



AUTOMOTIVE RETAILERS ASSOCIATION
Driving Industry Excellence

Minutes of the ARA 2021 AGM

Wednesday, October 6, 2021

Online Zoom Meeting presented from ARA Burnaby Facility

1. **Call to order:** *Chairman Ron Tremblay called the 69th ARA AGM meeting to order and reviewed online process and protocols. Specifically that when a “motion to adopt” was issued to use the “chat” function notes to express your desire.*

2. **Welcome & Introductions:** *Chairman Ron Tremblay thanked the generous sponsors supporting the AGM and welcomed board members, staff and guests. In attendance were;*
 - *President and CEO, Adrian Scovell*
 - *Past Chairman, Ed Hendricks*
 - *Vice Chairman – Mitchell Martin*
 - *Second Vice Chairman – Rick Hatswell*
 - *Treasurer/Secretary, Al Cameron*
 - *Directors;*
 - o *Jeff Peat – Glass,*
 - o *Nairn McKenna – Licensed Motor Dealers*
 - o *Mitchell Martin – Towing and Recovery*
 - o *Jim Lebrun – BC Recyclers*
 - o *Wade Bartock – Collision*
 - o *Scott Waddle – Mechanical*

3. Andrew Mercier, Parliamentary Secretary for Skills Training

Also introduced was Andrew Mercier, Parliamentary Secretary for Skills Training, elected MLA for Langley in the 2020 general elections and a member of the Select Standing Committee on Public Accounts, the Special Committee to review the provisions of the electoral act.

Mr. Mercier participated via zoom from the parliamentary buildings in Victoria. He stated he was also present on behalf of Anne Kang, Minister of Advanced Education and Skills Training. Mr. Mercier recognized how great it was to speak to the ARA and the diverse membership, who have been champions of skilled training and advocates for government and the skilled trades movement. Recognized the skills crisis were facing as a province and a country and that we will have 73,000 job openings well within the next decade with 6,600 job openings just in the automotive sector in the next year. “We need folks who are trained and capable.”

Working on moving mandatory skilled trades certification forward, where having a red seal or being registered as an apprentice is a requirement. Moving forward to restore what was cut in 2003. "We brought folks together, including Ron Tremblay, to determine which trades we would begin with." Mr. Mercier stated that government commissioned studies, etc that showed where systems that have skilled trade certification is in place, they saw a 7% increase of apprenticeship annually. It boosts the prestige of the trade. We want to standardize skills at a higher level, attract more people into the automotive trades (starting with automotive mechanic, heavy-duty mechanic and collision repair). Skilled workers are more resilient.

A series of round tables and surveys were conducted for quantitative information about supports needed for employers, journey people and apprentices to make this successful. We've heard industry issues such as wait lists and the unique nature of the automotive industry compared to others and that we need a robust system with supports. Working through the ITA to help remove the politics of the process. The process will begin in 2026 to ensure we have the supports in place for success in the automotive services. We want to be completion centric.

This does not fix every problem but is an important building block as we draft legislation. In closing, the work that the ARA has done has been critical to putting skilled trade certification in place. It is a credit to those on the executive board who have helped to push this forward.

Q/ How can industry best help government? A /My door is open, raise the issue and work with us.

- 4. Determine Quorum : Ron** *To proceed with the official business meeting, a minimum of 5% of the active membership must be in attendance. It was determined that a quorum was met.*
- 5. Motion to adopt the 2021 agenda as distributed.**
Moved by Jim Lebrun, seconded by Caulinda Bartok Motion Carried.
- 6. Motion to adopt Minutes of 2020 AGM**
Moved by Stuart Ady, seconded by Jim Lebrun Motion Carried.
- 7. Business Arising from 2020 AGM**
There was no outstanding business arising from 2020 AGM.
- 8. Chairman's Report, Ron Tremblay:** Mr. Tremblay opened his report around his reflection about the past years, how the ARA has been calm and how focussed we have become. We have come to a new level of maturity and have come a long way since 1951. Our diversity and expertise has helped us develop relationships with numerous stakeholders in various roles. This year the board completed our strategy virtually which allowed us to have direct dialogue with Minister Farnworth, Parliamentary Secretary Andrew Mercier, CEO of VSA and the CEO of the ITA. It provided valuable incite which added to the development of our 5 year strategic plan. I applaud industry for its action during COVID and I am particularly pleased to be in the front seat, leading our province in the area of electric vehicles. After many years of advocacy, we are in the front seat with our provincial government and the ITA in the restoration of skilled trade certification requirements. At this time, key government stakeholders are listening to us. I thank the board for their dedication and hours of volunteer effort. Special recognition to our president Adrian Scovell and past chairman Ed Hendricks.
- 9. Presidents Report, Adrian Scovell:** With out the members there would be no ARA. We have been working on your behalf, lots has been done, and lots is yet to be done. This year

we felt it would be good for you to hear directly from the advisers, the subject matter experts. They will run through what has taken place as well as what coming up through the year.

Our purpose as an association has not changed, to ignite a vibrant BC economy. The auto industry is a major player in BC with one in seven people work in that industry. We're the voice of industry and you need respect, a level playing field, and fair compensation, these are our focus. Our vision remains to be a trusted voice leading a thriving BC automotive industry. This means we have to be seen as an asset to government and industry. We talk about being a lobbyist, we see ourselves being invited in.

Our key strategy is to create an environment where entrepreneurs can invest with confidence and thrive. We're getting involved in major projects that you'll hear about from the advisors. The industry was developed by entrepreneurs and today there is an unprecedented level of change with ADAS and electric vehicles. We need to change with it. We're trying to build an environment where industry can invest with confidence. We don't do this by yelling and screaming, or fighting over \$2.00 here and there, you do it by fundamentally changing the structure of the environment in which we operate. To create this change we need to gain back control of our industry, little by little to many others are chipping away at the freedoms we have. Some segments are little more than employees of ICBC as they're so heavily restricted on what they can do. We are working with government and our stakeholders and getting into the boardrooms with the decision makers.

We need to look at long-term change that will have a fundamental impact on how we operate in the future. Skilled trade certification is one of those activities, working with the ITA, we're looking to bring vehicle security protocol into part of the skilled trade certification. Why are we doing this? OE's are stating that persons who come out of school are not trained to fix their vehicles. They're limiting who can purchase those parts as they're linked to security protocols. If we link this to the training it combats the OE concerns. The EVfriendly project is a massive project where we approached government to look at the full life cycle of the vehicle. These heavily government funded programs (\$360,000) will heavily influence the way that we work with EV's. Example; who can take apart and recycle EV batteries, ie. the stewardship of EV batteries, an extension of this program. It's allowed us to talk to government about rebates for the sale of used EV's, interestingly enough the federal government got involved and we're told by the BC government to speak directly to us.

We're looking at an alternate dispute resolution process for the licensed motor dealers with the VSA to stop the process of being singled out and stop abuse of our industry. We're part of a project with the VSA to completely relook at how the process works. We're working directly with Road Safety BC, obtaining temporary increases while they look at this program. We have a strong Western alliance, where we talk to Saskatchewan and Manitoba and learn from them.

I'm going to pass it to our advisors for more information.

Ken Hendricks – although we're divided into divisions we work together and feed off and influence each other.

- Preparing the industry for electrification is becoming a dominant future trend. Many are preparing as we get ready for the 2040 government legislated 100% of all vehicle sales being electric vehicles. The project has two components, consumers and industry. Consumers – we had to normalize the ownership of EV vehicles. We're building a robust program for industry, tools and resources to prepare through certification and training.
- The ZEV alliance is a stakeholder group including government and others to get the dialogue moving, putting the ARA at the front of this process. Attend our webinar to learn more.

- Auto Recyclers_ – some big structural changes and change to the dialogue at liaison. A change to the parts locator was just announced yesterday. It has prompted us to solve these problems ourselves. Certification is an important tool but it needs to be modernized.
- Extended Producer Responsibility; a government program for high voltage lithium batteries, we're in a great position to assist in this program.
- Towing and Recovery, raising the professionalism of the industry, we're looking to change the perception and how the towing industry is treated by others. Will be working on a number of projects and initiatives. You need to be recognized as emergency responders, and we're well on our way. Working with WorkSafe BC on a traffic control management program, to be released Oct/Nov. We're also working on a trade status for towing & recovery, this will be a multi-year program.
- PWC survey – unfortunately low turn-out and looking to see the final outcome. Lots of good info in this report but there are other opportunities for making gains, i.e. dollies
- Road Safety BC – internal report recognized flaws in the management. We stressed the rates and the link to ICBC. We obtained an administrative increase.
- Transforming how we meet and interact – many of the changes are here to stay, the way we send and share information. We've updated our web site.
- Next years AGM – the past is our future. Seventy years ago, the AGM was the event of the year and we will condense our other activities. It's freed us up to work on other projects and events.

David Ribeiro –

- The collision and glass programs contain many overlaps and this report is applicable to both divisions. Collision and Glass programs were developed with the intent to deal with “pain points”. The programs could be said to have created more concerns. We're pushing back, Tiering is a problem and results in industry competing with each with ICBC the true beneficiary, getting more for less.
- Post Implementation Business Review – a good concept; to develop a methodology for rate change. We had limited to no success but the PwC report was beneficial, however it left ICBC to still set rates on their own, selecting 10% as a reasonable profit margin.
- Five areas of impact were identified;
 - o Vehicle sophistication – affecting every industry.
 - o Complex repair planning and OE influence
 - o An evolving customer base.
 - o Changing work force – a lot needs to happen
 - o Accelerating industry consolidation
- Liaison has been somewhat successful but it is a very lengthy process. An example is Feather, Prime and Block, which took five years to achieve. Finally recognized that industry is entitled to fair compensation. On glass we had some success resolving panoramic roofs and NAGS parts not in stock. We continue to work. Our message to ICBC is that “your entitled to be fairly compensated”.
- PIBR was put back to ICBC, as it had limited success, so how is ICBC going to resolve fair compensation?
- Technology has provided us a chance to have online Network meetings which gives a chance for everyone around the province to participate where they may not have previously.
- Trade show – was slated for 2020 but cancelled due to Covid. Rescheduled to next year.

What does the future hold? 4 area's of focus – vehicle ownership models, industry consolidation, consumer awareness and certification.

- Vehicle Ownership – alternative ownership models emerging (MAAS) Mobility as a Service. Seeing lots of momentum. Who is our future customer? Trying to get our membership as a preferred supplier.
- Industry Consolidation – Canada’s top 10 have grown by more than 50% and popular in Canada. We need to look at who we represent and the value add for both the independent and banner/MISO members as well. Our focus is developing the business professionalism. We’re continuing to look at performance management groups
- Consumer Awareness – within PIBR it didn’t capture the true sustainability issues. Also had negative media during the dumpster fire, we want to change that messaging to help people understand the effort you’ve put in place. We want to build on the leading standards industry has attained.
- Certification – accidents happen but quality repairs don’t happen by accident. We’re trying to support and recognize you’re able to repair all types of vehicles. CCIAP MOU has us as part of a national program. Recognized by others such as ICBC and Economical. We need to look at how we compete with OEM programs. CCR members make up more than 50% of the national program. We’re ahead of industry. We were early out the gate, others have emulated our program. A survey will be coming out to seek your input. Do we separate from the CCIAP, do we develop our own training matrix?

Dejla Sabanac – Auto Careers, Automotive Retailers Foundation (ARFI) and the Licensed Motor Dealers

- Auto careers – the program deals with how to attract and retain persons into automotive industries. The web site also contains a job board. This year Auto Careers attended numerous fairs virtually; the BC Educational Fair for students in high school, the Canadian immigrant fairs, as well as having conducting numerous webinars. Our first webinar looked at “why work for an independent shop”, the second dealt with “women in automotive” where we partnered with Camoson College, the third dealt with “how an employee is only as good as their employer” and how to attract and retain the right talent. We plan to continue to attend fairs and promote automotive careers to the youth.
- ARFI – we partnered with others to promote the foundation, we also raised \$10,200 at last years auction to help provide for scholarships and bursaries. This year we made three scholarships available; the Bob Clarke memorial, the Ed Coates memorial red seal, and the Electric Vehicle specialist scholarship. We also added three new bursaries; an indigenous peoples bursary, a women in automotive bursary, and two motorcycle technician bursaries. We will continue to focus on engagement and communication through presence at both secondary and post secondary facilities while partnering with the ITA, ICBC and Work BC.
- Licensed Motor Dealers – conducted a virtual AGM, we created a more transparent relationship with the VSA. We participated in the counter elicit finance alliance, that looked at money laundering through luxury vehicle sales. We’re working with VSA to develop an alternate dispute resolution project.

10. Treasurer’s Report, Al Cameron

Al provided a condensed version of the year-end financial statements as of June 30, 2021. Audit completed by BDO in accordance with Canadian accounting standards. No significant concerns raised. They are satisfied with the calculation for the claims incurred but not reported. The internal processes and controls is void of any weakness or fraud.

Cash on hand is better than last year, portfolio investments are secure. Account receivables is a bit less but controller has focused to see that we have very little account receivables over 90 days.

The financials are in line, the audit was satisfied with the calculations used.

On the income statement, we had a bit of a hit on revenue from the group insurance premiums, dropped for \$8.5m to 7.8m, a loss of about \$700,000. Membership dues down about \$17,000, again because we only charge for the company, not the number of employees. Investment income has a low return but we invest at a low risk. Licensed search fees continues to be a good revenue stream for us. Accreditation is on target, Admin is reduced as staff working from home due to COVID.

We ended with a deficit of \$9,000 compared to a surplus of \$409,000. Losing members on group insurance had an effect. The previous year was high due to low claims (COVID) and also includes the loss from the publishing department.

No real changes in assets, started the year with \$749,000, end the year with \$801,000. ...We operated at a near break even.

11. Motion to adopt Treasurer's Report: Ron

Do I have a motion to adopt the Treasurer's Report of our 2021 AGM.

Motion 3: to adopt Treasurer's Report: Moved by Mitchell Martin Seconded by Caurinda Bartok Motion carried

12. Motion to appoint BDO as our Auditors: Ron

Do I have a motion to appoint BDO as our auditors for the 2021-2022 fiscal year?

Motion 4: to appoint BDO as auditors: Moved by Scott Waddle Seconded by Mitchell Martin Motion carried

Please be advised that the ARA Board has approved the appointment of Paul Schwartz as ARA Solicitor for 2021-2022.

13. Election of the Executive Officers: Ron

This year's position up for election is that of Secretary/Treasurer: unfortunately, Al Cameron will be stepping down from the ARA Executive Board after 2 terms. We're going to miss the late night face to face meetings. Al brought his Halifax charm to us in B.C.

As per the Bylaws of the Automotive Retailers Association, a call for nominations was sent along with the announcement of the 2021 AGM. No nominations were received.

As no nominations were received I am now calling for nominations from the floor. Do I hear any nominations?

Scott Waddle has nominated Gary Martens

Gary Martens has been an active on the ARA's Audit and Finance committee since 2019 and is an independent CPA.

Hearing no further nominations Gary Martens is appointed by Acclimation

14. New Business: Ron

We have now reached the final item on our agenda, which is New Business.

This year the ARA has put forth a motion to amend the bylaws to include two new membership classes. These proposed changes were distributed to the membership prior to the AGM via email and were available on the ARA website:

As per the ARA Bylaws, we must have 2/3rds or 66% of the membership present to pass these motions.

3 b. INDIVIDUAL MEMBER - shall be an Individual Person who is actively involved in or serves the interests of the automotive industry through the promotion, selling, repair, maintenance, supplying or recycling of automobiles, automotive parts or accessories. Individual Members shall be entitled to all privileges of membership except voting, holding elective office, or any other privileges of membership as may be denied to them by the Board of Directors;

3 e. ALLIED MEMBER – shall be a Person who is an active member of another association, hereafter referred to as a 'partner association', that is itself a member of the Association through a reciprocal agreement with the Association, reached due to association activities that are similar in scope to the Association. An Allied Member shall be added as a member under the partner association and will only become and remain a member of the Association at the discretion of the Board of Directors and as long as the partner association is a member of the Association. Allied Members shall be entitled to all privileges of membership except voting, holding elective office, or any other privileges of membership as may be denied to them by the Board of Directors;

Any discussion or questions on the proposed bylaws changes. Adrian helped to clarify the intent. The Western alliance (Saskatchewan and Manitoba) is such an example. Simply, if there is another association that aligns with our objectives and does things similar to what we do. We can build an alliance with them and call them members but technically, there is no such category in our bylaws, this ensures those types of persons are members which allows us to represent them and offer them group benefits from our plan.

The other motion is for an individual member that would be where an individual could be a member if they were a red seal technician. This would help us be the conduit to develop training and keep track of it.

Do I have a motion to amend section B, paragraph 3 of the ARA bylaws as previously read?

Motion 4: to amend the bylaws:

Moved by Stuart Ady

Motion Seconded by Caulinda Bartok.

A virtual poll was conducted that showed 97% support to amend the bylaws. Received confirmation that this motion has been accepted.

The Board of Directors recommends that the membership dues for the new membership classes be set at \$49 for an INDIVIDUAL MEMBER and \$99 for an ALLIED MEMBER.

Do I have a motion to set the membership dues for the new membership classes as per the Board's recommendation?

Motion 5: to set the dues for the new membership classes Moved by Caulinda Bartok Seconded by Scott Waddle Motion carried

A virtual poll was conducted that showed 94% support to amend the bylaws. Received confirmation that this motion has been accepted.

15. Adjournment and Closing – Ron

Closing comments from Ron.

Thank you again to our sponsors who have made this AGM a great success.

- Advantage Parts Solutions
- Adesa
- AkzoNobel
- BASF
- BCIT
- Burton Financial Services
- Craftsman Collision
- HUB
- ICBC
- Integral
- Keystone - LKQ
- Lordco Auto Parts
- Michael Mason
- MNP
- Paul Schwartz Law Corporation

The ARA truly appreciates each of you.

We look forward to seeing everyone at the Awards and ARFI Foundation Live Auction tomorrow night, Thursday October 7 at 6:30pm

Recorded: Zoom

Minutes prepared by: David Ribeiro