

Credit union facing another members' revolt?

By Richmond Review

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In 1949, Richmond Savings Credit Union, forerunner of Coast Capital Savings, opened for business in the home of Lewis and Chris VanderGracht, there it remained for the next five years.

The credit union was conceived around a kitchen table under the leadership of Father Patrick McEvoy, John Groenveld, Vander Gracht and others. Early membership meetings were held at the St. Paul's parish church.

In 1954, Richmond Savings Credit Union moved into the premises of the Richmond Review. In exchange for VanderGracht "minding the store" the credit union was given free advertising and membership grew rapidly. Lewis VanderGracht was hired full-time, an office was built at 814 Park Rd. and Phyllis Cross was hired. At that little building I opened my first bank account in 1959, age 16, one of 598 new members in that year alone.

When VanderGracht retired as CEO in 1982 after 34 years of service to a modest home on Francis, he was affectionately known to thousands of Richmond residents as "Uncle Louie" and carried the respect and gratitude of all. These early directors and their top management showed no interest in the gravy train; service to the community was their satisfaction and reward.

How things have changed! While early directors served the membership, today, directors show contempt for the members.

In 2007, Coast Capital directors were entrusted to set their own remuneration. Within three years the chairman's stipend went from \$33,000 to \$178,173. In 2011, director compensation was over twice that of Vancity Savings and the highest of any credit union in Canada. When at last year's AGM nearly 80 per cent of the voting members called the directors on it, what was their response? They reduced their per-meeting stipend from \$1,020 to \$1,000. Plus, at the forthcoming AGM, the board is asking members to approve a wonderfully elastic formula within which directors propose to continue to set their own level of compensation. This, in complete contradiction to last year's expressed wishes of the members.

Why such contempt for the members? Disregard for members is tempting when directors think their position is secure. Currently, Coast Capital directors are beyond challenge unless there is a member revolt like last year. Is a member revolt necessary to have directors feel accountable?

Why are directors virtually beyond challenge? Here is how it works. Under the current cleverly devised campaign regulations, candidates for director are not allowed to talk to the media, have a web page, use email or social media, Facebook, Twitter etc. Candidates can't let others campaign for them nor hold meetings. They may not speak to more than one member at a time, and then only in person or by telephone. Exaggeration? No, each listed prohibition has been proudly confirmed by the board, in writing.

Such restrictive rules have no place in Canada, particularly not at a member-owned credit union. Suppressing free speech is not the Canadian way. Why would directors do this? It helps them maintain their positions regardless of their performance.

The current campaign regulations virtually eliminate the chance of getting elected without board endorsement. Getting elected without board endorsement has not happened in recent memory and may never happen unless members take action now.

Perhaps, it is not wrong for the board to recommend certain candidates. But it is wrong to prevent candidates, not so favoured, from speaking. At the April AGM, Coast Capital members can vote "For" several special resolutions to stop all of this. [visit: coastcapitalcompensationwatch.com] Should those resolutions be approved, the board will still be able to make recommendations, but not prevent candidates from discussing the issues.

Current Coast Capital elections remind one of Henry Ford's "You can have any colour you want as long as it is black." Similarly the membership at Coast Capital can vote for anyone they want but they will get only directors hand-picked by the board. The organization will be stronger when elections are not a mere ritual but provide genuine choice to members.

Coast Capital members living in Richmond should be particularly offended. Why is there not one single director from Richmond? The North Shore has two branches and four directors, Richmond has seven branches and no directors. In addition, women and younger members are underrepresented. If you are a member at Coast Capital, you must speak up!

Unlike the early leaders, the current board disdains the membership. The community service spirit that built Richmond Savings Credit Union has been replaced by self-serving greed, kept in place by suppressing Canadian and democratic values.

This year's Coast Capital AGM will determine if basic, decent values and respect for the membership can be restored or be snuffed out by a corporate culture that treats members like they don't matter.

Coast Capital members do matter! They should make their voice count!

They should do it for "Uncle Louie"!

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