

# Chicago Post Office Employees Credit Union



## 89<sup>th</sup> Annual Meeting March 17, 2017



*Charles E. May, Chairman of the Board*  
*Barbara J. Singleton, Vice Chairman of the Board*  
*Robert M. Palumbo, President*

*The Chateau Bu-Sche', 11535 S, Cicero Ave, Alsip, Illinois 60803*  
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# Table of Contents

	<u>Page</u>
<i>Agenda</i> .....	1
<i>March 25, 2016 Annual Meeting Minutes ...</i>	2-3
<i>Board of Directors</i> .....	4
<i>Committee Members</i> .....	4
<i>Staff Members</i> .....	5
<i>Chairman's Report</i> .....	6
<i>President's Report</i> .....	7
<i>Supervisory Committee Report</i> .....	8
<i>Credit Committee Report</i> .....	9
<i>Membership Committee Report</i> .....	10
<i>Financial Information</i> .....	11-12
<i>Branch Listings</i> .....	13

# *Annual Meeting*

## *Agenda*

*March 17, 2017*

- I Introduction of Board / Officers*
- II Introduction of Committee Members*
  - A. Supervisory*
  - B. Credit*
  - C. Membership*
- III Approval of March 25, 2016 Annual Meeting Minutes*
- IV Opening Remarks / Report – Chairman*
- V President’s Report*
- VI Supervisory Committee Report*
- VII Credit Committee Report*
- VIII Membership Committee Report*
- IX Election of Board of Directors*
- X New Business*
- XI Adjournment*

**CPOECU 88<sup>th</sup>. ANNUAL MEMBERSHIP MEETING**  
**Annual Meeting Minutes**  
**March 25, 2016**

**Board of Directors Present**

Charles May (Chairman)  
Barbara J. Singleton (Vice Chairman)  
Eddie Todd  
Ervin Gardner (Treasurer)  
Carol Cook (Secretary)  
LaNeda R. Pitts  
Samuel Anderson

**I. Roll Call**

Mr. May called the 88<sup>th</sup>. Annual Membership Meeting to order at 6:30 p.m. and introduced the Board of Directors and President Robert Palumbo.

**II. Introductions**

Mr. May introduced Mr. Keith E. Satterfield, Chairman of the Supervisory Committee. Mr. Satterfield introduced the members of the Committee. He then proceeded to deliver the Committee's annual report.

Mr. May introduced Ms. Lillielette Franklin, member of the Credit Committee. Ms. Franklin introduced the members of the Credit Committee. She then proceeded to communicate the Committee's annual report.

Mr. May communicated the Board of Director's annual report and read the minutes of the March 20, 2015 Annual Membership Meeting. Mr. May asked for a motion to accept the minutes of the 2015 Annual Membership Meeting.

Ms. Pitts made a motion to accept the minutes from the March 20, 2015 meeting, and Mr. Ervin Gardner seconded the motion. The motion passed.

Mr. May introduced President Robert Palumbo. Mr. Palumbo gave a brief bio of himself and then introduced the staff to the members of the Credit Union, as well as delivering his annual report. He then proceeded to specifically communicate accommodations to Mr. Tarkus Huguley, Loan Officer and Nicole Jennings, VP Operations for their many years of service to the Credit Union.

### III. New Business

Mr. May discussed electronic annual meeting reports for next year's annual meeting, replacing the printed booklet reports as is done currently. To save the credit union money, it was discussed that there will be minimum paper copies of annual meeting booklets.

*Discussion: A few members expressed their concern for only having the annual meeting report in electronic format only. Those who didn't have access or didn't use electronics wanted to make sure they still received the information. A member suggested that the members and board vote on electronic reporting. Mr. May said that he will consider the idea of voting. He mentioned that they will accommodate everyone and make sure everyone receives the information that they want.*

**\*\*\*7 p.m. Meeting adjourned for dinner break\*\*\*\***

**\*\*\*7:45 p.m. Meeting resumed\*\*\***

Mr. May resumed the meeting and introduced Barbara J. Singleton of the Board nominating committee. Ms. Singleton stated that three board positions were up for election for the three-year term beginning in 2016 and the committee has placed in nomination to fill the board positions: Mr. Charles May, Ms. LaNeda Pitts and Mr. Eddie Todd. She then opened the nomination process to the floor. She asked three times for nominations from the floor. There were no nominations from the floor.

Ms. Pitts made a motion to cast the entire share ballot for those members placed in nomination to fill the board positions up for election. Motion was seconded from the floor. The motion passed.

*Discussion: A few members wanted to know about the newly hired President/CEO and why they were not informed of the change and the resignation of the former President/CEO. Mr. May explained that the members elect a board to make decisions for the credit union. They carefully placed an ad for the vacant position and interviewed each prospective before making a decision. It was mentioned that the former President/CEO had a mutual agreement to end his relationship with the Credit Union. The information for the decision was confidential. A discussion arose from the floor as to why the members were not informed of the decision. It was mentioned that will be in the quarterly newsletter.*

Mr. May asked if any questions or anymore concerns.

No questions were asked at this time.

Ms. Carol Cook made a motion to adjourn the meeting; it was seconded by Ms. Pitts. The motion passed and the meeting adjourned at 8:10 p.m.

**Minutes reviewed and  
Approved by:**

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**Charles E. May**  
Chairman

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**Carol Cook**  
Secretary

## ***Board of Directors***

*Charles E. May, Chairman*  
*Barbara J. Singleton, Vice Chairman*  
*Carol L. Cook, Secretary*  
*Ervin Gardner, Treasurer*  
*LaNeda R. Pitts, Board Member*  
*Eddie T. Todd, Board Member*

## ***Committee Members***

### ***Supervisory Committee***

*LaNeda R. Pitts, Chairman*  
*Beverly Williams, Committee Member*  
*LaVese Smith-Keys, Committee Member*

### ***Credit Committee***

*Zenobia Russell-Clenna, Chairman*  
*Eddie T. Todd, Committee Member*  
*Lillielette Franklin, Committee Member*  
*Abraham Lloyd, Retired Chairman (2016)*

### ***Membership Committee***

*Yvonne Dotson, Chairman*  
*Kenneth Allen, Committee Member*  
*Eva Culbertson, Committee Member*

## ***Management***

*Robert M. Palumbo, President*

*Nicole Jennings, Vice President Operations*

*Eric G. Gibbs, Credit Manager*

*Deborah D. Walker Fears, Finance Manager*

## ***Staff (. . . in alphabetical order)***

*Elaine F. Anderson, Branch Manager*

*Britney Dickerson, Teller/Receptionist*

*LaBrenda Dillard, Asset Recovery Associate*

*Ashley Evans, Member Services*

*Sedora M. Hawthorne, Teller*

*Tarkus H. Huguley, Consumer Loan Officer (Retired 2016)*

# Chairman's Report

*Welcome to the Chicago Post Office Employee Credit Union's 89<sup>th</sup> Annual Meeting. I am proud to report that the Chicago Post Office Employee Credit Union is in good hands and we are continuing to move forward. As we started 2016 we were projecting to end the year with a small loss. With the great effort of the management team and input from the Board of Directors we were able to end the year in the black.*

*One of the biggest challenges we are facing in 2017, is the reduction in our operating cost. In an effort to reduce our operating cost we are planning on reducing the amount of printed material we provide to the membership. As we all are aware many organizations have stopped providing hard copies and are moving toward paperless statements. Over the next few years the Chicago Post Office Employee Credit Union will start moving its statements and reports to an electronic environment. We are looking to provide next year's annual report online with a very limited number available at the annual meeting.*

*During the past year many changes have been made to improve the performance and morale of the employees of Chicago Post Office Employee Credit Union. The new President/CEO has created an environment where team work is encouraged. I would like to thank Tarkus Huguley for his many years of service and overall contribution to the success of the Chicago Post Office Employee Credit Union.*

*Our main goal continues to be to increase membership in the Credit Union by attracting new members by offering an array of financial services that cater to the next generation of members to help them reach their financial goals. The Board and Management Team hope that the Chicago Post Office Employee Credit Union will continue to be your financial institution of choice. Additionally, we will continue to do our best to remain worthy of your trust. Thank you for your loyalty and continued membership.*

*Charles E. May*

*Chairman, Board of Directors*



# President's Report

*Chicago Post Office Employees Credit Union is celebrating its 89<sup>th</sup> Annual meeting in 2017. It is with great pleasure to take this opportunity to report to the membership the exciting efforts, initiatives and achievements in 2016 that caused a very successful year for the Credit Union.*

*Considering that the credit union in 2015 experienced tremendous challenges relative to many phases of the business, the 2016 results have solidified various key areas concern; loan losses and recoveries, operating costs, net income and the employee base. A key driver relative to future strategy is to ensure consistency and continuity of the positive results achieved in 2016 through 2017 and beyond.*

*Thanks to the dedication, knowledge and commitment of the Credit Union Staff, Board of Directors and Committees, CPOECU performed very well financially, operationally, and strategically. Let me share some highlights and successes of the year:*

- The Credit Union ended 2016 with total assets of \$18.4 million and an industry leading capital position of 25.19%.*
- Total Savings balances ended the year at \$13.2 million with 2.1 million in savings certificates.*
- Members continued to look to the Credit Union to meet their borrowing needs as total loan balances ended the year at \$9.8 million, an increase over last year.*
- Credit Card balance outstanding increased 25% from last year, ending at \$717k. A total of 250 cardholders performed 8,658 transactions in 2016.*
- Reduced operating costs from 2015 by 8.5%, approximately \$84k.*
- Reduced the loan net charge-off ratio by 45%, which contributed in a loan loss expense reduction by \$200k.*
- Total Members at the end of 2016 amounted to 4,542 as 408 new Members joined the Credit Union.*
- On a very high note, the Net Income for 2016 came in at \$111k, a 237% increase from 2015 which reflected a net loss (\$81k).*

*In continuing our efforts to improve value to the membership, we have added or enhanced several products and services in 2016 such as:*

- Real Estate Mortgage loans to Members were introduced which included Fannie Mae, Freddie Mac and FHA products along with Investment property opportunities.*
- Introduced in November a new "3K" loan product with an eighteen-month term and a 9.90% competitive interest rate. This product has been well received by the membership with 63 disbursements for a total of \$172k over the two-month period.*
- The Credit Union partnered with Benefit Resource Partners (BRP) to assist members who are postal employees with coordinating and maximizing their federal benefits.*

*I would like to take this opportunity to wish Mr. Tarkus Huguley a wonderful retirement after serving Credit Union Members for over 20 years. I would also like to commend the Board of Directors, Committees and the entire Staff for their dedication, support and service to the Credit Union and its Membership.*

*Robert M. Palumbo Sr., CCUE/CCE  
President*

# *Supervisory Committee Report*

*The CPOECU Supervisory Committee is the watchdog for the organization. We continually provide the necessary oversight for the board of directors, management, staff, the credit committee, membership committee and auditors.*

*This past year was a challenge for us as we lost a key member of the committee. Keith Satterfield requested an extended absence from his duties as Chairman, Supervisory Committee. In addition a new member, LaVese Smith-Keys was recommended in July 2016 and approved by the Chairman of the Board to be a member of the committee.*

*This past year we finalized the change of the year end date from Dec 31 of each year to Sept 30. This allows Desmond & Ahern our auditors to complete the year-end audit sooner. Thus providing a cost savings for the CPOECU as the cost of the year-end audit is substantially less during non-peak times for our external auditors. The committee will continue to review this change for a few years to monitor its effectiveness and cost savings benefits to the credit union.*

*The committee members attended off site Supervisory Committee training given by the Illinois Credit Union League and received certificates of completion from the Illinois Credit Union League to have a better understanding of the duties and responsibilities of the committee. Further training was provided by Robin Hollis, Director Illinois Credit Union League. She spoke to the members of the committee to reinforce important aspects of the committee's responsibilities.*

*The Supervisory Committee is committed to continually providing integrity and accountability to ensure that the internal controls related to the credit unions financial stability are effective in order to maintain and or increase our camel rating.*

*We consider it an honor and a privilege to serve the members of the CPOECU.*

*LaNeda Pitts, A/Chairman  
Beverly Williams, Committee Member  
LaVese Smith-Keys, Committee Member*

# Credit Committee Report

*The Credit Committee consists of three Members of the Credit Union who are appointed annually by the Board of Directors and meets twice per month and/or more often if necessary. The Committee is responsible for the Credit Union's lending process and prides itself on ensuring that the lending products and processes are fair and equitable to all members. The Credit Union's By-Laws state that "the Credit Union shall create a source of credit to its members...in order to improve their economic and social conditions". The Committee is pleased to report that the membership has embraced the Credit Union's lending products as all product categories had solid activity throughout the year.*

*For the year ended December 31, 2016, the Credit Union lending highlights are as follows;*

- *Total Number of all Loans = 1,561, Total outstanding balance = \$9,804,681  
> Number of Loans disbursed in 2016 = 811, Amount = \$4,385,608*
- *Total Number of Vehicle loans = 236, Total outstanding balance = \$3,604,469  
> Number of Vehicle loans disbursed in 2016 = 69, Amount = \$1,491,474*
- *Total Number of Unsecured Loans = 1,153, Total outstanding balance = \$5,408,161  
> Number of Unsecured loans disbursed in 2016 = 744, Amount = \$2,864,094*
- *Total Number of Quick Cash Advances = 4,015, Total Amount of Advances = \$2,590,866*
- *Total Credit Card Accounts = 250, Total outstanding balance = \$717,247  
> Number of transactions = 8,658, Total amount of transactions = \$678,565*

*The Committee and Management were excited to introduce new lending products for Members in 2016:*

- *Another Quick Cash Advance amount of \$1,000 began being offered during the year. This is in addition to the current advance amounts of \$300, \$500, and \$700.*
- *A new loan... "3K" with a convenient, flexible term and competitive interest rate was introduced in November 2016. Sixty-three loans were disbursed in the initial two months of offering for a total of \$172,000.*
- *Mortgage Loans became a reality in 2016. Members are now able to obtain first and second mortgage loans along with investment property loans. Refinancing of current mortgage loans is also available.*

*The Committee, Board and Management reviewed and / or revised all of the Credit Union's lending policies and guidelines throughout the year. Revisions were made to enhance the member lending experience and opportunities when borrowing from the Credit Union.*

*The Credit Committee would like to acknowledge Abraham Lloyd for his many years of service to the Committee as he retired as Chairman at the end of 2016. The Committee and Management's strong focus is to continue to provide exceptional value and service to members which includes lending products to meet their needs. We encourage all members to look to the Credit Union first when it comes to borrowing needs. We thank you for your trust and confidence in the Chicago Post Office Employees Credit Union and wish you much success in 2017.*

*Zenobia Russell-Clenna, Chairman  
Lillielette Franklin, Committee Member*

*Eddie T. Todd, Committee Member*

## *Membership Committee Annual Report*

*The Membership Committee of the Chicago Post Office Employees Credit Union meets the second Tuesday of every month. Our mission is to encourage membership in the CPOECU. We create new and innovative ideas to attract new members and to retain our long standing members. We encourage all present members to help recruit eligible Postal employees and their families. We especially look forward to the younger generation, in teaching them the importance of saving their money, and good start would be in the "My future" account.*

*The membership committee is very appreciative of the many opportunities that we were given every year to have our membership drives at the many social events. These events are initiated by our different occupational groups of Postal Workers. We would like to thank you all, because without "you" there would be no "us". Just to show a small token of our appreciation we've had several yearly Appreciation Day's, in an effort to show just how much you all are appreciated.*

*We are very proud of our growing membership, and look forward to pursuing our future goals of recruitment in 2017. With your help we will continue to grow and bring excellent service to our membership and their families, as we have for over 89 years.*

*Yvonne Dotson, Chairman*

*Eva Culbertson, Committee Member*

*Ken Allen, Committee Member*

## CHICAGO POST OFFICE EMPLOYEES CREDIT UNION

### BALANCE SHEET COMPARISON

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>	<b>Dollar Variance</b>	<b>Percent Variance</b>
Cash on Hand and in Banks	\$1,281,197	\$2,969,971	(\$1,688,774)	(56.86%)
Loans to Members	9,804,681	9,767,362	37,319	0.38%
LESS: Allowance for Loan Loss	(515,813)	(515,135)	(678)	0.13%
Investments	7,357,907	5,803,881	1,554,026	26.78%
Building and Land - Net	160,594	170,489	(9,895)	(5.80%)
Furniture and Fixtures - Net	22,502	1,237	21,265	1719.78%
Computer and Technology - Net	20,237	25,872	(5,635)	(21.78%)
Income Receivable	17,197	14,636	2,561	17.50%
Other Assets	234,562	226,179	8,383	3.71%
<b>Total Assets</b>	<b>\$18,383,064</b>	<b>\$18,464,492</b>	<b>(\$81,428)</b>	<b>(0.44%)</b>
<b>LIABILITIES AND MEMBERS EQUITY</b>				
Members Savings	\$13,216,164	\$13,603,684	(\$387,520)	(2.85%)
Accounts Payable & Other Liab.	349,121	201,432	147,689	73.32%
Accrued Expenses	113,329	72,177	41,152	57.02%
Unclaimed Property	73,289	66,854	6,435	9.63%
Reserves	751,706	751,706	(0)	(0.00%)
Undivided Earnings	3,879,455	3,768,639	110,816	2.94%
<b>Total Liabilities and Equity</b>	<b>\$18,383,064</b>	<b>\$18,464,492</b>	<b>(\$81,428)</b>	<b>(0.44%)</b>
<b>Loans to Members</b>				
New Vehicle	\$1,833,061	\$1,877,521	(\$44,460)	(2.37%)
Used Vehicle	1,771,408	1,797,471	(26,063)	(1.45%)
Quick Cash	102,596	88,741	13,855	15.61%
Unsecured Loans	5,305,565	5,326,074	(20,509)	(0.39%)
Savings and Certificate Secured	74,804	105,630	(30,826)	(29.18%)
Visa Credit Cards	717,247	571,926	145,321	25.41%
<b>Total Loans</b>	<b>\$9,804,681</b>	<b>\$9,767,362</b>	<b>\$37,319</b>	<b>0.38%</b>
<b>Members Savings</b>				
Regular Savings	\$7,603,273	\$7,569,649	\$33,624	0.44%
Consumer Savings Secured Loans	125,571	195,859	(70,288)	(35.89%)
Checking	1,830,240	1,930,119	(99,879)	(5.17%)
Money Market	1,257,910	1,207,768	50,142	4.15%
Christmas Club	47,087	57,069	(9,982)	(17.49%)
Vacation Club	151,448	148,231	3,217	2.17%
Youth & My Future	68,031	89,705	(21,674)	(24.16%)
Share Savings Certificates	2,132,604	2,405,284	(272,680)	(11.34%)
<b>Total Savings</b>	<b>\$13,216,164</b>	<b>\$13,603,684</b>	<b>(\$387,520)</b>	<b>(2.85%)</b>

# CHICAGO POST OFFICE EMPLOYEES CREDIT UNION

## Statement of Income and Expense

INCOME	2016	2015	Dollar Variance	Percent Variance
Interest on Loans	\$1,063,807	\$1,142,001	(\$78,194)	(6.85%)
Interest on Investments	57,291	44,200	13,091	29.62%
<b>Non-Interest Income</b>				
Fee Income on Loans	242,060	243,460	(1,400)	(0.57%)
Fee Income on Savings	267,471	256,573	10,898	4.25%
Fee Income on ATMs	181,314	181,550	(236)	(0.13%)
Other Misc. Income	84,739	96,542	(11,803)	(12.23%)
<b>Total Non-Interest Income</b>	<b>775,584</b>	<b>778,124</b>	<b>(2,540)</b>	<b>(0.33%)</b>
<b>Total Income</b>	<b>\$1,896,682</b>	<b>\$1,964,326</b>	<b>(\$67,644)</b>	<b>(3.44%)</b>
<b>EXPENSES</b>				
Compensation and Benefits	\$657,286	\$523,535	\$133,751	25.55%
Travel and Conference	22,573	19,841	2,732	13.77%
Office Occupancy	162,517	258,349	(95,832)	(37.09%)
Office Operations	426,507	475,402	(48,895)	(10.29%)
Education and Promotional	55,855	8,875	46,980	529.33%
Loan Servicing	100,781	68,370	32,411	47.41%
Professional and Outside Services	20,408	116,262	(95,854)	(82.45%)
Professional Dues and Fees	11,176	10,142	1,034	10.19%
Staff and Board	12,846	10,317	2,529	24.51%
Insurance and Bond	41,621	92,842	(51,221)	(55.17%)
Misc. Expenses	6,077	20,380	(14,303)	(70.18%)
<b>Total Operating Expenses</b>	<b>\$1,517,647</b>	<b>\$1,604,316</b>	<b>(\$86,669)</b>	<b>(5.40%)</b>
<b>Income (Loss) from Operations</b>	<b>\$379,035</b>	<b>\$360,009</b>	<b>\$19,026</b>	<b>5.28%</b>
Provision for Loan Loss	235,441	384,105	(148,664)	(38.70%)
<b>Income (Loss) after PLL</b>	<b>\$143,594</b>	<b>(\$24,096)</b>	<b>\$167,690</b>	<b>695.93%</b>
<b>Cost of Funds</b>				
Dividends	\$32,778	\$56,789	(\$24,011)	(42.28%)
Interest on Borrowed Funds	0	0	0	0.00%
<b>Total Cost of Funds</b>	<b>\$32,778</b>	<b>\$56,789</b>	<b>(\$24,011)</b>	<b>(9.91%)</b>
<b>Net Gain or (Loss)</b>	<b>\$110,816</b>	<b>(\$80,885)</b>	<b>\$191,701</b>	<b>237.00%</b>

# *Branch Listings*

**Main Branch:** 10025 S. Western Avenue  
Chicago, IL 60643-1925  
773.881.2500  
Fax: 773.238.3592

**Downtown Branch:** 433 W. Harrison St., 2<sup>nd</sup> Floor  
Chicago, IL 60699-3916  
312.431.8945-47  
Fax: 312.566.0334

## **BUSINESS HOURS**

### **Southside Branch (Main)**

Mon. & Tues., 8:30 a.m. – 5:00 p.m.  
Wednesday ~ CLOSED  
Thurs. & Fri., 8:30 a.m. – 5:30 p.m.  
Saturday & Sunday ~ CLOSED

### **Downtown Branch**

Mon. & Tues., 8:30 a.m. – 5:00 p.m.  
Wednesday ~ CLOSED  
Thurs. & Fri., 8:30 a.m. – 5:30 p.m.  
Saturday & Sunday ~ CLOSED

## **Internet Website & Internet Banking**

***www.cpoecu.com***

*Loan applications accepted online*  
*Mortgage Hotline: 888.435.5247*

***24-Hour Audio Response System: 773.881.4770***

***Toll Free: 888.9CPOECU (888.927.6328)***

- *Account Balances*
- *Account Transfers*
- *Automatic Withdrawals*