne named his fellow committee members as; Toland Cochrane, Charlene McFarlane, and Kellen Snelgrove. Wayne reported that the Audit and Finance Committee met with Credit Union Central of Alberta and also with Hawkings Epp Dumont, now known as Metrix Group LLP, Chartered Professional Accounts, who both provided feedback of a clean and positive audit opinion. In closing, Wayne thanked the management, staff and Board for their commitment.

Wayne Wright moved the report for acceptance. Seconded by Carla Anderson. All in Favor. Carried.

### Credit Committee Report:

As Laura Tyner, Manager Lending Services, began the Credit Committee Report, she emphasized that member loans decreased; however, residential, consumer, commercial and agricultural loans have all increased and explained the comparisons from previous years. Laura also pointed out the low delinquency rate. In closing, Laura acknowledged the members of the Credit Committee as being, David Eremko, Brenda Jackson, Jodi Jones, Michael Myhovich, Roselyn Sikora, and herself.

Laura Tyner moved that the Credit Committee Report be accepted. Mike Myhovich seconded the motion. All in Favor. Carried.

### Community Sponsorship:

As David Eremko reported on our Community Sponsorship with all its highlights, he referred to the PowerPoint presentation. David commented that it is this sponsorship that sets us apart from our competitors, with \$33,000 in donations, staff volunteer hours over 1,100, our Fat Cat reading program donation of \$5,500 this year to our local schools, which we've been involved with for 12 years and our 17 charity golf tournaments. Dave continued by saying that the past charity golf tournament sponsored 3 recipients and that our tournaments have been at the Vermilion Golf course or the Riverdale golf course in Mannville. David was proud to say that Vermilion Credit Union donated \$75,000 to the Vermilion Lodge to pay homage to members, past and present and that the credit union was the first party on board to assist. In conclusion, David Eremko said that "profit is not bad; it's what you do with that profit that counts".

### Auditors' Report and Financial Statement – Trevor Dodd, CPA, CA of Metrix Group LLP:

As Trevor Dodd introduced himself, he explained what his company does while looking at the financial statements and transactions of the Vermilion Credit Union. They ensure that they are free of material error. Trevor then spoke to the areas that were examined and they were found free of error. Trevor explained that major assets are comprised of revenues from loans, and that the Credit Union's second asset is investments and deposits which are used to fund those loans. Trevor explained that the trend now is to not tie up investments for a lengthy period due to lower interest rates and therefore; have access to monies easier which may be used to pay down loans. Trevor then spoke to the category of operating expenses which are comprised of staff cost, building costs etc. and said that these expenses have remained the same for the past 5 years and shows that management is keeping costs in check and that the measurement of efficiency is increasing as well as net income has also been increasing over the last 5 years. Trevor explained that the Patronage and Dividend is what the Credit Union is returning to you and the more business you do, the more patronage you receive. Trevor's closing remark was to offer congratulations to the staff, management, membership and directors and thanked them for allowing the Metrix Group to perform their audit. Trevor wished Vermilion Credit Union great success for 2018.

Wayne Wright moved for the Approval of the Auditors' Report and Kellen Snelgrove seconded. All in Favor. Carried.

Greg Lumley asked questions with regard to Credit Union Deposit Guarantee Corporation and the covering of deposits. Greg's question was satisfied.

**New Business:**

Sonia Matichuk asked if there was any new business arising and there was none, however, Jack Seewalt, from the audience, provided an excellent testimonial to his experience with Vermilion Credit Union and explained why he has remained a satisfied member since 1974!

**Thank You's:**

Sonia Matichuk thanked the presenters and guests for attending, Red Feather Ridge Lodge for catering, Stacey Teasdale for decorating, Brett Maron, the DJ for the evening, the Elks Hall group, the long term staff for their commitment and the management and staff for their dedication.

Sonia then had David Eremko and Laura Tyner come up to the front to conduct the special 75<sup>th</sup> anniversary draw.

The winner of the Ladies Hillberg & Berk Pendant and Earring set was – Donna Okkema

The winner of the Men's Bulova watch was – Mike Mayowski

David Eremko added that these items were purchased from our local vender, Rita Elliott of Vermilion Jewelers.

**Adjournment:**

Sonia Matichuk thanked the membership, management, board and staff and adjourned the Annual General Meeting at 8:18 p.m.





## BOARD CHAIR'S MESSAGE TO THE MEMBERSHIP

This past year it was once again my privilege to be the Chair of our Vermilion Credit Union Board.

Our meetings continue to be more forward thinking and acting in an effort to provide more value to the Credit Union, its members and staff. We are also committed to continuing to evolve and adapt. Education, awareness and compliance with regulatory requirements and self-assessment continue to be a focus.

As a Board and an organization we feel a strong tie to our communities and our members; we feel one of the best ways we can honor those ties is to continue to give back. In this past year, the Credit Union made \$46,000 in contributions to charities and causes throughout the area. The staff and management team have spent 1,100 hours volunteering in our communities. On top of these achievements, we were also able to give back \$501,635 or 34% of our profits directly to the members in patronage and dividends.

To the Management and Staff of the Vermilion Credit Union, we truly thank you. The strength, success and continued positive reputation of the Vermilion Credit Union comes directly from the efforts they put in every day.

I would like to thank our membership for your continued support and participation in the Vermilion Credit Union. We hope that you all are as proud of what this organization is able to achieve and continue to offer to the community as we are.

Respectfully submitted,

**Devon Whitten**

Chair of the Board of Directors



## OPERATIONS REPORT TO THE MEMBERSHIP

On behalf of the board and staff of Vermilion Credit Union, I am pleased to present the results of our 75<sup>th</sup> year of operation. The audited results represent a favorable year given the continued financial pressures evident in our province at this time.

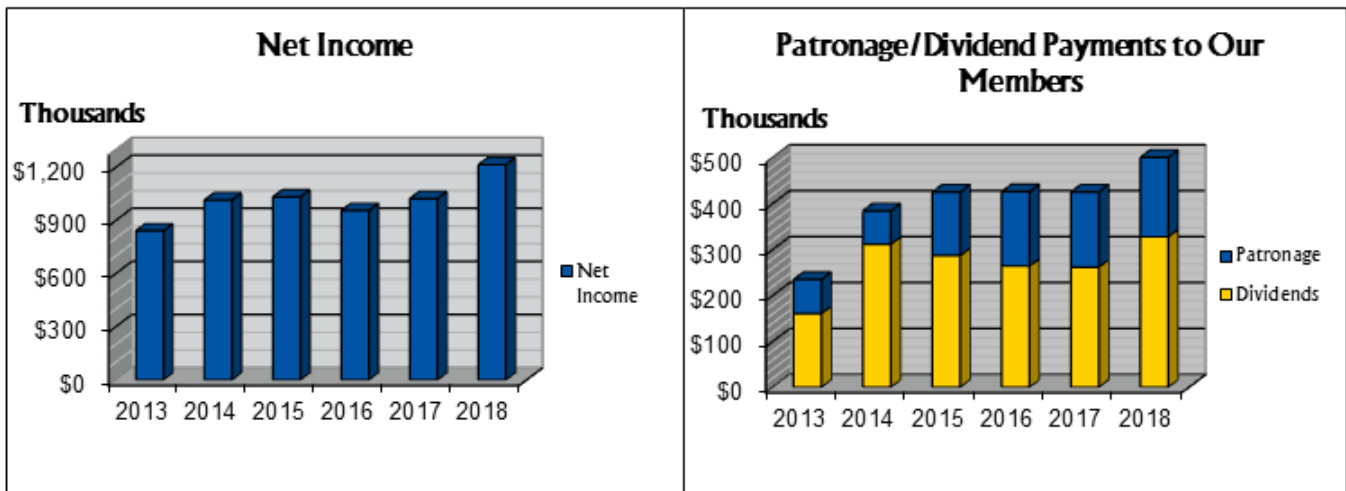
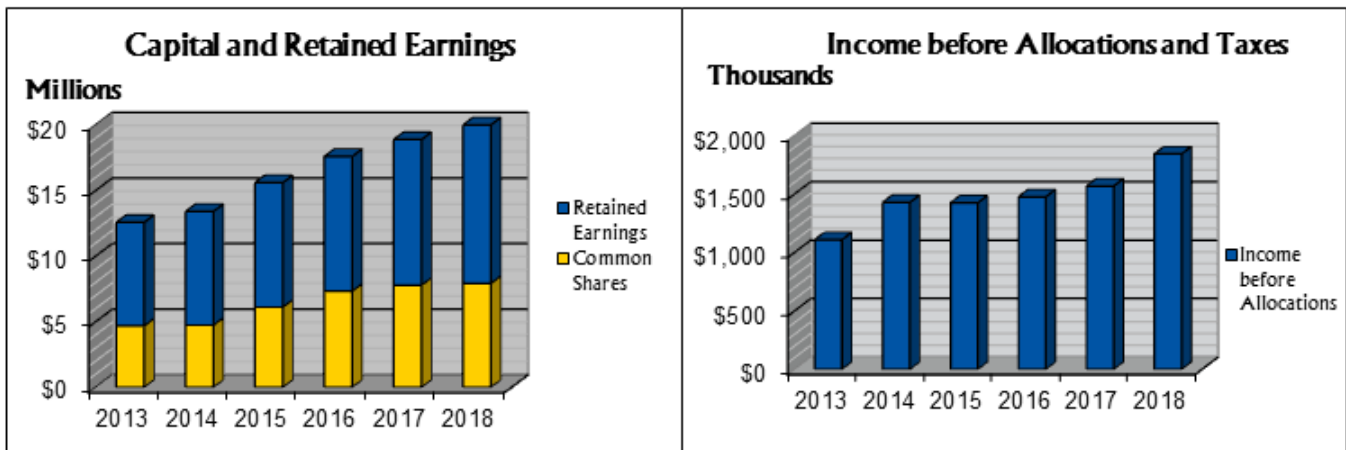
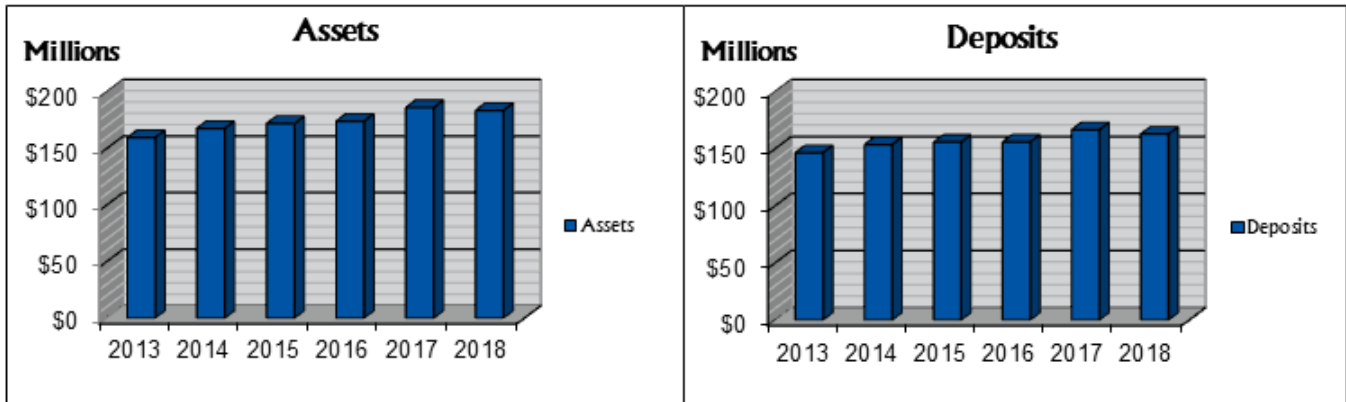
Profitability continued with net income of \$1,216,220 representing an increase of \$191,245 over the previous timeframe. Operating expenses were slightly higher than the previous yearend but are still favorable, and reflect sound cost control. Capital and retained earnings increased to \$20,007,231, which met all provincial regulatory levels for capital and provides strength and security for our membership. We were able to continue rewarding our membership with a payment representing 34% of our gross income by way of patronage and dividend payments totaling \$501,635. This now represents a combined total of \$5,574,758 that has been returned to our members since inception in 1999.

Our board of directors, continue to provide sound judgment and guidance throughout the year. This is accomplished through ongoing strategic planning, board mandated training and a continued focus on the overall risk profile of the credit union in accordance with our Enterprise Risk Management protocol. To insure accountability and oversight the board has engaged independent professional bodies to complete external audits, quarterly by Alberta Central, and annually by Metrix Group LLP.

Thank you to our membership for your continued support, patronage and loyalty as well as our valued staff whose dedication and efforts have resulted in a positive and successful year for your Vermilion Credit Union.

**David Eremko**  
Chief Executive Officer

# FINANCIAL SUMMARY





## NOMINATING COMMITTEE REPORT

The Vermilion Credit Union Board of Directors is made up of 9 individuals that represent the members of the Credit Union. Each year the term of 3 Directors expire. The terms of Devon Whitten, Wayne Wright and Toland Cochrane expire this year.

Both Devon and Wayne have allowed their names to stand for another term. Toland has decided to step down at this time. We would like to thank him for the past 3 years that he served as a director. He brought great insight, ideas and questions to the board table.

A call for nominations from the membership at large was published in the local papers, social media, as well as in the Mannville and Vermilion branches. As a result of these notices and the work of the Nominating Committee, Mike Schmidt has allowed his name to stand for election beside Devon and Wayne.

With only the above-mentioned three candidates volunteering to stand for election, all three will be representatives on the board by acclamation. The Nominating Committee would like to express our appreciation to all three candidates for allowing their names to stand.

Respectfully submitted,

Willow Jaremco

Chair of the Nominating Committee



## AUDIT AND FINANCE COMMITTEE REPORT

During the past year, the Vermilion Credit Union Audit and Finance Committee consisted of Toland Cochrane, Charlene McFarlane, Kellen Snelgrove, Devon Whitten and myself, Wayne Wright.

The Audit and Finance Committee met on four separate occasions to complete the tasks and responsibilities assigned to it by the board.

The committee also reviewed Quarterly Financial Reports prepared by management for the board, to ensure industry and Vermilion Credit Union benchmarks and goals are being met.

On behalf of the board of directors, Credit Union Central of Alberta was engaged to complete Internal Audits for the first 3 quarters of the fiscal year, January, April and July. Metrix Group LLP, the Credit Union's external auditor, completed the Fourth Quarter Audit and the year-end Financial Statement as of October 31, 2018. The Audit and Finance Committee reviewed all audit reports along with management's responses and were satisfied with the integrity of systems and controls, which are supported by all external bodies.

Meetings were held independent of the CEO and management with Credit Union Central to discuss and review the audit process after each audit.

Discussion was held throughout the year on the work of the Enterprise Risk Management committee as well as the credit union's progress towards complying with the new IFRS 9 reporting standards, which our credit union has adopted.

On behalf of the Audit and Finance Committee, we thank the staff and management for all their efforts during this past year. The audit reports received are a result of their hard work and attention to following policies and procedures.

Thank you to my fellow committee members, Board of Directors, management and staff.

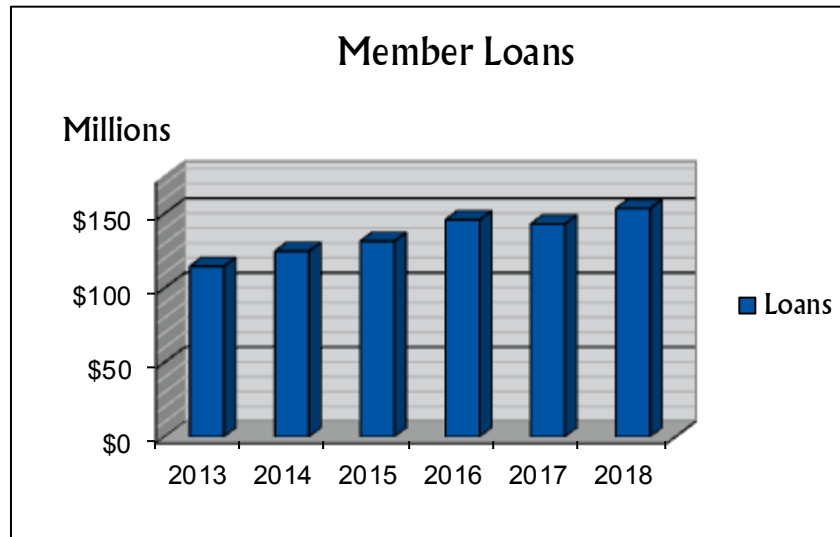
Respectfully submitted

**Wayne R Wright**

Chair of the Audit & Finance Committee

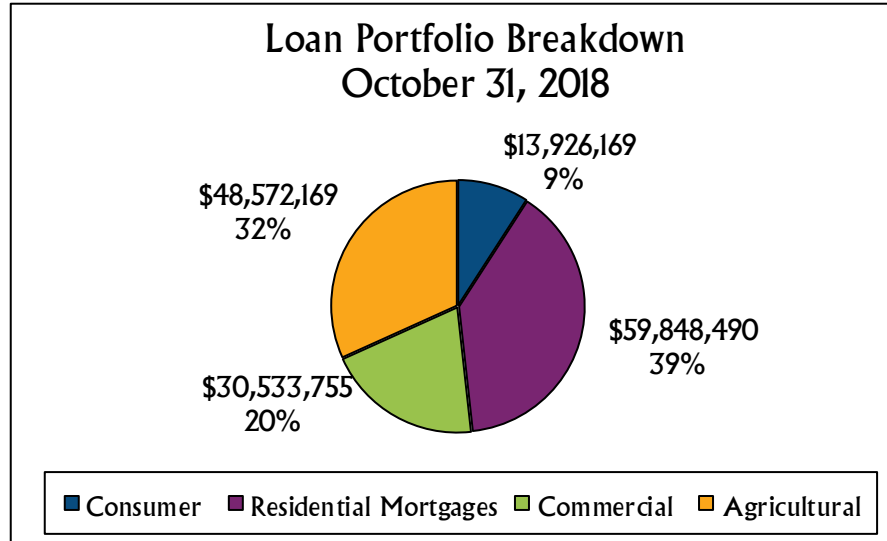
# CREDIT COMMITTEE REPORT

As of October 31, 2018 the loan portfolio was \$153,534,179, an increase of \$10,454,209 or 7.31% from the last fiscal year end.



The overall increase in the portfolio is attributed to our commercial and agricultural loans and mortgages.

Loan delinquency as of October 31, 2018 was at .36% of the total loans and authorized overdrafts, which were delinquent in excess of 60 days. This represents a total dollar value of \$553,811.



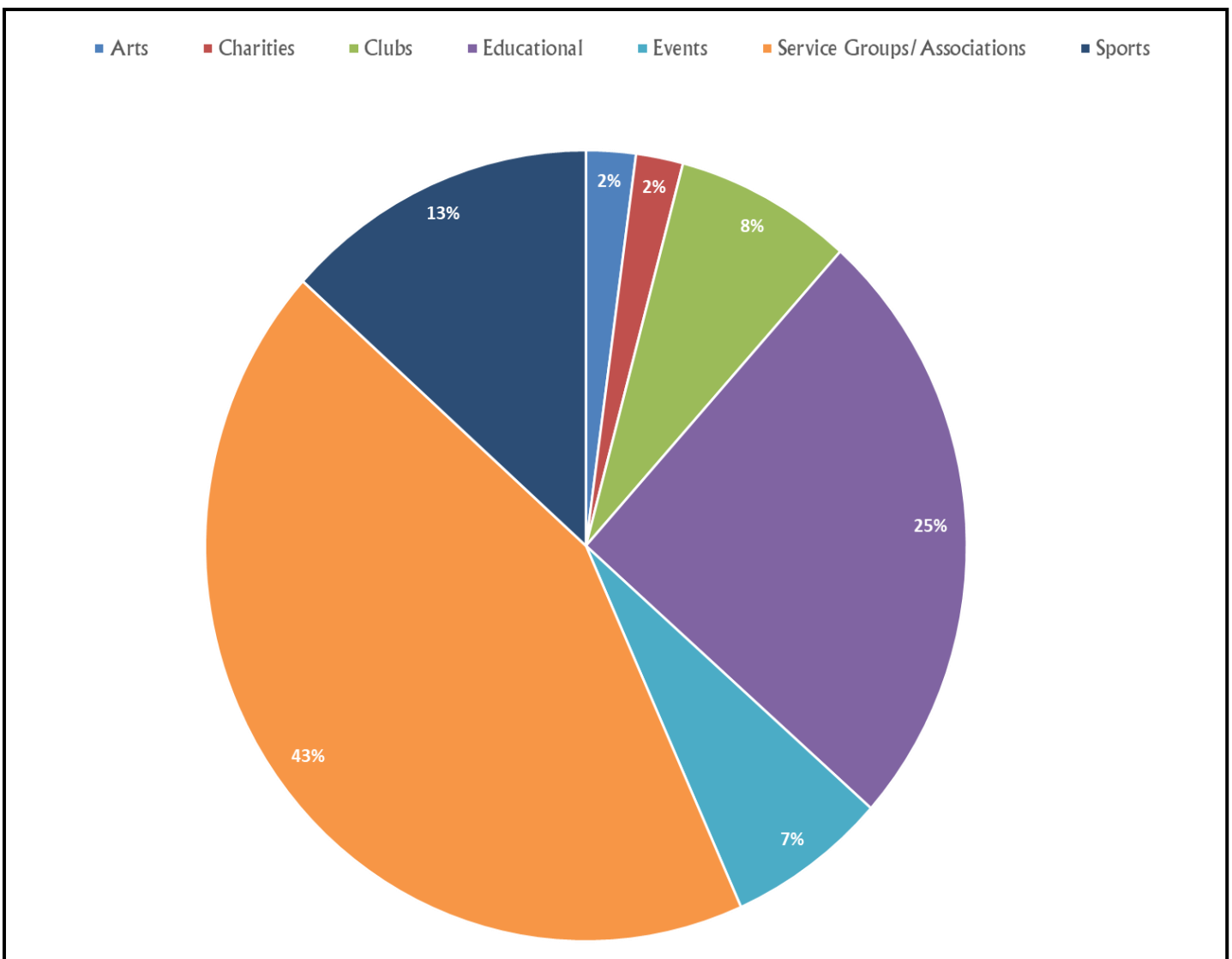
Respectfully Submitted

Laura Tyner

Manager of Lending Services

## COMMUNITY SPONSORSHIP

Our staff, management and directors take pride in the commitment Vermilion Credit Union gives to our community. During the 2018 fiscal year, donations were made to a number of organizations, clubs and groups in the Vermilion and surrounding area. We contributed over \$46,000 through community sponsorship, donations, and event participation. Major recipients of financial contributions were the Vermilion, Mannville, and St. Jerome's Elementary Schools in the amount of \$5,964 for the Fat Cat Accelerated Reading Program. In addition, we distributed \$3,000 each to the Islay Fire Department, Mannville Education Fund Association and Vermilion River Flying Club from our Annual Charity Golf Tournament. We are proud that our staff, for the 2018 fiscal year, volunteered in excess of 1,100 hours to sports teams, school events, and various other organizations within our communities.



## Arts

Battle River Music Society  
Vermilion Allied Arts Council

## Charities

CURE Foundation

## Clubs

Clandonald 4-H Multi Club  
Clandonald Ag Society (Hay Clandonald)  
Mannville 4-H Multi Club

## Educational

Innisfree Delnorte School Awards  
J.R. Robson Ronald McDonald Fundraiser  
J.R. Robson Awards Night  
Lakeland College Students Association  
Lakeland College Awards  
Mannville Education Fund Association  
Mannville Parent School Council  
Mannville School Awards  
Mannville School Accelerated Reading Program

## Events

Alberta Professional Chuckwagon & Chariot Association  
BIZ KID\$ BBQ Fundraiser  
Mannville Chamber of Commerce  
Mannville Elks Motorcycle Rally  
Mannville Fair Board  
The Good Life Institute Savor Event

## Service Groups/Associations Etc.

Citizens on Patrol  
Communities in Bloom  
Islay Fire Department  
Mannville Ag Society  
Mannville Historical Society

## Sports

Islay Curling Club  
Mannville Minor Ball  
Mannville Minor Hockey  
Mannville Riverview Golf Course  
Samuel Ree Alberta XCountry Ski Team  
Vegreville Polekats Special Olympics Hockey Team

Vermilion Rotary Music Festival  
Yellowhead Music Jamboree

Santa's Anonymous

Vermilion Lions Club  
Vermilion River Flying Club

Mannville School Trickster Theatre  
St. Jerome's School Awards  
St. Jerome's Accelerated Reading Program  
VES Accelerated Reading Program  
Vermilion Outreach School Breakfast Program  
Vermilion Play Development - Farm to School Fundraiser

The Ride to Conquer Cancer  
Multiculturalism & Canada Day Celebration  
Vermilion Chamber of Commerce  
Women's Conference & Trade Show  
Vermilion Ag Society Light Horse Show  
Vermilion Ag Society Beef Show  
Vermilion 4-H Beef Interclub Show

Mannville Royal Purple  
Royal Canadian Legion  
Vermilion & District Housing "Living Well Campaign"  
VIBE Pink Shirt Day

Vermilion Ag Society Farm Curl  
Vermilion Curling Club  
Vermilion Golf and Country Club  
Vermilion Jr B Tigers  
Vermilion Minor Hockey  
Vermilion Roar Lacrosse  
Vermilion Rock Hockey



# RESOLUTION #1

**SUBMITTED BY:** The Board of Directors of Vermilion Credit Union Limited.

**RESOLUTION:** To amend By-Law 9.10 to increase Director Remuneration to reflect the current norm within the Alberta Credit Union system.

**WHEREAS:** The Credit Union's present remuneration by-laws have fallen behind similar sized credit unions as evidenced by research conducted amongst credit unions in the province, and have not been amended in over 7 yrs.

**WHEREAS:** It is the opinion of the Board of Directors that Vermilion Credit Union Ltd. Director Remuneration By-Laws should permit adequate compensation to the Directors in recognition of the time and effort required to properly execute their due diligence and maintain attendance at meetings, training sessions and other functions in which they are required to represent Vermilion Credit Union Ltd.

## Proposed amendment to Common Shareholders By-laws

9.10 Directors and non-employee officers of the credit union shall receive remuneration in recognition of their time and efforts according to the following schedule.

Full day	\$150	\$300	per day
Half day	\$100	\$150	per half day
<b>Board meeting</b>			
Directors	\$100	\$150	per meeting
Chairman	\$125	\$200	per meeting
<b>Committee meeting</b>			
Committee Members	\$75	\$100	per meeting
Committee Chairman	\$100	\$125	per meeting

Plus remuneration for out of pocket costs related to the performance of their duties as directors and officers.

9.11 The maximum aggregate remuneration that shall be paid to all directors and non-employee officers shall not exceed 1.5% of total operating expenses.

**NOW THEREFORE:** Be it Resolved That: By-Law 9.10 be amended to increase the remuneration to the Board of Directors as presented.

*Upon receiving approval of these revised and new By-Laws the exact wording shall be subject to the editing of the Deputy Superintendent, Financial Institutions for the government of the province of Alberta, in keeping with the intent of the proposed by-laws.*