

SAINT MARTIN'S CREDIT UNION

MINUTES OF THE 62nd ANNUAL GENERAL MEETING

Date: Saturday May 28th 2011
Venue: Macal River Park
Master of Ceremonies: **Mr. Rene Torres**

Meeting was called to order by President, Dr. John Morris at 4:30 PM. The President apologized for the tardy start but he explained that they needed a quorum to call the meeting to order. The National Anthem was led by the Cayo Musical School.

The Opening Prayer was led by Mr. Torres who led the audience in the Credit Union Prayer. Mr. Carlton Mckoy, member of the Board, delivered the Welcome Address.

Welcome Address

Mr. Mckoy once again apologized for the tardy beginning of the meeting. He greeted and welcomed all members of the Credit Union acknowledging Central Bank officials, Mr. Perez from Belize Rural Finance, Mr. Abner Valladares from Belize Natural Energy Trust as well as Ms. Nadia Gibson from the Belize Credit Union League. Representatives from Saint John's Credit Union and La Inmaculada Credit Union were also acknowledged. Members were encouraged to participate in the meeting and to select officers who will work diligently to see the credit union grow.

The Minutes of the 61st Annual General Meeting was presented by Mr. Domingo Pacheco.

Matters Arising From Minutes

Corrections: the winner of the third raffle is not Mr. Jorge Tesecum but Mr. Orlando Tesecum. Mr. Ayala rose to state that the election of officers for the Board of Directors should be up this year and stated that instead of two vacancies which are listed, there should be five. It was clarified that there were not five but four vacant seats for the Board of Directors. Mr. Emil inquired about a new Board of Directors. The President explained that there was a resolution that each Board member serve for 3 years so that there may be continuity. The president also explained that Mr. Raymond Morris and Mr. Francis Morrey had resigned from the Board and were replaced by Mr. Rene Torres and Mr. Carlton Mckoy. The president listed the names of the Board members whose terms are up: Dr. John Morris and Mr. Raymond Tzul. A member asked about the agreement to view the Minutes before the meeting. The President explained that the books were delayed by the printers and that some reports were late. The Minutes were subsequently accepted as read by Mr. Les Johnson and seconded by Mr. Kent Pandy.

Dr. John Morris, President of the Board of directors, delivered the President's Report.

The President's Report

Dr. Morris began by stating that this was a successful year as the credit union currently holds assets of \$13,900,000, an increase of 11.9% over last year. He also commented that it had been a tough year and applauded the staff and members for their commitment to Saint Martin's. He highlighted that Saint Martin's had been singled out for the highest growth in membership by the Belize Credit Union League attracting a total of 670 new members in this year alone. The Credit Union reported a net profit of \$575,000. He encouraged members to continue saving generously and thanked them for their saving practices thus

far. He then examined areas where there can be improvements. These include provisions for loan loss which reduces dividends; security; high technological electronic protection for the Credit Union; lower electricity costs; delinquency officer (Mrs. Maureen Reyes to serve in this post); ATM; fees from ATM (will bring income to the Credit Union); renovation of lobby and reception area (spacing and long lines); increase in loans, approval and disbursement; staff resignation and 4 additional staff members

Dr. Morris also stressed the Board of Director's transparency in their accounting reports to Central Bank. He gave reports of the upgrade in the Credit Union's computer system. He also spoke briefly about training of officers so that the Credit Union is better managed. He mentioned that they are working on raises and benefits for the staff. Dr. Morris also mentioned that the Credit Union had signed a 2 year contract with Mr. Hulse as the General Manager.

He also reported that Mount Caramel Credit Union was not given assistance by St. Martin's as was suggested at the last annual general meeting. There was a general feeling of lack of enthusiasm from those members present at the last AGM so no assistance was given.

Dr. Morris mentioned an increase in financial aid to a feeding program at an elementary school, sponsoring of sports and other community related programs. He encouraged all members to continue to recommend people to join the Credit Union.

In conclusion, the President recognized the members of the Board of Directors for their effort over the year. He also recognized committee members and showed appreciation for their contributions.

The Early Bird Raffle of \$300.00 was won by Mr. Llewelyn Williams, ticket number 886502.

The Credit Committee Report was presented by Mr. Andy Bahadur.

Credit Committee Report

Mr. Bahadur stated that it was his pleasure serving on the Credit Committee over the past year. The committee met every 2 weeks to review loan applications even though some time was taken to become familiar with credit policies and procedures. He thanked the Credit Committee members and staff members for assisting him in learning the procedures.

The Credit Committee approved 3,880 loans totaling \$7,187,504.00. Of these, \$1,401,398.00 were personal loans; \$1,084,836.00 vehicle purchases/repairs and \$1,027,448.00 construction loans. He explained that the Committee has to make decisions as to what is in the best interest of the Credit Union and that loans were reviewed in according to guidelines set out in the credit union's loan policy. He stressed the importance of a member's loan history and encouraged them to keep pay their loans on time as this is taken into consideration when they apply for a loan.

Mr. Bahadur concluded by encouraging members who have problems with loan payments to come in and speak with the newly appointed Delinquency Officer Mrs. Maureen Reyes so that an amicable arrangement can be reached.

Supervisory Committee Report was presented by Mr. Emil Rodriguez.

Supervisory Committee Report

The Supervisory Committee is tasked with the responsibility of monitoring and auditing the operation of the Credit Union. Mr. Rodriguez stressed the need for good leadership and understanding.

Mr. Rodriguez stated several new initiatives which are credited to the Supervisory Committee. The Belize and SMCU flags flying in front of the office; a vehicle and generator log book; Mother's Day Thank You snacks and tokens; radio broadcasts in regard to Credit Union activities were all initiatives stemming from recommendations by the Supervisory Committee.

The Supervisory Committee acknowledges the hiring of a Delinquency Officer in the person of Mrs. Maureen Reyes. She is responsible for tracking loans that are not being repaid and dialogue with the individuals and/or their co-makers so that the loan is paid in full. Staff loans, utility bills and committee expenses were also reviewed. A review of data security and access to customer information was also carried out with the assistance of local computer personnel.

The Committee had concerns about the CU's closed circuit security cameras not being used adequately. The committee hopes that Management will soon implement a security system with sufficient cameras for this purpose to assist in the prevention of crime.

The Supervisory Committee also brought it to the attention of the members that they are not in agreement with the three thousand dollars being used to sponsor a basketball competition as during the competition "Atlantic Banks" logo was on display instead of CU's. Players were heard using expletives during the games and there was no recognition that SMCU had sponsored the competition

Mr. Rodriguez made suggestions that there be improvements in areas such as: customer service, accountability, service to disabled members, online banking for members, a business center at the Credit Union, expanded utility bill payment facilities, more training for staff, mobile banking for Succotz, rebate for those who never miss due dates or pay off their loans in advance, more productivity and transparency. He then invited members to peruse copies of a new reference manual book for the SMCU. He said it was not totally completed and invited members to share their opinions on what they have so far. He also stated that the Belize Credit Union League supports the manual and will contribute their input to the manual.

Mr. Rodriguez asked the members to become more actively involved in their Credit Union to make it a better financial institution.

The Treasurer's report was delivered by Mr. Raymond Tzul.

Treasurer's Report

Balance Sheet

Mr. Tzul reported that the current delinquency rate on loans is 4.74%. He asked members to review the leaflet describing the benefits of the Credit Union ATM card. The card may be used at all Credit Unions and any branch of the Heritage Bank.

Total assets grew by 7.13% or \$953,579. This is the biggest growth in savings for any one year. Membership is currently at 6533 with loans receivable demonstrating an increased by \$1,011,789 or a 9.6 percent

growth. Total loan portfolio for the financial year is \$11,549,285. Investment in term deposit remained constant at a bit over \$1.6 million which is in full compliance with the Liquidity Ratio of 10% of the total assets as required by law. Outstanding monies owed to DFC and Social Security total \$991,001.

Statement of Earnings

Total income for the year is a little over \$1.45 million which demonstrated a growth of 9.87%. Expenses for the year totaled \$891,588, an increase of 19.94%. The biggest expenses for the year were in Salaries and Wages, Staff Benefits, and Staff Allowances which account for 43.6% of total expenses. Net Income stands at \$565,590 showing a decrease of -3%.

Fiscal Management

The Guaranty Fund (10% of the Net Income) stands at \$412,650 while Provision for Bad Debt stands at \$214,493. The Education Fund (5% of the Net Income) is at \$25,000. This fund is to help the Credit Union with development and expansion projects in the future and may act as an emergency fund.

Major Investments

There was a major investment in an ATM project and furniture and equipment which accounts for about 80% of the assets totaling \$72,969.

ATM service is now operational. Card holding members can now use their cards to not only withdraw cash countrywide but also to swipe for purchases at selected merchants in San Ignacio and Santa Elena and well as countrywide.

Other Services

BEL bill pay service has been doing well with almost 6000 electricity bills being collected by the credit union. This service is available to anyone including none members.

The Student Loan Program has been a success with 90 students in the program. This is majorly funded by the Belize Natural Energy Trust. Young members and their parents are encouraged to take advantage of this opportunity.

Conclusion

Mr. Tzul commented that members need to keep the best interest of the Credit Union at heart since the members all benefit from profits. He offered thanks to the Joint Officers and the General Manager, the Accountant, the membership for allowing him to perform his duties as Treasurer. Mr. Tzul also said that the challenge for next year is curtailing the expenses and finding creative ways of reducing expenses while increasing income.

Discussion and Acceptance of the Reports

Mr Eduardo Juan of Santa Elena: *How would the debit Card work? Does one need to be a member to get one of the card? Will money come out of a member's credit to pay when the card is used?* **Response:** When the card is implemented it will be similar to existing debit cards.

Mr. Juan: *Where will funds come from for the Credit Card?* **Response:** It is not a credit card but a debit card which will be tied to a member's deposit account and not the share account. Instead of standing in line, members can use their ATM to withdraw funds from their deposit account.

Mr. Manuel Medina: *Of the officers who resigned, why was Stanley Habet's name not mentioned? He stated that he was confused with Mr. Rodriguez's report as Mr. Rodriguez mentioned that someone else would read the official report from the Supervisory Committee.* **Response:** Mr. Rodriguez read his observations and his contributions. Members can read the detailed reports in their AGM booklet.

Mr. Manuel Medina: *Expenses almost tripled as in 2010 expenses were at \$22,965 and this year it is at \$62,000. What is the explanation for this?* **Response:** Additional staffing requirements as well as new adjustments to payments under the collective bargaining agreement with the Christian Workers Union.

Mr. Medina: *What is Bad Debt?* **Response:** Bad Debt Fund refers to a fund where the Credit Union makes provisions for when members become delinquent on their loans.

Mr. Abner Valledares: *Why are the Notes to the Financial Statements not included in the audited statements? He noted that income growth is at 9.8% and expenses at 19% and offered a recommendation that the Board thinks of ways to increase revenue that is comparative to the expenses.* **Response:** Printing costs went up so the Board is limiting costs of printing. Efforts are being made to keep the interest rates at 12% so members do not suffer. The best bet is to reduce the expenses for example instead of making deposits four times a week, they are made twice weekly. Electricity should be curtailed and meals at officials meetings should be less costly.

Ms. Estella Medina: *Suggested that membership be recognized by providing benefits such as a death benefit.*

Mr. Emir Quiroz: *Members who pay on time large interests should be provided with a rebate. Some plan should be put in place to show appreciation for members.* **Response:** HRCU gives rebates. It is something to look into but it has to be affordable and uniform to all.

Reports were confirmed and accepted as read by Mr. Theodore Lennan and seconded by Mr. Angel Tzec.

Declaration of Dividends

Dividend was declared at 4.75% and the President asked for all those in favor say aye. Members asked why not 5%. The General Manager, Mr. Hulse said 4.75% is as high as they can go. Dividends were settled at 4.75% as most people accepted this as dividends.

Election of Officers

Ms. Angela Reneau assisted by Mr. Brian Duncan of the Central Bank was invited to conduct the election of new officers.

Board of Directors: 3 Year Term

Dr. John Morris – Elected for 3 years of service

Mr. Raymond Tzul – Elected for 3 years of service

Mr. Rene Torres – Elected for 3 years of service

Mrs. Debbie Martinez OR Mr. Emil Rodriguez – (tie votes) to be determined later - *Elected for 3 years of service*

Mr. Domingo Pacheco – Term for 2 more years of service

Credit Committee: 1 Year Term

Mr. Manuel Medina

Mrs. Santos Tesecum

Mr. Andy Bahadur

Supervisory Committee: 1 Year Term

Mr. Melvin Ayala

Mr. Alfred Serano

Ms. Laura Sierra

Raffle Winners for AGM 2011 were:

Theodore Lennon	429165	1 stove
Bartolo Chi	429145	1 rice cooker
Leonora Bol	372397	1 fan
Victoria August	429008	1 crock pot
Elsa Mas	429022	1 blender
Candida Tzuncal	372439	1 cell phone
Magda Rodriguez	372367	1 iron
Vanessa Reyes	429163	1 fan
Lucy Herrera	372418	1 bike
Marisol August	429012	\$300 cash
Rosemarie Martinez	372409	\$300 cash

Vote of Thanks

The General Manager Mr. Ronald Hulse rose to give the Vote of Thanks. He thanked the Central Bank representatives, the visiting credit unions and the members for their support. He stated that the General Manager and Board of Directors are there to serve the members. He asked that members encourage others to join the Credit Union and encouraged fellow credit union members to pay their loans. He offered thanks to the organizers, the deejay and the recording secretary.

Mr. Raymond Tzul moved that the meeting be adjourned at 10:49 PM. This was seconded by Mrs. Lisa O'brien.

Food and refreshments were served.