

**MINUTES OF
ST. MARTIN'S CREDIT UNION LIMITED
67th ANNUAL GENERAL MEETING**

**Held on Friday, 27th May 2016
Sacred Heart Junior College Auditorium
San Ignacio Town, Cayo District**

Present

Dr. John Morris	- President, Board of Directors
Mr. Rene Torres	- Vice-President, Board of Directors
Mrs. Debbie Martinez	- Treasurer, Board of Directors
Mr. Carlton McKoy	- Secretary, Board of Directors
Mrs. Santos Tesecum	- Chairperson, Credit Committee
Mr. Manuel Medina	- Member, Credit Committee
Ms. Laura Sierra	- Chairperson, Supervisory Committee
Mrs. Irma Sanchez	- Secretary, Supervisory Committee
Mrs. Karen Perez	- Member, Supervisory Committee

Member-owners in attendance: 1,019 (final count)

Master of Ceremonies (MC): Mr. Elmer Juarez

Translator: Mr. Mat Cob

Minutes Taker: Ms. Beverly McCoy

On Friday May 27th 2016 at approximately 6:17 pm the MC welcomed all, and apologized for the Marimba Academy not being present at the meeting due to a prior commitment. He then proceeded to lead the assembly in singing the National Anthem.

Staff member Mrs. Nelida Sabido led the assembly in the recitation of the Peace Prayer of St. Francis of Assisi "Lord Make me an Instrument of Thy Peace". The audience remained standing for a brief moment of silence in observance of those member-owners who passed during the year.

Mrs. Debbie Martinez, treasurer of the Board of Director (BOD), gave a special welcome to all invited guests including those from sister credit unions (CUs) countrywide, the Belize Credit Union League (BCUL), Gbest and representative(s) from Belize Rural Finance Programme (BRFP) and the Belize Natural Energy (BNE). A special welcome was also extended to the auditors, Mr. Alberto August, the board of directors and committee members, staffers and the member-owners of SMCU who travelled from the various surrounding villages; and she thanked everyone for attending the 67th Annual General Meeting (AGM).

1. Call to order of 2016 Annual General Meeting

The MC then called on President Dr. John Morris to declare the 67th Annual General Meeting open.

The president then proceeded to call the 67th AGM to order.

2. Approval of Minutes – 2015 Annual General Meeting

Mr. Carlton McKoy, secretary of the board of directors, read the minutes of the last AGM. He asked member-owners to review the minutes for any corrections. It was noted that he, Carlton McKoy was late not absent at the last AGM. The correction was noted and the minutes were subsequently accepted and confirmed on a motion from Mr. Alonzo

Simpson which was seconded by Mr. Les Johnson. All member owners in favor of the motion raised their hands in acceptance.

Before the president presented the board of directors' report, the early bird raffle of \$300 was conducted, and it was won by Ms. Sandra Lucero.

RAFFLE – the second and third raffles for one fan and \$50.00 cash were won by Ms. Sonia Martinez and Ms. Bridget Obrien.

3. Presentation of Reports

Board of Directors Report

The president, Dr. Morris, presented the board of director's (BOD) report for the Financial Year April 1st, 2015 to March 31st, 2016 to members.

President Morris began by welcoming all present from the various institutions and especially the Gbest consultants. He reported that the past few years had been challenging years for SMCU both infrastructurally and financially. He noted the need for credit unions to conduct their financial operations as regulated by new requirements of the Central Bank or they could face hefty fines if they fail to do so. In an effort to safe guard member's funds, increased cost associated with meeting AML requirements, work and expenses relating to reporting measures, has amplified the increased cost of doing business. SMCU now has to take into consideration challenges that come with its high liquidity, its institutional capital requirements, loan loss reserves, de-risking, AML and the problems associated with securing foreign currency to do business.

SMCU continues to rise to the challenge by embarking on numerous training and workshops designed to upgrade its human capabilities and retool its financial projections and operating procedure to maximize its investments. He applauded the prudential effort of the management and staff, the board, committee members and the members of SMCU for making substantial progress towards a viable financial entity.

The credit union's assets total over \$23 Million, an increase of over three million dollars, which represented asset growth of over 14% in the past year. Shares in the credit union grew by 12.7% from \$16.6 Million to \$18.7 Million, and there was an increase of 9.8% in total membership that now stands at 8,700 members. The credit union recorded a net profit of over \$1,044,691; a first time seven digit figure profit margin in the history of SMCU. This was evidence and a true indication of SMCU's capability, reliability and trust in its management.

Dr. Morris stated that competitive interest rates on term deposits had forced SMCU to adjust its own rate in keeping up with the market rates. As Belize's GDP grew by 1%, SMCU had to seek other avenues to diversify and offer more services in an effort to better sustain the needs of members.

SMCU continue with its effort to meet the 10% net institutional capital recommended by the Central Bank, and it is anticipated that this will be met by June 30th 2016. SMCU is in full compliance with the loan loss Reserves and the liquidity ratio as mandated by the regulator.

The General Manager, Mr. Raymond Tzul, has done extremely well with his innovative and goal oriented approach to better improve the credit union. SMCU has also complimented its staff by hiring a Senior Operations Officer, Mr. Emory Young, who brings a wealth of banking experience.

In improving SMCU's staffing capacity, training sessions for both staff and joint committee members were conducted by the Belize Rural Finance through the Gbest consultants and the Belize Credit Union League. The training sessions included areas such as Customer Service, sexual harassment training, professional workshop on best practices in Rural Finance, PEARLS, Leadership and capacity building training workshops and Anti Money Laundering prevention among various other workshops. The second successful strategy is the realignment of the service fees, new loan facilities and new products.

He stated that new initiatives include a collaboration with the San Ignacio/Santa Elena Town Council, the Caribbean Local Economic Development Project (CARILED) called the Fireball Loan Program will target young entrepreneurs in both areas to get finance with start up for a new business or improve on an existing one. SMCU will also see the rolling out of a shared agent and new saving product in the future as part of a joint project between BCUL and the Inter American Development Bank (IDB).

Applauding the effort of the micro-finance field officer, Ms. Sheril Tzul, he said the Belize Rural Finance Program (BRFP) continues to be a success as it enters its final year. This is evident in the increased number of new members that benefit from the financial services in the rural communities and the portfolio growth of over \$700 thousand dollars. He also applauded Ms. Maureen Reyes in her effort at curbing the delinquency at SMCU. Staff members were all instrumental in increasing the financial capacities at SMCU due mainly to the increase in loan applications, approvals and disbursements, and in them attending numerous training workshops that led to a higher degree of professionalism and a fairly successful year.

SMCU has just completed its revision of its 3 year strategic planning session, which requires serious consideration in the areas of budgeting, projection and planning. In keeping with SMCU's vision and mission, two key objectives of the strategic plan are to increase membership and to provide more diversified financial services and products to members.

New product and services anticipated to roll out within the coming year include internet banking that will allow customers to access their account and to pay bills online. There continues to be significant increase in users of the ATM service through Network One. Commission from bill pay services and the Zitro Western Union agency generate income to SMCU and this in turn goes back to the members.

Plans have been halted in SMCU's quest to open a branch office in Benque Viejo del Carmen that would benefit over a thousand members in areas such as Succotz, Arenal and Calla Creek. The Management is in negotiation with the Development Finance Cooperation to purchase a building in Benque to serve as a branch office. SMCU plans to submit its proposal, studies and operational plans to the Central Bank for approval.

SMCU continues to be a people's movement by building goodwill and credibility within the community through provision of high school financial aid and scholarships, contributing to sports and other social activities. Youth month is celebrated with quiz contests and Mad City Money stimulations, in an effort to build a cohesive SMCU family through the initiative of the younger population.

Finally, he expressed his heartfelt thanks and appreciation to the board and committee members, General Manager Mr. Raymond Tzul and the staff for their patience, hard work and dedication in growing the credit union. He reiterated to all present that the responsibility to educate the young people in their finances lies with the credit union, not the bank responsibility to do so.

RAFFLE – the fourth raffle for a fan was won by Ms. Martina Coc.

Credit Committee Report

The MC then called on Mrs. Santos Tesecum, chairperson of the credit committee, to present the Credit Committee Report.

Mrs. Tesecum acknowledged the hard work and dedication of Mr. Manuel Medina from the credit committee, all other joint committee members, management and staff of SMCU, noting their dedication and certainty in making SMCU one of the best financial institution in the west.

In her presentation, she reported that the Financial Year April 1, 2015 to March 31, 2016 was a challenging year as only two committee members met to review a total of 5,223 loans request, since the chairperson, Mr. Andy Bahadur left to pursue his studies abroad. She then asked member-owners to refer to the detailed breakdown and graphs of loan categories as shown on page 15 of the booklet which highlight the following:-

- Approved loans amounted to \$11.2 M
- Total construction loans amounted to \$1.1M; \$0.47M for land and house purchase, \$1.3M for home improvement
- Business investment loans totaled \$0.7M while personal loans totaled \$2.57M.
- Educational loans totaled \$1.08M
- Motor vehicle purchases/vehicle repairs amounted to \$1.68M
- Travel and vacation loans amounted to \$0.24M
- Christmas and Easter loans amounted to \$0.74M
- Medical and dental loans amounted to \$0.80M
- Farming loans amounted to \$0.01M and household goods loan amounted to \$0.28M

She encouraged members to borrow wisely, save regularly and pray promptly. She also advised members to contact the credit union if they have problems meeting their payment, as a helpful officer will assist them in charting a way forward and she concluded by telling members to “remember this is your credit union and it will be as strong as you make it”.

Finally, she thanked her committee members, the manager and staff for yet another successful year of hard work and sacrifices and expressed gratitude to members for allowing them to serve for another year.

RAFFLE – the fifth raffle for 1 - \$50 cash prize was won by Mr. Zion Tzib from San Antonio.

Supervisory Committee Report

The MC then called on Ms. Laura Sierra, chairperson of the supervisory committee, to present the Supervisory Committee Report to member-owners.

Ms. Sierra reported to the members that in pursuant to the instructions contained in the Credit Union Act, the Supervisory Committee had during the financial year caused to be examined the books and account records by the accounting firm of Grant Thornton, as contained in the annual report found on pages 25- 40 of the AGM booklet.

The Committee consistently examined the books and records of SMCU and with the assistant of the management and staff were able to conduct vault checks, audit members pass book and review on a monthly basis the financial statements, board minutes and related reports of SMCU as well as information and explanations that were required.

They met with the Credit Committee periodically to ensure that loan applications were in order and that they were approved and disbursed in compliance with the credit union credit policy. In instances where weaknesses were identified in the loan policy and procedures, corrective measures were recommended to management and the board. Additional needed support and advice came from Mrs. Fuller at the Belize Credit Union League.

Besides meeting with the Auditors to discuss methodologies used in the audit and to express areas of concern where attention was needed, the committee also met with the president to discuss and make recommendation for areas of improvements.

She thanked the management and staff of SMCU for their hard work, dedication and for readily making available any document that needed to be examined.

In concluding she thanked her committee members for their pledged commitment in safeguarding the assets and by extension, the member owners’ interests at SMCU.

Treasurer’s Report

In the treasurer’s report, Mrs. Martinez thanked the Supervisory Committee for making her job much easier and she invited members to come into the credit union for a “chitchat” about SMCUs finances.

After welcoming all members, fellow officers and CU affiliates, she elaborated on Dr. Morris' speech about the technological advancement of SMCU's future and thanked the League, BRFP and Gbest for contributing positively in the development of SMCU staff, officers and its general membership growth.

She reported that the balance sheet for Financial Year 2015/16 recorded total assets at \$23,386,097. This \$3,026,083 growth over last year's figure represents an increase of 14.9% that can be attributed to the confidence and commitment that members continue to put in SMCU.

SMCU's loan portfolio for the year in review stood at \$16,999,462 representing an increase of 12.4% over last year's figure. This shows a clear indication that member owners still consider SMCU a better choice for lending over the other competitors in the market.

Members' share increased to \$18,751,590 representing an increase of \$2.1M or 12.7% growth over the previous year. This is also attributed to the 9.8% growth in membership which currently stands at 8,735 members.

Term deposit investments held at the commercial banks as at 31 March 2016 stood at \$3,172,120 representing an increase of 13.3% in comparison with last year's figures. Since the rates declined at an all time low of 2% to 2.5% at the commercial banks, they continue to be unstable and unfavorable.

Even with vigilant scrutinizing of the loan applications, delinquency still plague a small percent of the loan portfolio. She thanked those members that faithfully serviced their loans as promised and reminded members to "consider that any loan provided above shares come from the money deposited by another member" and reiterated that when members fail to meet their loan commitment this means less money is available to pay dividend.

Most of SMCUs reserves are being met with the exception of the Net Institutional Capital which now stands at 8.7%. She directed members to review SMCU finances on page 19 of the AGM booklet, as SMCU has strongly committed itself to meeting the required 10% capital reserves by June 2016.

In reviewing the statement of earnings, as of March 31, 2016 total income amounted to \$2,391,928 representing growth of 14.7% or \$306,733 with the majority being interest income from loans. Administration expenses increased by a marginal 1.7% over the previous year to \$1,347,237 as management and staff continue to be frugal in their spending to keep cost within a manageable figure.

The overall surplus for the year stood at \$1,044,691 representing a \$284,118 or 37.4% increase over last year's figure. She noted that this was the first time in SMCUs history that a million dollars profit was made in one year.

The BOD in collaboration with management continue to implement policies and regulations that are conducive with building and expanding SMCU as it competes with other lending institutions. With significant infrastructural improvements, SMCU continued collection agency services and the rolling out of the Rural Finance loans have increased the members support and their trust in SMCU's stability.

In concluding she thanked the board, joint committees, management and staff, and the entire membership in contributing to the aim of making SMCU the number one financial institution for all its members.

4.0 Discussion & Acceptance of Reports (Declaration of Dividends)

The President then opened the floor for any matters arising from the reports that were presented.

Mr. Quintanilla commented that a loan officer told him that he was too old to get a medical loan and he felt hurt since he is a long standing member of the credit union.

Response:- Mrs. Martinez apologized to the member for the hurt caused and advised the member that some new well trained loans officers are currently at the credit union and promised to address this matter. Dr. Morris then thanked the member for bringing his concern to the membership and the board's attention.

Ms. Danielle Rodriguez then asked why the credit union only catered to educational loans up to the 6th form level and if they plan to accommodate those that attend university as well.

Response:- Dr. Morris stated that with the help of the BNE Educational Fund, educational loans will be available to university level students. He then invited the member to kindly visit the credit union for assistance.

Another member asked about the status of the new Dmax pickup that was purchased and then stolen. He enquired about whether or not the vehicle was ever recovered and if the insurance company covered the lost to the credit union.

Response:- Dr. Morris stated that the insurance company did reimburse the credit union for its loss and that they are in the process of sourcing another one shortly.

As there was no other questions or comments Dr. Morris thanked members for their concerns and then called for the acceptance of the reports. A 2.5% dividend was proposed, and the reports and proposed dividend rate were accepted and confirmed on a motion from Mr. Reynaldo Frutos and seconded by Ms. Gloria Taylor. The reports were subsequently accepted by the majority by a show of hands.

RAFFLE – the sixth raffle for 1 - \$100 cash prize was won by Ms. Delrose Vernon.

5.0 Resolution

The manager proposed a resolution requesting that the mandatory shares be increased from \$25.00 to \$50.00. As there were no objections to the proposed resolution from the floor, the president asked for a vote and the majority accepted by a show of hands.

RAFFLES – the seventh prize of one HTC Smart cell phone was won by Mr. Diego Teul.

6.0 Election of Officers

The MC then called on Mr. Lorne Solis, Project Manager for the Belize Rural Finance Programme, to conduct the election of officers.

Mr. Solis explained to member-owners the requirements for persons to be nominated to serve on the Credit Committee. As mandated by the Credit Union Act, and for transparency purposes, he then opened the floor for Two (2) minutes for additional nominations by member-owners. Mrs. Bridget Obrien then nominated Mr. Mark Obrien, who accepted to serve. Since there were no more nominations, a motion to close nomination was put forward by Mr. Aruldo Simpson and seconded by Ms. Monica Chun. Since there were four nominees for the three vacant post ballots were distributed by representatives from all sister credit unions present. After all votes were casted and counted; the following persons were accepted and confirmed to serve for the next three (3) years:

- **Credit Committee: Mrs. Santos Tesecum, Mr. Manuel Medina and Mr. Andy Bahadur**

Mr. Solis explained to member-owners the requirements for persons to be nominated to serve on the Supervisory Committee. Ms. Sierra and Mrs. Perez stepped down and the floor was again opened for two (2) minutes for additional nominations by member-owners. Both members were nominated to return to the committee and with no objections, nominations were closed by a motion put forward by Ms. Elodia Leal and seconded by Mr. Rene Guerra.

The following committee member was accepted and confirmed to serve for the next three (3) years. A subsequent acceptance by the majority was done by the show of hands.

- **Supervisory Committee: Ms. Laura Sierra and Ms. Karen Perez**

6.0 New Business

The General Manager then acknowledged and awarded two long standing members of the credit union Ms. Philipa Valdez and Mr. Juan Chuc. He likewise acknowledged the support of two active young members by awarding Shane Fisher and Lorna Pech, thanking them on behalf of SMCU. Since neither of them was present the audience applauded their recognition.

The Master of Ceremonies then called for the confirmation and re-appointment of Grant Thorton as external auditors for SMCU for the fiscal year 2016/2017. The majority of members by show of hands was in favor and supported this reappointment.

RAFFLES – the eighth prize of one bicycle was won by Ms. Elvira Sierra; the ninth prize of \$100 cash was won by Ms. Jaylin Alvarado and the tenth prize of one HTC Smart cell phone was won by Ms. Amira Estrada

RAFFLE –The twelfth prize which was a tablet was won by Ms. Luvia Figueroa; the thirteenth prize of one washing machine was won by Mr. Akeem Sakil and the final prize of a laptop was won by Mr. Jaime Gentle.

7.0 Thank you and Adjournment

The MC then thanked everyone for attending the meeting, and the management and staff for yet another successful year at SMCU. He thanked the Board, committee members and the membership at large for their attendance and participation in the credit union movement.

The 67th Annual General Meeting was then adjourned at 9:25 p.m. by a motion put forward by Mr. Frutos and seconded by Mr. Mark Obrien.