



MINUTES OF THE SIXTY FOURTH ANNUAL MEETING held on Tuesday, April 5, 2022

**MINUTES OF THE SIXTY FOURTH ANNUAL MEETING  
TUESDAY, APRIL 5, 2022**

The 64<sup>th</sup> Annual General Meeting of Kingston Community Credit Union Limited was held virtually via GoToWebinar on Tuesday, April 5, 2022.

Agenda Item #	Acceptance/Discussion	Status
<p><b>Welcome, Virtual Meeting Instructions, CEO Remarks</b></p>	<p><i>Before the Annual General Meeting (AGM) was called to order, the Corporate Secretary, Mary Lowdon, introduced a series of housekeeping rules. She pointed out the attendee interactive toolbar which allowed attendees to raise their hand and ask questions. The “Raise Your Hand” function was used to record the acceptance and opposition to motions. An attendee could also ask a question which were answered in the Q &amp; A session at the end of the meeting. All meeting materials had been made available electronically in advance of the meeting.</i></p> <p><i>Jon Dessau, CEO, was introduced as the moderator for the meeting. He welcomed all attendees and explained that when we started planning for this meeting, back in December, we had to decide early on the format and given the unpredictability of the pandemic, only a virtual meeting could be guaranteed to succeed. He is looking forward to the day when we can interact directly as we are about local, building relationships and knowing our members. Mr. Dessau encouraged attendees to use the question function to interact with the presenters and staff.</i></p> <p><i>Mr. Dessau introduced Bob Trentadue, Chair of the Board of the Directors.</i></p>	
<p><b>1) Enrolment of Members</b></p>	<p>At 7:04pm, the meeting was called to order by the Chair of the Board of Directors, Bob Trentadue.</p> <p><u>Determination of Quorum:</u> The Corporate Secretary confirmed that there were forty-seven (47) registered Kingston Community Credit Union members in attendance. In accordance with the by-laws, the required number is 20. The Chair declared that a quorum was present and thus the meeting was duly constituted.</p>	
<p><b>2) Chair’s Opening Remarks</b></p>	<p>The Chair introduced himself and welcomed the assembly to the Annual General Meeting of Kingston Community Credit Union. He provided an overview of the meeting’s proceedings and the structure of the meeting and encouraged everyone to ask questions and make comments. AGM information packages for members were provided on the Kingston Community Credit Union website, containing the Agenda, minutes of the last AGM held in 2021, Annual Report, and the 2021 Audited Financial Statements.</p> <p>The Chair introduced his fellow Board members: Vice-Chair Lisa DiRocco, Directors Stephen Bach, Brent Bellamy, Bram Fisher, Paul</p>	



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	<p>Lorenz, and Reta McCormick. Special mention was made to Bram Fisher for his dedication and commitment to KCCU as he begins his retirement from the Board of Directors after 5 years of service.</p> <p>At this time, Mr. Trentadue referred to the slide presentation on screen and asked the membership to observe a moment of silence in remembrance of members who had passed away in the last year.</p> <p><b>It was moved by the Board of Directors and seconded by Michelle Fournier, that the agenda be adopted as presented.</b></p>	<b>CARRIED</b>
<p><b>3) Minutes of the 61<sup>st</sup> Annual General Meeting</b></p>	<p>Minutes of the 63<sup>rd</sup> Annual General Meeting were provided in advance of the meeting on the Kingston Community Credit Union website.</p> <p><b>It was moved by the Board of Directors and seconded by Guy Neelin, that the Minutes of the 63<sup>rd</sup> Annual General Meeting be approved as written.</b></p>	<b>CARRIED</b>
<p><b>4) Business Arising from Minutes</b></p>	<p>There was no business arising from minutes.</p>	
<p><b>5) Report of the Chair of the Board of Directors</b></p>	<p>The Chair referred to the Report of the Chair of the Board of Directors found on page two of the Annual Report.</p> <p>Mr. Trentadue began by saying that he is pleased to report to the membership that the credit union is strong, stable, financially healthy, with a positive and sustainable strategic plan. His report outlines our financial accomplishments and perseverance of our staff in 2021, despite ongoing effects of a COVID-19 in our community. On behalf of the Board, he extended gratitude to our management and staff for their volunteerism and spirit in assisting and supporting the community in so many ways. He also thanked our members for their generous support of our community initiatives. Kingston Community Credit Union is involved with countless organizations throughout the community. A sample of these organizations is listed in our 2021 Annual Report.</p> <p>At this time, Mr. Trentadue stated that the Governance Committee became a standing committee in 2019. He invited the Chair of the Governance Committee, Mr. Brent Bellamy, to share a few words on the work of this committee in 2021. Mr. Bellamy thanked the Chair for his introduction. He then stated that the Governance Committee is constituted as an advisory committee, as per Article 5.05 of the bylaws of the credit union. The objective of this committee is to make recommendations to the board, with respect to Board Succession Planning, Governance Practices, and Board level policies. The Committee is comprised of a minimum of three directors appointed by the Board, and in 2021 the Committee members included Stephen Bach, Paul Lorenz, and me. He thanked Mr. Bach and Mr. Lorenz for their support throughout a successful year for the committee. In 2021, the</p>	



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<p><b>5) Report of the Chair of the Board of Directors (continued)</b></p>	<p>Governance Committee supported the work of the Board by reviewing succession planning, the Board Diversity Policy, including current demographics of the Kingston Community Credit Union membership and the Kingston community, Corporate Governance Policies, and the proposed FSRA Rule Sound Business and Financial Practices. The Governance Committee made recommendations to the Board for the future development of an equity, diversity and inclusion policy and statement, and for the annual observation of the National Day of Truth and Reconciliation. The Governance Committee also recommended to the Board expanding current succession planning, guidelines, and practices.</p> <p>Mr. Trentadue thanked Mr. Bellamy for his report and then announced that the Board of Directors recommended approval for the following to be paid for the 2021 financial year to the membership:</p> <ul style="list-style-type: none"> <li>• a 3% Dividend on the Equity Share Account.</li> </ul> <p>Mr. Trentadue extended his appreciation to the board members, management and staff congratulating them on another successful year. Mr. Trentadue concluded his remarks by saying that he was pleased to be able to report an excellent return to the membership this year totalling more than \$31,000 in dividends.</p> <p><b>It was moved by the Board of Directors and seconded by Maryann Halladay, that for the 2021 financial year, the membership be paid a 3% Dividend on the Equity Share Account.</b></p> <p><b>It was moved by the Board of Directors and seconded by Mark Kahnt that the Report of the Chair of the Board of Directors be accepted.</b></p>	<p><i>CARRIED</i></p> <p><i>CARRIED</i></p>
<p><b>6) Report of the CEO</b></p>	<p>Report of the CEO was presented by CEO, Jon Dessau. Mr. Dessau welcomed the membership and guests. Upon thanking the membership for their support, he referred to the written report and he reviewed the broader strategic context and delivery of KCCU's financial performance. In delivering on the strategic plan KCCU had focused on three priorities; 1) being able to offer choices for financial needs at all life stages, 2) technological development, and 3) diversifying revenue sources to build resilience. These were delivered on with for example the expansion of wealth advising and investment assets under management, establishing a partnership with Q-Trade for self-directed investing needs, significantly expanding commercial lending, supporting the shift to digital payments and e-mail transfers. This has all been accomplished without compromising the core mission to provide personal and affordable financial services using co-operative principles. Mr Dessau expressed his appreciation of how well staff had delivered on these priorities during the disruption of the pandemic. These priorities and accomplishments will keep KCCU sustainable and thriving even as the economy shifts from Pandemic shut downs, to growth and inflationary pressures.</p>	



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<p><b>6)</b> <b>Report of the CEO</b> (continued)</p>	<p>Mr. Dessau recognized those employees with Service Anniversaries. They will receive their awards at an alternate time and manner. He asked that the membership congratulate these employees for their dedication and service to KCCU. These staff members include:</p> <ul style="list-style-type: none"> <li>• Arlene O’Neill</li> <li>• John Monte</li> <li>• Kathy Lavorato</li> <li>• Mary Lowdon</li> <li>• Sheryl McAllister</li> <li>• Sonya Farrell</li> <li>• Steve Barrie</li> </ul> <p>He then congratulated the entire staff for the successful results of 2021 while having to contend with a continuing pandemic. He also thanked the members for their patience and help through all the changes in extra protocols.</p> <p>He continued his discussion by commenting on the future of KCCU. First, was the adoption of the new Credit Union and Caisses Populaire Act on March 1, 2022. With the new ACT governing the sector, comes new regulations and changes to regulatory oversight and governance practices. This is all to strengthen the resilience of the credit union and to ensure that credit unions operate to the best international standards for financial services and the Board and staff can look forward to a busy year. Examples of new developments as a result of the new legislative and regulatory environment include:</p> <ul style="list-style-type: none"> <li>• The creation of a comprehensive code covering best practices in Market Conduct and financial consumer protection.</li> <li>• Changes in the requirements of regulatory capital to mirror federal and international banking standards. KCCU remains well within the new requirements but building capital reserves will have to be a key focus for long-term growth and sustainability.</li> <li>• Risk Management oversight will include a Recovery Plan Framework which will outline plausible responses to a variety of disastrous events.</li> </ul> <p>Mr. Dessau shared a slide presentation on the community engagement efforts of KCCU in 2021. He added that through donations and fundraising in 2021, KCCU provided over \$85,000 in support to our community in various ways. He thanked the membership, his colleagues, and the Board for their support and for the continued success of KCCU.</p> <p><b>It was moved by the Board of Directors and seconded by Sheryl McAllister, that the Report of the CEO be accepted.</b></p>	<p><i><b>CARRIED</b></i></p>
<p><b>7)</b> <b>Report of the Audit</b></p>	<p>Lisa DiRocco, Audit Committee Chair, presented her report found on page 10 of the Annual Report provided in advance of the meeting. Mrs. DiRocco stated that the Audit Committee, meeting four times in</p>	



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<p><b>Committee</b></p>	<p>2021, conducted its activities in accordance with the Act and Regulations. She was pleased to report that KCCU has continued to surpass its regulatory and policy requirements for reserves, capital and liquidity and is in a strong and sound financial position. There were no other matters which were required to be disclosed pursuant to the Act and Regulations.</p> <p>Mrs. DiRocco thanked the other Committee members, Bram Fisher, Reta McCormick and Bob Trentadue for their hard work on the committee.</p> <p><b>It was moved by the Board of Directors and seconded by Norm Meyers that the Report of the Audit Committee be accepted.</b></p>	<p><i><b>CARRIED</b></i></p>
<p><b>8) Report of the CFO/Credit Manager</b></p> <p><b>8) Report of the CFO/Credit Manager (continued)</b></p>	<p>The Report of the CFO/Credit Manager was presented by Mr. David Bull, CFO/Credit Manager. Mr. Bull referred to pages 7 to 9 of the Annual Report and summarized that 2021 was another successful year. Mr. Bull’s slide presentation illustrated some of the milestones of the credit union and the financial highpoints of 2021.</p> <p>Mr. Bull next commented on the new services KCCU is providing in commercial credit and wealth management. Mr. Bull discussed the impact of the Pandemic on business and member engagement and non-contact solutions that were implemented such as video conferencing and e-signatures.</p> <p>Mr. Bull continued his presentation with a detailed discussion of the following areas on interest for the credit department:</p> <ul style="list-style-type: none"> <li>• Strong audit results in 2021 showing no deficiencies. There were also low loan losses for the year.</li> <li>• All-time low mortgage rates which drove a 9% increase in the credit portfolio. Mortgages were up 11% at a total of \$13.1M. Personal loans were down 13%.</li> <li>• Interest rates expected to climb 1 – 1.5% over the next two to three years. We have been performing stress tests to evaluate if members can absorb a 2% increase in interest rates.</li> <li>• Commercial loans increased by 40% with no delinquency. Audit results indicated that we have a very strong process and procedures for personal and commercial loans.</li> <li>• The Credit Union Member Assistance Program (CMAP) provided for members during the pandemic six payment-free months on loans and mortgages as a means to assist those who were not working. All 223 members who qualified for this program are back to their payment schedules with no delinquencies.</li> </ul> <p>In conclusion, Mr. Bull shared with the membership some historical trends in key asset categories over longer periods of time.</p> <p><b>It was moved by the Board of Directors and seconded by Bert</b></p>	<p><i><b>CARRIED</b></i></p>



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<p><b>9) Report of the Auditors</b></p>	<p><b>Horwood, that the Report of the CFO/Credit Manager be accepted.</b></p> <p>The Auditor's Report was presented by Brent Wilson, Auditor with MNP LLP.</p> <p>Mr. Wilson referred to page 6 of the Annual Report which contains the Balance Sheet. He mentioned that the financial statements can be found on the KCCU website. He provided the Credit Union with a clean report, stating that he found the affairs of KCCU to be in good order and fairly presented. Mr. Wilson highlighted a few points in the Financial Statements.</p> <p>He concluded with the following statement: "In our opinion, the accompanying financial statements present 'fairly', in all material respects, the financial position of the Credit Union at December 31, 2021 in accordance with International Financial Reporting Standards."</p> <p><b>It was moved by the Board of Directors and seconded by Maryann Halladay, that the Auditor's Report be accepted.</b></p>	<p><b>CARRIED</b></p>
<p><b>10)a, b Report of the Nominating Committee</b></p> <p><b>10)a,b Report of the Nominating Committee</b></p>	<p>The report of the Nominating Committee was given by Chair of the Nominating Committee, Reta McCormick. Mrs. McCormick stated that as the standing practice, the Nominating Committee consists of a minimum of three members of the Board whose term has not expired. This year, the Committee was also comprised of Brent Bellamy, and Bob Trentadue. Mrs. McCormick related the work and considerations of the Committee.</p> <p>There were two Board Members, Stephen Bach and Lisa DiRocco, whose terms have expired and one Board Member retiring, Bram Fisher.</p> <p>In accordance with the By-laws, a notice of vacancy was posted on November 23, 2021 and nominations closed at 4 pm on February 22, 2022. The Committee reviewed the number of vacancies on the Board of Directors of Kingston Community Credit Union Limited. The Committee received and reviewed three nominations.</p> <p>The Nominating Committee reported these results to the Board of Directors at their meeting held on March 7, 2022 and recommended that the Director incumbents, Stephen Bach and Lisa DiRocco, and the new nomination, Josephine Matyas, stand for election to the Board. The Committee further recommended that the candidates be acclaimed at the Annual General Meeting. She added that at the Board of Directors meeting on November 17, 2021, the Board affirmed the importance of maintaining staggered expiry dates of director terms and the Board agreed that the new Director nominee would hold their term for 2 years. As such, Josephine Matyas's initial term will be for two years.</p> <p>In closing, Mrs. McCormick stated that the Nominating Committee</p>	



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(continued)	<p>seeks to promote diversity and monitors the gender distribution of applicants. This year, as a result of the acclimations, the balance of gender representation on the board is 57% male and 43% female. The Committee further recommends member engagement in governance and invites all members to support the KCCU’s recruitment efforts.</p> <p><b>It was moved by the Board of Directors and seconded by Concetta Silva, that the Report of the Nominating Committee be accepted.</b></p>	<b>CARRIED</b>
<b>10)c New Business – Appointment of the Auditor</b>	<p>Mr. Dessau stated that the next item for business was the appointment of the Auditors. He referred to By-Law 6.7, stating that at each annual meeting, the members of the Credit Union shall appoint an Auditor.</p> <p>Annually, the Audit Committee is required to evaluate the external auditors and assess the value received for their fee. The Committee has completed their review and evaluation of MNP LLP at their meeting on January 31, 2022. Following this review, the Audit Committee recommended to the Board of Directors that the Board recommends to the Membership to re-appoint MNP LLP as the Credit Union’s Auditor for 2022. The Board accepted their recommendation at their meeting on February 16, 2022</p> <p><b>It was moved by the Board of Directors and seconded by Brian Dennie, to appoint the firm of MNP LLP Chartered Professional Accountants as the auditors for Kingston Community Credit Union for the financial year ending December 31, 2022.</b></p>	<b>CARRIED</b>
<b>11) Announcements and Q &amp; A</b>	<p>A few questions were asked by members:</p> <ol style="list-style-type: none"> <li>1. How much lower are KCCU rates and charges as compared to the chartered bank averages?             <ol style="list-style-type: none"> <li>A. Mr. Bull, CFO/Credit Manager, answered discussing the effort that went into conducting rate surveys and how KCCU seeks to offer rates lower for mortgages and credit products and higher for deposit products, but subject to maintaining a prudent and sustainable margin. Mr. Bull offered some particular recent pricing examples.</li> </ol> </li> <li>2. I live in Picton. Please give detail on the expansion of service into Prince Edward County?             <ol style="list-style-type: none"> <li>A. Mr. Dessau, CEO, answered that there is an increasing number of members from the county, often driven by inquiries about loans or mortgages or other products for which we are very happy to see. Technological options had made remote service so much more feasible, but also meant that expanding the physical footprint of financial institutions with branches was difficult to make economically viable. Foot traffic was declining relative to volume of business as so much had moved online. Mr. Dessau noted that the satellite office at the Kingston Health Sciences Centre had had to closed at the start of the Pandemic, while the ATM network in the hospital has</li> </ol> </li> </ol>	



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<p><b>11) Announcements and Q &amp; A (continued)</b></p>	<p>been retained.</p> <p>3. The CFO Report speaks of broker referrals. What are brokers and what is the significance of their referrals?</p> <p>A. Mr. Bull, CFO/Credit Manager, responded that we are happy that local mortgage brokers refer their clients to KCCU. Many of their clients are delighted to be able to deal with a local lender that have competitive offerings and superior service. Also, to clarify, KCCU does all the paperwork and underwriting according to our policies, and the credit criteria is the same regardless of the original point of contact.</p> <p>4. When will KCCU connect with banks to facilitate scheduling deposits between accounts at different institutions?</p> <p>A. Mr. Dessau said that we already have a facility, and it is called “Me2Me”. With this function in online banking, it is possible to make scheduled or immediate transfers from or to accounts at other institution. The only limitation because it is possible to both deposit and withdraw funds, the account signer must be the same on both ends. However, the main method for retail transfer of funds between financial institutions is now the Interac Email Money Transfers, with which KCCU is an equal participant.</p> <p>5. A number of lines in the Annual Report refer to Notes. Why are they not included?</p> <p>A. Mr. Dessau explained that the Notes in the Annual Report on the Balance Sheet page refer to notes in the full audited financial statement which are included separately in the AGM package.</p> <p>6. When it comes to member loans, what is the average size of all loans and over what number of members? I am curious to get an idea of how widely risk is spread especially with rising interest rates coming soon.</p> <p>A. Mr. Dessau said that he does not have the exact numbers with him on the spot so he is hesitant answer fully. He does know that we have about 4000 borrowers with KCCU which can be spread over the loan portfolio of about \$150M and that will give the approximate average size. He continued by saying that risk has as much to do with quality as quantity and the financial outcome for 2021 where we were able to reduce our loan allowance speaks to quality. Mr. Bull commented on the loan-to-value ratios, and security held, as important factors in determining actual risk.</p> <p>Mr. Dessau said that he would welcome further questions, that could be e-mailed to him, or the corporate e-mail address and they will be answered directly.</p>	
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<b>12) Adjournment</b>	Mr. Dessau thanked everyone for attending the virtual Annual General Meeting.  <b>There being no further business, it was moved by Catherine Caesar that the meeting be adjourned at 8:06 pm.</b>	<b><i>CARRIED</i></b>
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These minutes were received by the Board.

SIGNED:

\_\_\_\_\_  
Chair – Lisa DiRocco  
Lowdon

\_\_\_\_\_  
Corporate Secretary – Mary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date