

Armstrong Regional Co-operative 91st AGM

Minutes of the ARC 91st AGM held at the Odd Fellows Hall, Armstrong May 1st, 2013. Recorded by M. Beck.

Meeting called to order @ 7:05pm by President Patti Paterson welcoming all in attendance including: ARC members, staff and GM, board members present and past along with Auditor Chris Henderson.

Notice of meeting: President Paterson stated that all requirements were met for the Notice of Meeting. 25 members signed in.

Minutes of the 90th AGM were read. Motion: B.Seed/B.Richards to adopt the minutes CARRIED.

Business Arising: none

Directors Report: President Patterson addressed members and guests by welcoming them to the 91st AGM and mentioned that the City of Armstrong was celebrating its 100th birthday. She talked about some of the issues of the day back then and through some of the ups and downs in the history of the ARC and then pondered what things will be like in the future. She mentioned that many things happened over the last year. Even mentioned the fire from years ago! New store. Expansion at SAGB. Sales growth to \$58 mill! Truck fleet growing. Competitive market yet positive growth. Compared to other Co-ops, the ARC does quite well. GM Jeff and staff managing a tight ship. The Board has been out and about representing the ARC at tradeshow, storage wars and other events. The President thanked all contributors, members, staff and board.

GM Report: GM Payne welcomed everyone and commented on value of membership @ \$10. Mentioned that someone even called to ask if they could buy more shares in ARC! He articulated that his staff are a HUGE part of ARC success. He said they are not only behind the scenes but out front making a difference. 2012 presented challenges and opportunities. Revenues grew from \$56.9M to \$58.9 even though volume was down 1.5%. We posted savings during the year and were able to announce patronage rebates of 8% or over \$4M. Demand is strong in all sectors of business. New Chip'n'pin technology has been a challenge but now up and running. Car wash equipment too, is now running and contributing \$\$\$. Tri-drives are improving efficiencies. 4th Tri-drive to arrive soon. We lost some Resellers last year but picked up opportunities at the ferries. Core business remains strong. Look forward to more updates at SAGB as well as tech updates for FCL, Lotto and security. Our fuel supply depot at Karsland will be a benefit. Tank program a success. 25 tanks have been sold so far. Awesome feedback on customer service. Always a few issues but mostly minimal. 896 new members last year with total membership at 13,788 of which 10,200 active. Acknowledged Trevor Rees for 10 years of service. Thanked everyone.

Auditor's Report: Chris Henderson of Rossworn Henderson LLP provided audit services. Chris acknowledged financials are good and accurate. He reviewed the document highlighting that revenues were up while litres were down. Gross margin up to 6.45% from 5.95% last year. Expenses were up as insurance increases along with repairs and maintenance as well as salaries also were up. Income was also "up". There has been a good job with accounts receivables and interest. Bottom line is overall financials in good shape.

Motion: Burr/Gooch to accept auditor's report CARRIED

Motion: R.Burr/N. Von Hahn to re-appoint existing auditor CARRIED

Questions:

Expansion opportunities? GM Payne says we've looked at several and rejected because they were not profitable opportunities however we continue to look for more. Land costs are often prohibitive.

Reseller opportunities? We keep an eye for possibilities but acknowledge that supplying ARC fuel demand is sometimes challenging.

Car wash in Salmon Arm – is it profitable? How long to pay off? Net margin is \$25 - \$28k so 5 ½ to 6 years to pay back. Other car wash questions discussed including reasoning for traffic pattern layout.

Discussed pricing history with ARC vs area suppliers. In the end ARC loyalty is proven and patronage is a big reason for this.

New Business: N. Von Hahn presented a motion (attached) 2nd B.Seed that was the result of a survey from FCL on Director remuneration suggesting that ARC was much lower than other Co-ops of similar size. It includes bringing remuneration up to average for similar sized Co-ops. CARRIED

Nominations for directors: two 3 year terms; one 2 year term and one 1 year term. Patterson, Beck, Seed and Laird let names stand. GM Payne called floor 3 times for nominations. None were forthcoming so ballots were cast to determine election. Results were: Patterson – 3 year term, Beck – 3 year term, Seed – 2 year term, Laird – 1 year term.

Motion to destroy ballots: Burr/Richards CARRIED

Several prize draws were conducted through the meeting.

Motion to Adjourn: Marylyn Harford @ 8:20