

TALKA Credit Union
Minutes of the 66th Annual Meeting
April 28, 2021
Virtual Meeting held through Zoom

1. Member Attendance – Zoom connection available at 5:00 p.m.

Member registration was done on-line prior to the meeting with log-in access sent to each member by e-mail. A total of 33 members were in attendance for the annual meeting which constituted a quorum.

(APPENDIX “A”)

2. Opening of the meeting / Board Chair Remarks - 5:30 p.m.

Chairman M. Gudinkas opened the 66th annual meeting and welcomed all members and guests. For expediency there was no formal introduction of the Board of Directors, office staff or guests.

- Despite challenges of 2020 resulting from Covid, Credit Union Board, management, staff were commended for the positive results and uninterrupted service.
- Innovations and variations to the operations are made to ensure the longevity of the credit union and maintain a competitive edge while at the same time delivering enviable products and services to our members.
- The commendable results were achieved while maintaining the health and safety of its staff and members.
- Board is committed to ongoing compliance with the increasing requirements of F.S.R.A.
- Terms of Board Members S. Gaidauskas and L. Stankus have concluded.
- Chair concluded by thanking the Board, CEO, administration and staff for their commitment and the Members for their continued trust and loyalty.

(APPENDIX “B”)

2A. ZOOM Webinar Instruction

IT Consultant, John Duffin, was introduced as the technology facilitator. Mr. Duffin presented an overview of virtual meeting platform including the “chat” and “Q&A” functions to ask questions. A test of the voting function was performed before moving to the meeting content.

3. Approval of the 2020 Annual General Meeting Minutes

Minutes of 2020 Annual General Meeting were posted and available on-line on Talka website prior to the meeting. Board Chair, M. Gudinskas facilitated the process for adoption of minutes. **(APPENDIX “C”)**

Moved by Board Chair, M. Gudinskas, **seconded** by Corporate Secretary, S. Gaidauskas, that the minutes be approved as presented. **CARRIED.**

4. Approval of the 2021 Annual General Meeting Agenda

Agenda of 2021 Annual General Meeting was posted and available on-line on Talka website prior to the meeting. Board Chair, M. Gudinskas facilitated the process for approval of the agenda. **(APPENDIX “D”)**

Moved by Corporate Secretary, S. Gaidauskas, **seconded** by Board Vice-Chair V. Vaičiūnas that the agenda be approved as presented. **CARRIED.**

5. By-Law 5.1 Amendment regarding Board Composition

Talka’s operations are governed by both the regulations found in Ontario’s Credit Union and Caisse Populaires Act (“Act”), and Talka’s by-laws. Due to increasing requirements and regulations of the Act, Talka’s Board is experiencing an increased workload and as a result a proposition has been made to include a provision to increase the number of Board Members from seven and not to exceed nine through a by-law 5.1 change. **(APPENDIX “E”)**

Moved by Nominations Committee Chair, L. Lattanzi, **seconded** by Board Vice-Chair, V. Vaičiūnas that by-law 5.1 amendment be approved as presented. **CARRIED.**

6. CEO’s Report

CEO, Ron Smith, presented an overview of 2020 results and highlights. Balance Sheet and Income Statements were available on the Talka website prior to the meeting.

- i) Balance Sheet: Total assets grew to \$188M in 2020 which is an increase of 22% over previous year with significant contribution due to increased commercial loans. Member deposits increased by

- 33% encouraged by the initiation of High interest Savings Account (HISA)
- ii) Income Statement: Total interest increased by \$475 thousand on loans and investments but Bank of Canada rate cuts created pressure on rate variances which exceeded volume increases. In order to maintain capital adequacy, the Board approved a reduction of interest rebates from previous years.
 - iii) Operating expenses increased from previous year as well as salaries and benefits due to staffing adjustments to better align with business goals.
 - iv) Performance in key indicators, such as assets, capital, liquidity, efficiency ratios and return on capital, was generally stronger than previous year and above those of other Ontario credit unions.
 - v) Several technology initiatives were completed in 2020 as well as the launch of several new products and a successful marketing campaign that has driven a significant increase in “millennial” membership.
- (APPENDIX “F”)**

The following questions were asked by the membership and answered by CEO following the CEO Report:

- a) What are new products being offered by the credit union? All products are listed on the Talka Credit Union website. Member pointed out that it would be beneficial if new products were highlighted on the website initial pop up screens. CEO to investigate.
- b) Is on-line transfer of funds from another financial institution to Talka available? Management is currently working with Central 1 on rolling out several enhancements under their Payments Modernization project which involves significant investments by financial institutions in order to achieve “Real Time Rail” for payments processing 24/7.
- c) The annual report was not available with other AGM documents. Where can it be found? All reports going back to 2015 can be found under About Us / Annual Reports.

7. External Auditor’s Report

Joe Bates of MNP LLP presented a summary of the external auditor’s annual report. Audited Financial Statements are in compliance with the Act. Copies of External Auditor’s Report are saved with the Audit Committee.

(APPENDIX “G”)

8. Audit Committee Report

Audit Committee Chair, Karolina Zanon, prefaced the presentation by providing an overview of the Acts and Regulations by which it was governed. Following

i) A summary of:

- Nature of and number of meetings held in 2020.
- Policies, reports, by-laws, work plans that were reviewed, updated and/ or created.

ii) Audit Committee conducted a request for proposal process (RFP) and evaluation for external auditor for 2021.

iii) Audit Committee has recommended that the current internal auditor, Rick Belsby & Associates, be retained. **(APPENDIX “H”)**

9. Appointment of External Auditor

The Audit Committee recommends Millard as the External Auditor for 2021 after careful evaluation of four firms that responded to the RFP.

Moved by Audit Committee Chair, K. Zanon, **seconded** by Audit Committee Secretary, L. Stankus that Millard be approved as the External Auditor. **CARRIED.**

10. Nominations Committee Report

Nomination Committee Chair, L. Lattanzi, informed the membership that existing Board members S. Gaidauskas and L. Stankus have met all qualifications and are hereby acclaimed to the Board for a three-year term.

A third applicant, Mr. Tony Kybartas, is acclaimed to the Board in one of the newly created Board positions, as a result of the amendment to by-law 5.1, for a term of three years. Lisa congratulated and heartily welcomed the newest Board member. **(APPENDIX “I”)**

Prior to closure of the meeting, the following questions were addressed:

- a) There is a concern that members may not have been given sufficient notice of the AGM, could the transparency and communication be improved? CEO responded that the requirements of by-laws were met that notification be sent between 10 and 50 days prior to the meeting. This included a notice of meeting placed in mail-out statements but the CEO acknowledged that there was some confusion in the messaging.


b) (As per the Nominations Committee recommendation to add an additional Board Director), what happens if there is a tie amongst the even number of Board Members? Chair, M. Gudinskas, replied that the Board makes all attempts to operate on a consensus; however, should that situation arise, the Chair would abstain.

11. Adjournment of the Meeting

Moved by E. Gocentas, **seconded** by L. Stankus that the 66th Annual General Meeting be adjourned. **CARRIED.**

Chair, M. Gudinskas, brought the meeting to a close at 6:15 p.m.


M. Gudinskas – Board Chair


S. Gaidauskas – Secretary