

ARMSTRONG REGIONAL COOPERATIVE 100th AGM

Minutes of the Armstrong Regional Cooperative (ARC) AGM held at the Odd Fellows Hall on May 11th, 2022.

Call to Order: Meeting called to order at 7:05 p.m. by President Hugh Chalmers.

Notice of Meeting: The President noted that all requirements were met for the notice of meeting and since we have a quorum, we can continue. President Chalmers introduced Graham Anderson as our FCL Board of Directors representative and Angela Spencer as the representative from BDO, our auditors.

Minutes of the 99th AGM: Minutes of the previous AGM(s) had been circulated. Motion to accept the minutes as circulated, moved by B. Kirkpatrick seconded by T. During.

CARRIED

Business arising from the Minutes: Nil.

Directors Report: President Chalmers noted that with current dividend returns of 4% on total liquor purchases and 6% on gasoline and other purchases, we had returned to a more historic levels of return back to the membership. He remarked that current sales totals are close to 100 million now in 100 years of operation. Our results rank us in the top levels of 160 co-operatives across Western Canada. The Board had commissioned a book marking our 100 years of operation and he thanked past directors Nairn Van Hahn and Patti Paterson for their efforts to make the book possible. He then thanked the management, board members and especially the staff for their hard work to make these 100 years possible.

GM Report:

GM Jeff Payne stated that he had been the manager for 20 years of the 100 and was astounded by the change in that time frame. ARC had only 174 members in 1936 and now counted over 25,000 members. He foresees no end to the growth. While gasoline consumption had likely reached its peak and would decline quite rapidly, sales of diesel would plateau as well but decline more slowly. Our diversification of revenue streams by branching out into storage facilities, liquor sales and property management was vital. He noted that we now have backup power facilities at the Armstrong card lock, the bulk plant and administration office and plans are underway to have backup generators at all major sites. He attributed a large part of our success was due to our dedicated staff and their very special relationship with the membership. Finally, he noted the retirement of Shelly Sanjenko after many years of dedicated service

and the difficulty to replace her contributions to the success of ARC. Two new staff members were introduced Jeanette Lock and Holly Haverkamp.

Auditors report: The President introduced Angela Spencer, C.P.A. representing our auditors BDO Vernon. Ms. Spencer began with the auditors' report page noting that it was indeed a "clean" report with no significant variances nor concerns. She noted that the balance sheet showed assets totalled almost 44.1 million, that members equity now comprised 30.1 million and that net income for the year totalled 6.8 million.

Responding to a question from the membership, Ms. Spencer noted that the goodwill item of 3.2 million was due to the two liquor store acquisitions and comprised the liquor distribution licensed for these operations.

Motion to accept the financial statements as presented. Moved by H. Petersen, seconded by R. Hoyte.

CARRIED

Appointment of Auditors:

Motion to Appoint BDO Vernon as the auditors for the 2023 fiscal year, moved by N. Van Hahn, seconded by D. Harvey.

CARRIED

GUESTS:

President Chalmers called upon our guest Graham Andersen to address the membership. Mr. Andersen stated that he was very glad to attend our 100-year celebration. He noted that the roots of the co-operative system go way back to roots in England. He concluded by congratulating directors, management, employees and the membership for our success for the past 100 years and good wishes for the future.

Elections: There were 2 positions of 3-year terms available. After a short presentation from 3 candidates Hans Petersen and Val Dacyk were elected to fill these positions. Terri Wong was not successful in her bid for a director position. She was thanked for her efforts to be elected and encouraged to run again.

Motion was made to destroy the ballots moved by B. Burr Seconded by R. Hoyte.

CARRIED

Other New Business:

Staff service awards were presented at the barbeque held prior to the official meeting and will be posted on the website very shortly.

The Chair entertained various questions from the floor.

One questioned the potential future of the Husky stations in our trading area. President Chalmers replied that legal non-disclosure documents made any further comments from the Board impossible.

Another member questioned why the differences between the 4% dividend on liquor and the 6% on fuel purchases. The response was that this was a Board decision made on the profitability of both business lines.

A question arose regarding the future of our Okanagan Landing property. The Board response was that we were keeping our options open for the present time. Housing of some form or other had not been yet ruled out as a possibility.

Another question concerned patronage programs for cardlock purchases. GM Payne noted that FCL was working on a program called Member plus that would involve a different loyalty program but information available was sketchy at the present time.

One member asked about charging stations at our gas bars. GM Payne responded that we do have charging stations at all of our gas bars, but they are very slow charge and consequently we do not charge a fee for this service.

Our relationship with Tappen Co-operative was questioned. We enjoy a friendly relationship with this fellow co-operative but at present they are not interested in merging with ARC.

We do not have any further capacity at our Vernon gas bar to add further pumping stations. The traffic flow will simply not allow it.

We are currently the leading station in litres sold in all three communities that we serve.

Solar panels to be installed upon the roofs of our gas bars currently do not make economic sense, however we will keep a close eye on this technology to see if the situation alters.

GOOD AND WELFARE

Door prize winners:

D. Hlina

P. Place

D. Harvey

S. Kershaw

H. Haverkamp

M. Nadeau

P. Delmonico

I. Hache

T. Wong

J. Lock won the grand prize of a houseboat cruise on Shuswap Lake.

CLOSURE:

The Chair thanked the members for their attendance and reminded them that if other questions arose, they could send them to the Board via the website.

The Chair then thanked ex-Director Ken Earl for his many years of contributions to the success of the Board.

Adjournment: Moved by B. Kirkpatrick at 8:22 p.m.

APPROVED:

DIRECTOR

DIRECTOR