

MINUTES
70TH Annual General Meeting
ST. MARTIN'S CREDIT UNION LIMITED
Friday, 24 May 2019

Sacred Heart College Auditorium, San Ignacio Town, Cayo District

Present:

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

Member-owners in attendance: 377 made up of both adults and children

Master of Ceremony (MC): Mr. Matt Cobb, member

Minute taker: Ms. Maybelline Rojas, member

The MC extended warm greetings to all the members present for the 70th Annual General Meeting (AGM) 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 6:00 PM.

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

He referenced to the front of this year's Annual Report booklet cover which depicted pictures from 1975 to present of the different buildings that used to be the SMCU.

Mr. Torres welcomed everyone to the 70th AGM. Thereafter, special acknowledgements were made as follows: Mrs. Corrine Fuller of The Belize Credit Union League; Mr. Clement Usher and his team from the Holy Redeemer Credit Union of Belize City; Mr. Rafael Dominguez and members from the St. Francis Xavier

Credit Union, Corozal District; Mr. Manuel Polanco and members from La Inmaculada Credit Union, Orange Walk District.

In closing remarks, he highlighted that here at SMCU, members supporting each other is key. SMCU believes that unity makes us strong. Members who take an interest in what is happening with the credit union and are present today that makes one an active member. He urges every member to actively participate in the 70th AGM.

3. Acceptance of the 69th Annual General meeting Minutes of 2018

Correction to the Minutes are as follows:

Correction to Page 2 under Present: *Ms. Karen Perez was absent with apologies as she was on maternity leave at the time.*

The Minutes of the 69th Annual General Meeting of 2018 was approved as corrected. Ms. Lorretta Young motioned to accept the minutes as corrected, seconded by Mr. Luige Montero.

4. Board of Directors Report

Dr. John Morris, **President**, reported for the period April 1, 2018, to March 31, 2019.

President Morris extended a hearty welcome and greetings to all members and invited guests of the SMCU's 70th Annual General Meeting. To the Board of Directors, Staff and Management of SMCU who have been working very hard this year and give of themselves tremendously to achieve a good measure of success in Belize's economic climate that has been declining and barely averaging one percent GDP. The SMCU's success is attributed to several adjustments, both infrastructural and financial. At present, the SMCU is operating in a new environment, therefore, the Board of Directors and Management had to assess, plan and budget to implement strategies that were designed to fulfill commitments as a financial institution, as well as the growing demands and needs of SMCU membership. Despite the challenges, President Morris was able to announce a successful year for the SMCU.

The SMCU's total asset is over \$33,000,000 compared to last year's asset an increase of over \$4.5 million dollars, which is a 16% asset growth. Savings deposited for the fiscal was over \$3 million dollars; shares grew from \$21.7 million to \$24.9 million, which is a 15% increase. This increase has allowed SMCU to service and provide loan funds to its members without seeking external funding. This increase also indicates SMCU's strength, and trust its members have in their credit union to manage their funds even though interest rates on deposits are extremely low. President Morris urges members to continue this trend of saving generously as it provides for funds to be loaned and increases SMCU's liquidity. He noted that the sizeable increase means that SMCU needs to pay out more in dividends and this could adversely affect the percentage number of dividends SMCU can give to its members. President urged members to encourage others to join SMCU as the credit union is stable, earning a profit and helping people.

SMCU must comply with the Central Bank of Belize's onerous regulations of which one requirement was to hire an internal auditor and a compliance officer. After Ms. Annie Marie Thompson, Finance Officer left to pursue a legal career, SMCU was fortunate to hire Mr. Leon Palacio, a former Central Bank Examiner. Mr. Palacio has helped tremendously to generate reports and answer queries from the Central Bank. With the hiring of Mr. Palacio and Mr. Wilson Vargas as the Internal Auditor, SMCU has a vibrant

core of young professionals to chart the way forward and execute the plans for the development and success of SMCU's future. SMCU has also met all the other requirements such as its Net Institutional Capital, which must be 10% (SMCU is at 11.7%), liquidity and loan loss provisioning requirements among others. SMCU began to diversify its investments and its delinquency rate is well below the prudential mark of 5%. There was a substantial increase in loan applications, loan approvals and loan disbursements. Training sessions for Staff and Joint Officers were conducted to ensure capacity building so that St. Martin's can better address its members' needs. This has contributed to a high degree of professionalism, better customer care and efficiency that resulted in a fairly successful year. One of the reasons for better performance this year has do with curbing of delinquency, which is at 1.53% this is one of the lowest in the financial sector, and for this we should be extremely proud. The efforts at curbing delinquency have yielded positive results and the level of write-off has declined considerably. President Morris congratulated the Loans Department and the Recovery Officers and other parties involved for their diligent work.

A successful strategy that generated income was the introduction of pre-approved loans for Christmas and Easter, an enhanced marketing campaign for student and educational loans as well as Christmas and Easter Loan campaigns. SMCU is currently reviewing its credit policies to take on more risk and to loan larger sums given its high liquidity. SMCU will also be rolling out its very successful Christmas Plus Loan which was initially piloted and tested during the past two Christmas season. This loan allows members to borrow loans within shares at a rate below the regular monthly 1% and member will now be able to access this facility throughout the year. SMCU plans to launch a special mortgage program with reduced rate that will be offered for housing loans over \$50,000, rolling out of our EduSave Account for minors and the full implementation of a Payday Plus Facility for salaried employees.

Membership continues to grow more so with the opening of the Benque Viejo del Carmen Branch in June 2018. This branch is centrally located, and the community has welcomed it and are taking advantage of the products and services provided. This is evident as membership stands at 1,500. The financing for the construction and outfitting of the branch was received from the Development Finance Corporation (DFC) and construction was done by Mr. Walberto Deras and overseen by Architect, Abel Flores. The total cost for land, construction and fitting of the build was approximately \$500,000 plus. President Morris applauded the efforts of the staff at the branch and also the residents of Benque Viejo del Carmen, and surrounding villages, for their support in making SMCU's branch viable.

SMCU is currently working on the necessary framework to offer Internet Banking to its members. As members want to check their account online, and do not want to wait until the credit union is open to do business; the credit union must embrace this demand as it is the new wave of the 21st century. Therefore, SMCU is looking at purchasing a new core banking system that will enable many of the functions currently utilized by banks and will automate many of the manual processes. SMCU is also working with the Belize Credit Union League and its fellow credit unions to connect to the National Payment System which will allow members to electronically send and receive funds to and from any bank or credit union in the country. It will also allow cheques to be cleared within one to two days as the banks does and will also result in the establishment of Shared Agent where members can carry out small transactions. This venture will revolutionize the way the credit union does business and will allow for many more services to be rolled out including instant transfer of funds. If all goes as planned, the credit union will be interconnected with other credit unions and banks in January 2020.

SMCU has outgrown its present location and discussions are underway for the relocating and subsequent construction of a new modern building to house the SMCU, President Morris suggested that it can at the

current location or on a new parcel of land. The vision is for a four or five story building of steel and glass that could also accommodate other tenants, as well as the credit union office with the cost of the building being absorbed via rental spaces.

In closing, President Morris thanked his fellow board members: Mr. Rene Torres, Mr. Carlton Mckoy, Mr. Doroteo Balan and Mr. Elmer Juarez; members of the Supervisory Committee: Mrs. Irma Sanchez, Ms. Laura Sierra, and Mrs. Karen Arnold; the Credit Committee: Mrs. Santos Tesecum, Mr. Manuel Medina and Mr. Andy Bahadur, and the management and staff for their dedication, hard work and sacrifice which yielded a successful year. He continued to thank Mr. Raymond Tzul, General Manager, for his dedication, patience, and hard work that he has brought to the leadership of the SMCU. He also thanked Mr. Emory Young, Senior Operations Manager for his dedication and energy in ensuring the credit union improves daily.

President Morris announced that there are three vacancies on the Credit Committee and two on the Supervisor Committee. He urges those who accept to service as officers to do so with the idea that the service to Credit Union is one of dedication, hard work and sacrifice.

Finally, he thanked all members of the SMCU as without them there would not be a credit union.

5. Credit Committee Report

Credit Committee Report presented by Mrs. Santos Tesecum, Chairperson for the Credit Committee.

Mrs. Tesecum acknowledged all the members and invited guests of the SMCU 70th Annual General Meeting. In opening Mrs. Tesecum said that one of the beautiful things about credit unions is that she believes it is very beneficial to the society. It is important for members to bear in mind when they save that builds their capacity to borrow and that they need to pay on the due date. When members cannot pay, they must go to the credit union and talk to the person in-charge, so that the credit union has a record because if you have been delinquent or have arrears when you need a new loan, there is a time you need to wait.

In reviewing 2018 -2019 loan applications, disapproval, and disbursement record referencing page 16 of the 70th Annual General Meeting booklet which provides the chart showing applications for loans. A total of 9,657 applications was received of which 9,405 was approved. Among the top loans approved: \$5,371,643 was for personal purposes; \$1,693,526 for vehicle repairs; \$1,622,609 for construction, \$1,323,401 for home improvement and \$935,294 for education. A grant total of \$13,443,804 was approved and disbursed.

When loan applications come to the Credit Committee they are reviewed, and consideration is given to the recommendations presented by the Loans Officers. Sometimes applicants are not qualified for loans for a certain period of time, and this may be because their existing loan is in arrears, or their Debt-to-Income Ratio (DTI) is too high which may indicate that the member is overcommitted and may not be able to service the loan.

Loans that are risky among other factors like high exposures for over-the-counter payments may also be a reason for disapproval of loans. The Credit Committee practices fairness, and transparency to safeguard its members money; therefore, the credit union is here to serve its members. Members must feel free to call the credit union and ask questions.

Mrs. Tesecum thanked the General Manager, Staff of SMCU and Joint Officers who assisted the members of the Credit Committee. She also informed that the Credit Committee Members' third year is up and thanked the members of the credit union for having the trust in the Credit Committee to serve them. She

also thanked the committee members Mr. Andy Bahadur and Mr. Manuel Medina for the countless hours of service which they have selflessly given to SMCU.

6. 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. The Supervisory Committee had one elected member at the last AGM, the person is Mrs. Irma Sanchez who had agreed to serve another term, after no other nominations were made. The Committee members met immediately after to develop a new work plan for the year ahead. The Supervisory Committee is tasked with safeguarding all assets of SMCU by ensuring that all financial and operational transactions are carried out according to policy, and for the benefit of all members. The committee had its share of challenges as usual at the beginning of the financial year but that normalized after the hiring of the Internal Auditor, Mr. Wilson Vargas, in December 2018. He had assisted the Supervisory Committee tremendously to carry out more structured audits which is guided by an internal audit charter, he has a very detailed work plan that he had devised along with the Supervisory Committee.

Some of the main audits the committee were able to accomplish at both main office and the Benque Viejo Del Carmen Branch are:

- Vault checks – to ensure the balancing and safekeeping of cash, and other valuable documents
- Surprise Tellers cash counts – to ensure that all transactions were accurate
- Delinquency report, and verified collection of account in arrears
- Monthly financials – to check progress of projected income, verify investments and cash on deposit at banks
- Monthly expenses and compared it with budgeted amounts – where necessary recommendations have been made to Management and Board of Directors
- Payroll verification to ensure that all remunerations were as stipulated in approved contracts
- Loans approved—by Credit Officers, Credit Management and by the Credit Committee to ensure the loan policy criteria is being adhered to
- Reviewed the minutes of board meetings to ensure that the Board of Directors is providing clear guidance to Management
- Addressed members concerns with management
- Met with Management Team to assess and establish clear understanding of the role of the new Audit Department
- Met with external auditors to discuss key areas for the audit
- Complied with outstanding corrective measures for the Central Bank of Belize which had been identified in their Examination of SMCU in 2017.

The committee members also attend meetings of the Joint officers and any other training provided by the credit union, Belize Credit Union League or by the Central Bank.

In closing, Mrs. Sanchez expressed her gratitude to the members of the credit union for giving the committee the opportunity to serve as the overseers of the credit union. She also thanked the Board of Directors, Management and Staff, members of the Credit Committee and the Belize Credit Union League. Mrs. Sanchez expressed heartfelt thanks to her fellow committee members, Ms. Laura Sierra and Mrs. Karen Perez without their commitment the committee would not have been a success, to Mr. Vargas who is a welcomed addition to the team, he provided timely reports to the committee and management, and he ensured internal controls were strengthened.

Mrs. Sanchez informed members that today the terms are up for Ms. Laura Sierra and Mrs. Karen Perez as serving officers on the committee. They are willing to continue to service so if you would give them your support and if anybody is willing to serve, they are welcome to do so.

7. Treasurer's Report

Mr. Carlton Mckoy presented the Treasurer's Report.

Mr. Mckoy took the opportunity to acknowledge Ms. Camille Cal for doing a splendid job at the Benque Viejo del Carmen branch. He also did some reflection while waiting his turn to present and saw that while three strong women lead the Supervisory Committee somehow, they (females) are not represented in the Board, and he believes something need to be done soon. He also informed that the Social Security Board are increasing their contributions and benefits soon and would like members to take time out to investigate it to see how they will be affected.

Total assets for the year 2018-2019 grew by 16.2% (\$4.6 Million) which demonstrates that the demand for loans from members remains high. In remaining committed to meeting the needs of its member in a competitive market, plans are to introduce a new loan program in the immediate future.

Mr. McKoy commended the members for not only borrowing but for paying back. The delinquency rate stands at less than 1.6%; the accepted standard is below 5%. It must also be noted that the Credit Committee and Loans Officers continue to exercise due diligence when reviewing loans. Members must always remember that it is their brothers and sisters who are lending them in their most time of need. SMCU has once again surpassed the Net Institutional Capital Requirement as it has achieved just below 12% at the closed of the financial year, a 2% increase over the mandatory requirement.

Income for the year 2018-2019 grew by \$480,890 which is 15.8% more than last year and expense for the same period grew by \$357,654 or 20.8%. He noted that expenses were directly related to the opening of the Benque Viejo del Carmen Branch and the hiring of the required staff. The credit union is pleased to inform that it generated a net income for this year of \$1.45 million which represents a 9.3% increase over the previous year.

SMCU has surpassed all regulatory requirements and have made all the necessary allocations to its Education Fund which is 5%, Guaranty Fund which is 30%, and the Development Fund which is 1% from its Net Income.

SMCU discontinued with the Western Union, while it generated income it was not as much as was anticipated and the workload was too high.

Major investment this year is the opening of the Benque Viejo del Carmen Branch.

Mr. McKoy thanked the Board of the Directors, the Credit Committee and the Supervisory Committee, the Finance Team, which is led by Mr. Leon Palacio. He also acknowledged Mr. Raymond Tzul for the splendid work he is doing.

8. Acceptance of Reports

President Morris opened the floor for discussion and acceptance of the reports.

Mr. Joe Lisbey, member, saw with the hope to improve SMCU for the coming year. He noted that in the reports it stresses on the growth (financial success) of the credit union. His comment is on the social aspect of the credit union which is to improve the life of its members and believes poverty needs to be address. He noted that 40% of the loans disbursed were for personal purpose and the credit union needs to improve on education, business, and farm sector.

Mr. Morris responded that there is a Belize Rural Financing Program that targets farmers in rural area and that this program was successful. There is also a robust Education program, Scholarships program, school feeding program and loan program through BNE. There is also robust donation program that goes to organizations in the community to contribute to the home for the elderly.

Mr. Tzul also informed that there is a process of growth that need to take place before members can have access to credit.

The motion to accept the reports was moved by Mr. Abdel Cowo, seconded by Mr. Antonio Coc.

9. Declaration of dividends

Mr. Carlton Mckoy informed membership that SMCU can afford to pay 5% dividend for the year 2018-2019. By a show of applause (clap of hand) the 5% dividends were accepted and confirmed by membership.

10. Resolutions:

There is no resolution for this year.

11. Elections of Officers

Mrs. Corine Fuller, Executive Director for the Belize Credit Union League, conducted the elections of officers with assistance from Members of the other Sister Credit Unions. Justin Reyes was appointed timekeeper. Those persons whose terms have ended were requested to leave the head table those were: three people from the Credit Committee, and two from the Supervisory Committee.

Mrs. Fuller reminded the members of the qualities required of elected officers must have to serve: Persons elected must be 18 years of age, be a member of the credit union, have no conviction of any crime of dishonesty or fraud or any offence under the relevant laws of Belize, they must be in good standing with the SMCU and any other creditor, must not be a bankrupt, they must devote time (at least 20hrs a month) and be dedicate to serve, must be willing to undergo training and practice in an ongoing professional development.

Nominations for three vacancies on the Credit Committee:

- There is no nominating committee but Mrs. Santos Tesecum, Mr. Manuel Median and Mr. Andy Bahadur are willing to continue to serve but nominations must come from the floor.

The floor opened for two minutes for nominations:

- Mrs. Lydia Montero nominated Mr. Abdel Cowo to serve on the Credit Committee. Mr. Cowo accepted the nomination.
- Ms. Consuelo Tzib nominated Mrs. Santos Tesecum to serve on the Credit Committee, Mrs. Tesecum accepted the nomination.
- Ms. Laura Sierra nominated Mr. Andy Bahadur and Mr. Manuel Medina to serve on the Credit Committee, Mr. Bahadur and Mr. Medina accepted.
- Mr. Leslie Johnson nominated Mr. Andy Bahadur to serve on the Credit Committee, Mr. Bahadur accepted.

No other nominations were made. Nominations were closed after two minutes. Motioned to closed nominations was moved by David Henry Jones seconded by Elsa Mas. Members accepted nomination closed by a show of hands. Members accepted nomination closed by a show of hands.

There were four nominees for three vacancies. The members agreed that the voting be done by a show of hands, and no one objected. Each member can only vote three times and must be 18 years of age, nominees can also vote. Mrs. Fuller asked members of the sister credit unions to assist with the counting of votes for the 3 vacancies. Members were asked to stand up to be counted. The result of the votes was as follows:

- Mrs. Santos Tesecum received 279 votes
- Mr. Andy Bahadur received 224 votes
- Mr. Manuel Medina received 185 votes
- Mr. Abdel Cowo received 140 votes.

Mrs. Santos Tesecum, Mr. Andy Bahadur and Manuel Medina returned to serve for another term (3 years) on the Credit Committee.

Nomination for two vacancies on the Supervisory Committee:

The floor opened for nominations for two minutes:

- Mr. Abdel Cowo nominated Mrs. Lydia Montero to serve on the Supervisory Committee, Mrs. Montero accepted
- Ms. Juanita Brown nominated Mrs. Karen Perez to serve on the Supervisory Committee, Mrs. Perez accepted
- Mr. Manuel Medina nominated Ms. Laura Sierra to serve on the Supervisory Committee, Ms. Sierra accepted

No other nominations were made. Nomination closed after two minutes. Motioned to closed nomination was moved by Ms. Gloria Waight and seconded by Juanita Lucia Brown. Members accepted nomination closed by a show of hands.

There were three nominees for two vacancies on the Supervisory Committee. Members agreed that the voting be done by a show of hands, and no one objected. Each member can only vote twice and must be 18 years of age and nominees can also vote. Mrs. Fuller asked members of the sister credit unions to assist

with the counting of votes for the 2 vacancies. Members were asked to stand up to be counted. The result of the votes was as follows:

- Ms. Laura Sierra received 210 votes
- Mrs. Lydia Montero received 96 votes
- Mrs. Karen Perez received 209 votes

Ms. Laura Sierra and Mrs. Karen Perez returned to serve for another term (3 years) on the Supervisory Committee.

12. Thank you and Adjournment

The General Manager, Mr. Raymond Tzul thanked the management and staff, the Board of Director, the committees, and the members of SMCU for their participation at the 70th AGM.

The meeting adjourned at 8:09 pm

RAFFLES:

- \$200 cash prize Early Bird– winning ticket No. 248200 won by Marco Canto of San Antonio Village
- \$100 cash prize – winning ticket 933277 winner Mr. Ernesto Gill
- \$100 cash prize – winning ticket 933506 winner Edgar Shish
- \$50 cash prize – winning ticket 933548 winner Edwin Blanco
- \$50 cash prize – winning ticket 933419 winner Magdalena Rodriguez
- 1 fan – winning ticket 933285 winner Adelita Howe from San Antonio
- 1 Fan – winning ticket 933525 winner Griselda Canto, San Antonio Village
- 1 Bicycle - winning ticket 933528 winner Dalia Gonzalez
- 1 Children Fan -winning ticket 696757 winner Ignacio Moh
- \$500 cash prize – winning ticket 933556 winner Yorlenie Juarez