

**MINUTES**  
**69TH Annual General Meeting**  
**St. Martin's Credit Union Limited**  
**Friday 25 May, 2018**

*Sacred Heart College Auditorium, San Ignacio Town, Cayo District*

**Present:**

<b>Dr. John Morris</b>	-	<b>President, Board of Directors</b>
<b>Mr. Rene Torres</b>	-	<b>Vice President, Board of Directors</b>
<b>Mr. Doroteo Balan</b>	-	<b>Education Director, Board of Directors</b>
<b>Mr. Carlton McKoy</b>	-	<b>Treasurer/Secretary, Board of Directors</b>
<b>Mrs. Santos Tesecum</b>	-	<b>Chairperson, Credit Committee</b>
<b>Mr. Manuel Medina</b>	-	<b>Member, Credit Committee</b>
<b>Mr. Andy Bahadur</b>	-	<b>Member, Credit Committee</b>
<b>Mrs. Irma Sanchez</b>	-	<b>Chairperson, Supervisory Committee</b>
<b>Ms. Laura Sierra</b>	-	<b>Secretary, Supervisory Committee</b>
<b>Mrs. Karen Perez</b>	-	<b>Member, Supervisory Committee</b>

**Member Absent with Apologies:** Mrs. Debbie Martinez, Treasurer

**Member-owners in attendance:** 913 made up of 570 adults and 343 children

**Master of Ceremony (MC) and translator:** Mr. Elmer Juarez, member

**Minute taker:** Ms. Mabelline Rojas

The MC extended a warm greeting to all the members present for the 69th Annual General Meeting and asked the President to call the meeting to order.

**1. Meeting Called to Order:**

The meeting was officially called to order by the President at 5:57 PM.

The National Anthem was played followed by the Opening Prayer, the Peace Prayer of St. Francis of Assisi "Lord Make Me and Instrument of Thy Peace" which was lead by the MC.

**2. Welcome Remarks:**

Mr. Rene Torres, Vice President of the Board of Director, gave the welcome remarks on behalf of the members, the Board of Directors, the Management and Staff of the SMCU.

He welcomed everyone to the 69th AGM. Thereafter, special acknowledgement were made to Mrs. Corine Fuller of The Belize Credit Union League; Mr. Clement Usher and his team from the Holy Redeemer Credit Union of Belize City; President Roy Smith and this team from the St. Francis Xavier Credit, Corozal Town; St. John's Credit Union; Toledo Teachers' Credit Union; La Inmaculada Credit Union, Orange Walk District.

Also, acknowledgements were given to Mayor Earl Trap, Mayor of San Ignacio and Santa Elena; and to Mr. John August, BNE Trust representative.

Mr. Torres expressed his gratitude towards the sister credit unions by telling them that, "We feel good when our sister credit unions visit us, we feel proud, we feel that we are important."

Mr. Torres continued by reminding the members that, *it is our philosophy that brings us together and as the saying says, we are as strong as the members make it, we want to remain strong, we want to be countered.* Thereafter, he invited everyone to enjoy and participate in the AGM.

### **3. Acceptance of the 68th Annual General Meeting Minutes of 2017**

Correction to Page 8, 4.0 paragraphs 2 and 3 amended the word "right-off" to read "write-off"

Correction to Page 9, the last line "Nora Juarez" to read "Dora Juarez"

The Minutes of the 68th Annual General Meeting of 2017 was approved as corrected. Mr. Aroldo Simpson then motioned to accept the minutes as corrected, seconded by Mr. Lenny Gentle.

### **4. Board of Directors Report**

**Dr. John Morris President reported for the period April 1, 2017 to March 31, 2018.**

President Morris extended a hearty welcome to all the members of the SMCU, special invited guests from Sister Credit Unions and the External Auditing Team from Baker Tilly Hulse.

In 2017 to 2018 despite the fact that there are a lot of problems in our society, we had a healthy year at SMCU. We are doing good because of its members. The management of SMCU have toiled diligently and endlessly to achieved a measure of success in a Belizean economic climate that has been stagnant and barley averaging one percent GDP.

The management of SMCU made substantial progress and did the necessary adjustments to make the Credit Union a viable financial entity and at the same time created a more aesthetic and pleasing atmosphere to conduct business. In so doing management have conducted numerous training workshops for staff and joint officers designed to upgrade the human resource capacities which has led to a high degree of professionalism, better customer care, efficiency and ultimately a fairly successful year. SMCU have retooled the financial projections and operating procedure to maximize investments. This year's successful strategy was the implementation of marketing channels, new loan facilities and new products such as EDU-Save (a savings product for children); Freedom Fund (a retirement product); and the Shared Agents Network along with the existing services have yielded tremendous benefits by attracting new members as well as the current shareholders and new loans for the credit union. This year membership stands at over 9,100 members a 6.2% increase from last year.

The SMCU's total asset is over \$28,500,000 which shows an increase of over \$2.7M when compared with last year's figure. The credit union recorded a net profit of over 1.3M dollars and has over \$1.4M in savings deposit as shares have grown from \$19.7M to over \$21.9M (approximately 7.3% increase). These increases in savings have allowed the Credit Union to service and provide loan funds for members without seeking external funding. These increases indicate the strength of the Credit Union and the trust members have in the Credit Union managing their funds despite the fact that interest rates on deposit are extremely low.

Another reason for better performance this year was the increase in loan applications, loan approvals, loan disbursement and the curbing of delinquency which is at 2.7%, well below the 5% standard. President Morris congratulates the officers of that unit for their diligent work.

Financial institutions continue to face challenges in the 21st century. The credit unions which fall under the regulation of the Central Bank of Belize have come under stringent scrutiny and must comply with the law to numerous onerous regulations. They have a recent set of instructions which requires that the SMCU must hire an Internal Auditor; this is in addition to SMCU being required to hire an Anti Money Laundering (AML) Compliance Officer. President Morris informs that SMCU will comply with these two directives by July 1 2018. SMCU met all the other requirements, such as its Net Institutional Capital, which has to be above 10%; SMCU is at 11.5% of liquidity requirements.

President Morris reported on the good working relationship of management and staff for this year.

The management and staff participated in its Annual Retreat which helps the staff to be more efficient, responsible and proactive and taking ownership of the Credit Union. The SMCU, after a long deliberation has signed a new Collective Bargaining Agreement with the Christian Workers Union (CWU). SMCU continues to meet its obligations to its staff.

Last year SMCU hired a Finance Officer, Mrs. Anne Marie Thompson, but she decided to leave to pursue a legal career. We have embarked on hiring a new finance officer. SMCU is also strengthening its Credit Department, with the addition of Ms. Christina Leal our Senior Loan Officer who brings a wealth of experience to the department. The Credit Department is the backbone of any lending institution.

Financial institutions must modernize or they will collapse; not only in the application of technology but ensuring staff possess the requisite knowledge so that they can efficiently carry out their duties. Training provided for the management and staff initiated by the Belize Credit Union League and other partners were: AML, Customer Service, Pearls and Leadership, and Capacity Building training workshops. The cumulative effect of all these training sessions is that SMCU have an efficient and effective staff and management.

SMCU's Strategic Plan is to increase membership and provide a more diversified financial service. SMCU's vision is to be the largest financial institution in the Cayo District. SMCU has considered the opening of other branches in Santa Elena Town, Benque Viejo Del Carmen Town, City of Belmopan and Spanish Lookout to meet the growing demands of membership. A study was commissioned on the viability of opening a branch in the town of Benque Viejo Del Carmen and the results were positive; the report showed that SMCU have over 900 members in the area comprising of Benque Viejo del Carmen town, Succotz, Arenal and Calla Creek villages, and the positive feedback to the opening of a branch in Benque was exciting. SMCU submitted proposals, studies and operational plans to the Central Bank for approval, and they granted the green light to proceed. President Morris announced that SMCU will be opening its new branch in Benque Viejo del Carmen on Monday, 11 June 2018; the inauguration of the new branch is set for Saturday, 9 June 2018, all were invited to attend.

Internet banking is the wave of the future and many of SMCU customers are equipped with the latest cell phone applications to access funds, or pay bills online. SMCU is currently establishing the necessary framework to offer internet banking to its members. SMCU is in the process of procuring a new banking platform that will allow members to access accounts online as well as mobile application. It is working with the Belize Credit Union League to connect with the National Payment System that will allow members to receive or transfer funds to other credit unions. All financial institutions are required to tap into this financial tool to carry out its transaction, especially as it relates to interaction with other banks and credit

unions. SMCU is preparing and installing in the necessary software/hardware protocols to manage this system. There continues to be significant increases in users of the ATM service and members with cards continue to grow daily. The fees generated from this service returns as a source of income to the credit union.

The credit union's movement must always focus on what is best for its members and work together because our members are important. SMCU has always been a people's movement and will continue to do so. It preserves in building goodwill and credibility within the community by assisting high school students with financial aid, scholarships and provide support via donations. President Morris believes that all local agencies, financial or otherwise, need to work together and have a plan of action to combat the increasing number of problems young people in the society are experiencing today. SMCU is prepared to work with others to address these problems. Youth Month, Local and National Quiz Contest, Mad City Rush Money are outreach program activities not only for attracting new members to the credit union but to also build a cohesive family. President Morris thanked the staff who assisted in the outreach program and gave their time to ensure that the credit union is well marketed. He also took the opportunity to signal that the current premises is getting too small and that SMCU needs a modern building to call home. He initiated a challenge for future Board and Management to work on getting this accomplished.

President Morris concluded by thanking his fellow board member Mr. Rene Torres, Vice President, for his hard worked. Mr. Torres' tremendous experience and patience as a teacher has helped with the negotiations with the CWU and his job as liaison officer to the staff is thankless, but he perseveres, and his negotiation with the CWU has been exemplary. He continues to serve on the Board of the Credit Union League on SMCU behalf. Mrs. Debbie Martinez, Treasurer had to leave and relocate to the USA, and Mr. Carlton Mckoy has taken over as treasurer. Mr. Mckoy had been responsible for ensuring that budget and revenue projections were realistic and that SMCU maintain good business practices and keeping expenditure reasonable. He assisted in reviewing new policies and made recommendations where he saw fit. His experiences as a senior manager at the Social Security Board had been very useful to SMCU. Mr. DoroteoBalan, Education Director whose past experience as chair for the credit committee has been helpful in implementing the various initiatives that the credit union had embarked upon and had been instrumental in ensuring best practices at SMCU.

He continued by expressing many thanks to the Supervisory Committee, especially Mrs. Irma Sanchez, Chairperson, Ms. Laura Sierra and Mrs. Karen Perez. He applauded them for their due diligence in ensuring that the practices at SMCU were transparent and allow for better accountability. Their diligence have ensured that the membership, can with certainty, have great faith in their institution. He thanked the Credit Committee members – Mrs. Santos Tesecum, Chairperson, Mr. Manuel Media and Mr. Andy Bahadur, who are responsible for ensuring that loans were given within the prescribed policies. They have done a remarkable job in ensuring that the credit union was successful, despite the fact that they are employed in demanding careers.

President Morris announced that there were two vacancies on the Board of Directors. He advised those who accept to volunteer as officers to do so with the idea that service to the Credit Union is one of dedication, hard work and sacrifice, no returns other than the satisfaction of a job done well. He took the opportunity to thank the Mr. Raymond Tzul, General Manager of SMCU, for his patience, hard work and dedication he has brought to the leadership of the SMCU. Mr. Emory Young, Senior Operations Officer, for his dedication and energy in ensuring the Credit Union improves daily. As the tasks and workload will increase with the opening of the SMCU Benque Viejo del Carmen Branch, there is no doubt that they will rise to the challenge and make this a huge success for SMCU. He also thanked Mrs. Anne Marie Thompson, Finance Officer, and wishes her the best as her vision and competency will be missed at the SMCU.

In closing President Morris, asked the question: "Where would the Credit Union be without its members, who with patience and loyalty allowed the staff and management to carry out their functions?" The membership's commitment to saving has also yielded a positive growth and therefore special thanks are due for their contributions. May God Bless Us All!

#### **4. Credit Committee Report**

Mrs. Santos Tesecum, Chairperson for the Credit Committee presented her report.

In presenting Mrs. Tesecum acknowledged all the members of SMCU and invited guests. She reflected on the famous writer Samuel Johnson's quotation, "***A man who spends and saves money, is the happiest man because he has both enjoyments.***" Mrs. Tesecum reported of another productive year for SMCU and reminded members that it is their savings that serves as collateral which empowers them to be able to borrow. She also reminded, that their ability to borrow will be determined by their consistent payment and savings and effective communication with the credit union. Clear communication brings clear understanding; therefore, it is extremely important to call the office to ask for clarifications or to make arrangements for whatever the reason may be.

A review of this year's loan application shows that out of 4,746 applications, 4,686 (98.7%) were approved. This reflects a marginal number (1.3%) of loans not approved. The reasons for non-approval may be: low shares for amount requested, lack of collateral, inability to meet loan payment, loan being in arrears; inconsistent and untimely payment, lack of relevant documents and loan being risky. Mrs. Tesecum referred to a pie chart, which shows the distribution of loans, for the year 2017-2018. The highest number of loans approved was for personal purposes, followed by vehicle/repairs, then Christmas/Easter and Construction. Other loans approved were for education, home improvement, medical/dental, business investments, land/house purchases, travel/vacation, house goods and farming. A total of \$13,347,591 was approved and disbursed. A few loans disbursed were approved during 2016-2017, and this was because of pending document or requirement for those loans.

In closing, Mrs. Tesecum thanked her colleagues in the Credit Committee namely Mr. Andy Bahadur and Mr. Manuel Medina for their efficient and dedicated service provided to the SMCU. It has not been an easy task; they worked diligently along with the loans officers to ensure that fairness and transparency were the driving force for every decision made. She took the opportunity to congratulate the General Manager and Operations Officer and all the staff of SMCU for a job well done.

#### **5. Supervisory Committee Report**

The Supervisory Committee Report was presented by Mrs. Irma Sanchez, Chairperson. Mrs. Sanchez acknowledged all invited guests, President and members of the Board of Directors and all members of the SMCU.

Last year at the AGM there were no election as there was no vacancy for the election of officer to the Supervisory Committee; however, they met immediately after to develop a new work plan for the year ahead. The Supervisory Committee is tasked with safeguarding all assets of the SMCU by being the overseers of all financial transactions ensuring that they are carried out according to policies stipulated in the manual and for the benefit of all members.

Mrs. Sanchez said the past year was extremely challenging to carry out the examinations as planned. One of the main reasons being her pursuit of academic development at the University of Belize, in addition to

working full time. Mrs. Sanchez is upgrading her pharmacy degree. Ms. Karen while being pregnant, also found herself constrained many days due to shortage of staff in her department, yet they found the time to meet late evenings, some Saturdays, and even Sundays to carry out the job they were tasked with. She singled out Ms. Sierra who had more time at her place of employment and must be credited for taking on the task of carrying out most of the hands-on examinations for the Committee. Ms. Sierra attended various training offered by the Belize Credit Union League and the Central Bank.

Activities accomplished for the past year by the Supervisory Committee:

- Vault checks – to ensure the balancing and safekeeping of cash, and other valuable documents
- Teller cash count – to ensure that all transactions were accurate
- Reviewed delinquency report and verified collection of account in arrears
- Reviewed monthly financials – to check progress of projected amounts
- Reviewed expenses and compared it with budgeted amounts
- Reviewed randomly collected members' passbooks and confirmed balances with SMCU's records
- Reviewed payroll to ensure that all remunerations were as stipulated in approved contracts
- Reviewed a percentage of loans approved in-house and by the Credit Committee to ensure they followed the criteria set out in the loan policy
- Reviewed the minutes of board meetings
- Addressed members' concerns with management
- Met with external auditors to discuss key areas for the audit

The committee members also attended meetings of the Joint Officers where discussions for steering the growth of SMCU were held. As SMCU expands its services to Benque Viejo del Carmen town and the surroundings areas, the Supervisory Committee's duties will also expand. And although Dr. Morris says it will cost us some more money the Supervisory Committee have made recommendations to the Board of Directors to hire an internal auditor who will report to the Supervisory Committee. This will allow for comprehensive and full-time oversight of the credit union.

Mrs. Sanchez' three years term of service ended at this session. She expressed her gratitude to members for giving her the opportunity to serve. She informs that she will not be seeking re-election due to her additional personal commitments, but if no one else want to step up to the plate she may consider nomination again.

In closing Mrs. Sanchez thanked the Board of Directors, Management and Staff and members of the Credit Committee for all the support rendered throughout her term.

## **6. Treasurer's Report**

Mr. Carlton Mckoy presented the Treasurer's report. He presented a summary of the financial affairs of the SMCU for the year ending March 31, 2018.

Total assets for the year 2017-2018 grew by 10% or \$2,775,414.00, and deposits and shares grew by 7.3% or \$1,486,736. This is consistent with the previous year growth rate and translated to a membership committed to the SMCU.

Loan portfolio had also increase by 2, 187,623 or 11.6%. This is a clear demonstration that the demands for loans from our member remain high and that SMCU continues to be their number one choice. This of course, is the lifeline of the institution as interest and other fees received from loans generate income that is necessary to meet SMCU's obligation, including payment of dividends.

He commended the members for paying back as the delinquency rate at 31 March 2018 stands at 2.7%; the accepted standard is below 5%. The Credit Committee and Loan Officers exercised due diligence when reviewing loans.

SMCU has once again met and surpassed the net institutional capital requirement achieved just a little over 11.5%, a 1.5% increase over the mandatory requirement.

Income for the year 2017-2018 grew by \$285,000 or 10.3% and expenses for the same period increased by \$131,000. This indicates that the credit union is making more money than what it is spending. The net income or profit growth for the credit union is \$1.3M this represents 13.1% over the previous year.

SMCU continues to work with regulators to ensure that it remains compliant. At the end of the fiscal year 2017-2018 the credit union met and surpassed net institutional requirement (10%), education fund requirement (5%), development fund allocation (1%) and loan loss provision among others.

SMCU continues to provide Western Union services, bill payment service (electricity, water and cable). It also introduced several new loan facilities of which some were promoted during the Christmas, Easter, as well as summer. In an effort share services SMCU continues its outreach campaign in rural communities.

The largest investment for the fiscal year 2017-2018 and the beginning of the new fiscal year 2018-2019 was the dream to service members in Benque Viejo del Carmen town and surrounding areas. All 1500 members will benefit from a brand new building, the first Branch Office of SMCU. Mr. Mckoy thanked the Board, Joint Officers, management and Staff for all the support given to make this dream a reality.

In conclusion he thanked his fellow Joint Officer, management and staff of SMCU and in particular the finance team for their unwavering support during the past year.

Mr. Mckoy announced that he has reached the end of this term to serve on the board of directors and it was indeed a pleasure to serve. The only way he will continue is if no one else wishes to serve.

## **7. Acceptance of Reports**

Mr. Rene Torres opened the floor for discussion.

**Mr. Ricardo Tuel:** It has become a trend that the AGM starts very late. He believes that we need to start earlier. **Response:** The explanation for the delay is that the President was flying from the USA this afternoon.

Mr. Jorge Mejia motioned to approve that the reports be accepted as read; seconded by Mr. Israel Parham.

## **8. Declaration of dividends**

The Treasurer Mr. Carlton Mckoy informed membership that SMCU can afford to pay 4% dividends for the year 2017-2018. By a show of hands the 4% dividends were accepted and confirmed by membership.

## **9. Resolutions:**

There is no resolution for this year

## **10. Elections of Officers**

Mrs. Corine Fuller, Executive Director for the Belize Credit Union League, conducted the election of officers with assistance from Members of the other Sister Credit Unions. Justin Reyes was appointed time Keeper. Mrs. Fuller reminded the members of the qualities officers must have to serve: Persons elected must be 18 yrs and over, be member of the credit union, have no conviction of any crime, must be in good standing with the SMCU and any other creditor, must not be bankrupt, they must devote a lot time and be dedicated to serve, must be willing to undergo training and professional development.

### **Nominations for two vacancies on the Board of Directors:**

- ◆ Replacement for Mr. Carlton Mckoy, who has completed his service of three years; the person elected to replace him will serve for three years.
- ◆ Replacement for Mrs. Debbie Martinez, the person elected will serve for two years

The floor opened for two minutes for nominations:

- ◆ Mr. Ronald Hulse nominated Mr. Carlton Mckoy to serve on the Board of Directors. Please note Mr. McKoy did not immediately accept as he wanted to see if there are any other nominations.
- ◆ Ms. Gladys Garcia nominated Mr. Elmer Juarez to serve on the Board of Director. Mr. Juarez accepted.
- ◆ Mr. Elmer Juarez will serve for the next two years.
- ◆ Mr. Carlton McKoy accepted to return to the Board. He will serve for the next three years

No other nominations were made. Nominations closed after two minutes. Mr. Francisco Coc motioned to closed nominations.

Mr. Juarez was advised by Mrs. Fuller on the role and responsibilities of the Board. The Board responsibilities are to set policies and to ensure the credit union is financially sound, ensure those policies are implemented by reviewing management progress, report on achievements of goals and objectives and report to members at the AGM. The directors must understand the credit union philosophy; must have a desire to better the financial lives of others; must have good communication skills; must understand financial matters, financial statements and reports, they must think and plan strategically to move the credit union forward.

### **Nomination for one seat on the Supervisory Committee**

The floor opened for nominations for two minutes:

1. Ms. Juanita Brown nominated Mrs. Irma Sanchez to the Supervisory Committee

No other nominations were made. Nomination closed after two minutes.

Mrs. Irma Sanchez accepted the nomination to serve on the Supervisory Committee for the next three years.

## **11. Thank you and Adjournment:**

The General Manager thanked the Board of Directors, Management and Staff, the Committees and the members of SMCU for their participation at the 69th AGM.

The meeting adjourned at 8:09 pm.

### **RAFFLES**

- \$50 cash prize – winning ticket No. 939120 - Catalina Aguirre, Boiton Area, San Ignacio Town
- 1. \$300 cash prize - winning ticket No. 933007 - Salomon Tzib
- 2. Lasko Fan - winning ticket No. 93949 - Amira Estrada
- 3. Cellphone - winning ticket No. 939410 - Fedelia Diaz
- 4. \$50 cash prize - winning ticket No. 939385 - Crenda Hein, Duck Run 3
- 5. Lasko Fan - winning ticket No. 939106 - Estellita Canto, San Antonio Village
- 6. \$100 cash prize - winning ticket No. 939001 - Ernesto Gil, Santa Elena Town
- 7. Cell phone - winning ticket No.939258 - Edwin Catalan, San Ignacio Town
- 8. \$100 cash prize - winning ticket No. 939331 - Oswaldo Lopez, San Jose Succotz village
- 9. Cellphone/tablet - winning ticket No. 939084 - Martha Lucerio, San Ignacio Town
- 10. Bicycle - winning ticket No.939338 - Tanya Obando
- 11. Acer laptop - winning ticket No. 939458 - Sheni Cunil, San Jose Succotz village
- 12. Washing machine - winning ticket No. 939332 - Orlando Guzman