

# Chicago Post Office Employees Credit Union



## 90<sup>th</sup>

# Annual Meeting March 16, 2018



*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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# *Annual Meeting*

## *Agenda*

*March 16, 2018*

- I Introduction of Board of Directors*
- II Introduction of Committee Members*
  - A. Supervisory*
  - B. Membership*
- III Approval of March 17, 2017 Annual Meeting Minutes*
- IV Opening Remarks / Report – Chairman*
- V President’s Report*
- VI Supervisory Committee Report*
- VII Credit Manager’s Report*
- VIII Membership Committee Report*
- IX Election of Board of Directors*
- X New Business*
- XI Adjournment*

**CPOECU 89<sup>th</sup>. ANNUAL MEMBERSHIP MEETING**  
**Annual Meeting Minutes**  
**March 17, 2017**

**Board of Directors Present**

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

**I. Roll Call**

Mr. May called the 89<sup>th</sup>. Annual Membership Meeting to order at 6:25 p.m. and introduced the Board of Directors and President Robert Palumbo.

**II. Introductions**

Mr. May asked LaNeda Pitts, member of the Supervisory Committee, to introduce the members of the Committee. Ms. Pitts noted that Beverly Williams and LaVese Smith-Keys were on the Committee. Both were not in attendance at the meeting.

Mr. May asked Mr. Eddie Todd, member of the Credit Committee, to introduce the members of the Committee. Mr. Todd noted that Zenobia Russell-Clenna and Lillielette Franklin were on the committee. Ms. Clenna was introduced, Ms. Franklin was not in attendance at the meeting.

Mr. May introduced Ms. Yvonne Dotson, Chairman of the Membership Committee. Ms. Dotson introduced Kenneth Allen and Eva Culbertson, members of the Membership Committee.

Mr. May asked if there were any questions regarding the minutes of the March 25, 2016 Annual Membership Meeting. There were no questions asked. Mr. May asked for a motion to accept the minutes of the March 25, 2016 Annual Membership Meeting.

Mr. Roedonther Cornell (member) made a motion to accept the minutes from the March 25, 2016 meeting, and Ms. Yvonne Dotson seconded the motion. The motion passed.

Mr. May made note that the Board of Director's annual report would be available on the CPOECU website. He encouraged members to embrace the electronic information as the Credit Union moves toward a more digital environment. He also noted that paper copies of the annual meeting report have been given to members at the meeting and would be available at both CPOECU branches for members unable to access them electronically.

Mr. May introduced President Robert Palumbo. Mr. Palumbo welcomed everyone and thanked the Board and Staff for embracing him over the past year. He then delivered his annual report, discussing the tremendous turnaround the credit union has seen over the past year, as well as reiterating the strength and loyalty of CPOECU members.

He thanked the members for their ongoing support and recognized Mr. Tarkus H. Huguley, who retired from CPOECU in December 2016, after 22 years of service as a Loan Officer. Mr. Palumbo stated that CPOECU looks forward to continuing to build mutually-beneficial member relationships while providing excellent service to members in 2017.

### III. New Business

Mr. Eddie Todd discussed the current Board vacancies, noting one (1) vacancy and one (1) Director, Mr. Ervin Gardner, up for re-election for the three-year term beginning in 2017. Mr. Todd stated that Ms. Jamila McIntosh had been placed in nomination to fill the vacant position. He also asked if there were any nominations from the floor. Two (2) nominations were called from the floor, as follows:

- 1.) Mr. McGhee (member) nominated Elaine Anderson. Ms. Anderson is unable to be nominated as she is a current employee of CPOECU.
- 2.) Mr. Roedonther Cornell nominated Mr. Kenneth Allen for the vacant Board seat. Mr. Kenneth Allen was added as a write in on the ballot.

Mr. May asked three times for any other nominations from the floor; there were no other nominations from the floor. He then asked both Ms. Jamila McIntosh and Mr. Kenneth Allen to introduce themselves and explain why they would be a great fit for the Board position. Mr. Ervin Gardner also expressed his desire to continue in his position on the Board.

Mr. May asks members to make their choice for the Board vacancies on their ballots during dinner.  
*Discussion: A few members felt that since the nomination was brought to the floor, it must be immediately voted on, and that no break should be allowed. Mr. May explained the voting process and assured members the ballots would be true and certified by our Accounting firm.*

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

**\*\*\*7:35 p.m. Meeting resumed\*\*\***

Mr. May resumed the meeting and stated the voting on the 2017 ballot was now closed. He then re-introduced Mr. Bob Palumbo to present the raffle prizes. Mr. Palumbo asked Mr. Tarkus Huguley to join him in presenting the raffle prizes to various members.

Following the raffle giveaways, Mr. May asked if there were any additional questions or concerns.

No questions were asked. Mr. May asked for a motion to adjourn the meeting.

Mr. Melvin Price (member) made a motion to adjourn the meeting; it was seconded by Ms. Carol Cook. The motion passed and the meeting adjourned at 7:56 p.m.

**Minutes reviewed and  
Approved by:**

\_\_\_\_\_  
**Charles E. May**  
**Chairman of the Board**

\_\_\_\_\_  
**Carol Cook**  
**Secretary of the Board**

*Chicago Post Office Employees Credit Union*  
*90<sup>th</sup> Annual Meeting*  
*March 16, 2018*

*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*  
*Zenobia Russell-Clenna, Committee Member*

*Membership Committee*

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

*Chicago Post Office Employees Credit Union  
90<sup>th</sup> Annual Meeting  
March 16, 2018*

*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*

*LaBrenda Dillard, Teller*

*Ashley Evans, Member Services*

*Veronica Hairston, Loan Officer*

*Sedora M. Hawthorne, Teller*

*Ebony Price, Finance Associate*

## *Chairman's 2017 Annual Report*

*Welcome to the Chicago Post Office Employees Credit Union's 90<sup>th</sup> Annual Meeting. I am proud to report that the Chicago Post Office Employees Credit Union is in good hands and we are improving our financial performance. I am happy to report that the working environment for the staff is adding to the overall financial health of the origination.*

*We are continuing to make gains in reducing our operating cost. We are reducing the amount of printed material we are providing to the membership. As many organizations have stopped providing hard copies to reduce their cost we are moving toward paperless statements. Over the next few years the Chicago Post Office Employees Credit Union will continue moving its statements and reports to an electronic environment. This year's annual report is being provided online with a very limited number being available at the annual meeting.*

*I would like to thank Mr. Robert Palumbo President/CEO and his staff for the many changes that they have made to improve the performance of the Chicago Post Office Employees 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 Employees 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 2017 Annual Report

Chicago Post Office Employees Credit Union's Board of Directors and Staff proudly celebrates the Credit Union's 90<sup>th</sup> Annual Meeting in 2018. Members have experienced over and over again the true spirit of the Credit Union purpose of "People Helping People" which is so prevalent in this Credit Union. For more than nine decades, CPOECU has provided its members with a very strong service-oriented tradition, which began its roots back in 1928. It is with great pleasure to take this opportunity to report to the membership the exciting efforts, initiatives and achievements in 2017 that caused a very successful year for the Credit Union.

The 2017 results have solidified various key areas of financial strength; loan losses and recoveries, gross and net income and capital. A key driver relative to future strategy is to ensure consistency and continuity of the positive results achieved in 2017 through 2018 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 2017 with total assets of \$18.9 million and an industry leading capital position of 26.43%.
- Total Savings balances ended the year at \$13.4 million with \$2 million in savings certificates and \$1.3 million in money market savings.
- Members continued to look to the Credit Union to meet their borrowing needs as total loan balances ended the year at \$9.7 million.
- Credit Card balance outstanding increased 25% from last year for the second consecutive year, ending at \$898k. A total of 267 cardholders performed 10,342 transactions in 2017.
- Reduced Net Operating expense ratio from 4.11% in 2016 to 3.78% at the end of 2017, a favorable financial impact of \$40k.
- Reduced the loan net charge-off ratio by 20%, which contributed in a loan loss expense reduction by \$186k.
- Increased Gross Income in 2017 by \$92k over the previous year.
- Total Members at the end of 2017 amounted to 4,352 as 380 new Members joined the Credit Union in 2017.
- On a very high note, Net Income for 2017 came in at \$369k, a 233% increase from 2016.

In continuing efforts to improve value to the membership, we have added or enhanced several products and services in 2017 such as:

- An updated and refreshed Online Banking platform was implemented.
- New VISA debit cards with EMV chip technology issued to members in 2017. Credit cards will be reissued upon expiration date.
- Significant equipment and infrastructure upgrades were completed to our core operating system to further enhance financial control and cyber security threats.
- A revitalized and more robust Website will be introduced in early 2018.

The Credit Union ended 2017 very strong thanks to a very supportive and loyal membership. When our members succeed, we all succeed. I wish all of you much success in 2018.

Thank you for conducting your personal business with Chicago Post Office Employees Credit Union.

Robert M. Palumbo Sr., CCUE/CCE  
President

# *Supervisory Committee 2017 Annual Report*

*The CPOECU Supervisory Committee is the watchdog for the organization. We continually provide the necessary oversight for the Board of Directors, Management, Staff, Membership Committee and external auditors.*

*This past year the committee welcomed a new member to the committee, Ms Zenobia Clenna. Ms. Clenna was recommended in July 2017 and approved by the Chairman of the Board to be a member of the committee.*

*This past year we finalized changing the year end from a calendar year to a fiscal year for the annual audit review from December 31 of each year to September 30. This allows our auditors, Desmond and Ahern to complete the year-end results sooner and at a significant savings. Normally most credit unions do their year-end results in December but now our credit union year-end will coincide with the postal fiscal year that ends September 30, with a new year beginning October 1st of every year. The committee will continue to review this change for a few years to monitor its effectiveness and cost saving benefits to the credit union.*

*The committee members attended the 2017 Annual ICUL Conference and received Supervisory Committee training and was given certificates of completion for this training. This training provides a better understanding of the duties and responsibilities of the committee, as well allowing for the interaction and networking with other CU committees to develop Best Practices that can be implemented for improvement.*

*Additionally, we received Bank Secrecy Act (BSA) Training to be familiar with required steps to take when the Credit Union processes financial transactions on a large scale. Furthermore, during the year Committee members reviewed and analyzed financial reports to ensure compliance with guidelines recommended by the State and our external auditors.*

*The Supervisory Committee is committed to providing consistent oversight and accountability to maintain the integrity of the Chicago Post Office Employees Credit Union operations. Our most important duty is that we are safeguarding the funds so that our members can remain confident in proper management and handling of their investments with us.*

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

*LaNeda Pitts, Chairman*

*Beverly Williams, Secretary*

*Zenobia Clenna, Committee Member*

# Credit Manager's 2017 Annual Report

*The Credit Manager oversees the Credit Union's lending functions and operational processes. The Credit Manager along with the Credit Union's Loan Officer take great pride in 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 Credit Manager is pleased to report that the membership has embraced the Credit Union's lending products as all product categories had solid activity throughout 2017.*

*For the year ended December 31, 2017, the Credit Union lending highlights are as follows;*

- *Total Number of all Loans = 1,463, Total outstanding balance = \$9,722,204  
> Number of Loans disbursed in 2017 = 641, Amount = \$6,682,592*
- *Total Number of Vehicle loans = 238, Total outstanding balance = \$3,763,131  
> Number of Vehicle loans disbursed in 2017 = 72, Amount = \$1,539,463*
- *Total Number of Unsecured Loans = 1,225, Total outstanding balance = \$4,959,294  
> Number of Unsecured loans disbursed in 2017 = 548, Amount = \$2,304,955*
- *Total Number of Quick Cash Advances = 4,208, Total Amount of Advances = \$2,758,195*
- *Total Credit Card Accounts = 267, Total outstanding balance = \$898,057  
> Number of transactions = 10,342, Total amount of transactions = \$975,960  
(44% increase over 2016)*

*We were excited to introduce new lending products and services for Members in 2017:*

- *A new loan... "Priority 5K" with convenient, flexible terms and a competitive interest rate was introduced in July 2017. Sixty-four loans were disbursed in the initial six months for a total of \$185,300.*
- *An all New Auto Buying and Search Center was introduced in March to the Credit Union's website. This valued-added service assists members to search and conduct research to find the best deal on a new or pre-owned vehicle.*
- *Mechanical Repair Coverage (MRC) for autos is now being offered to members. This is a quality, comprehensive extended warranty which provides repair cost protection on eligible autos at a cost much less than at car dealerships and other entities.*

*The 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 Lending Department's strong focus is to continue to provide exceptional value and service to members which includes lending products and services 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 2018 and beyond.*

*Eric Gibbs, Credit Manager  
Veronica Hairston, Loan Officer*

# *Membership Committee 2017 Annual Report*

*"To organize, recruit and encourage membership in the Chicago Post Office Employees Credit Union"*

*This report reflects the yearly activities of the Membership Committee for the Chicago Post Office Employees Credit Union. We the Committee have committed ourselves to put together membership drives for all the Postal events of each occupational groups that's employed at the United States Postal Service. We would like to thank the clerks, mail handlers, motor vehicle drivers, all the retirees, and last but not least the backbone of the Postal Service, the letter carriers. In their willingness in allowing us to join in on all the events they put together, gives us an opportunity to put forth an effort in expanding membership the CPOECU. This is accomplished through membership drives that we organize. During the drives, we network and explain some of the benefits of being a member in addition to passing out index cards for names and phone numbers for interested employees who wish to receive follow up calls. The budget that we had allowed us to pass out trinkets, decorate our table and partake in some of the festivities of the events. The events that were held was the Retiree's picnic July 20 @ the Dan Ryan Woods on 83<sup>rd</sup>. & Western, The Mail-handlers picnic July 22 @ Greenlake Picnic Grove on 15803 S. Terrence, APWU picnic August 20 @ Miller's Meadow and the NALC picnic also held at Miller's Meadow. We the Membership Committee appreciate their generosity in allowing us to participate in these many events.*

*Due to the dormant accounts that cannot continue to remain open, our membership has decreased in year 2017 to 4,352. Rest assured that the Membership Committee shall continue to put forth their best effort to increase those numbers in the upcoming year. We are very proud of our organization, and look forward to pursuing future goals of recruitment in 2018. With your help we will continue to grow and bring excellent service to our membership and their families, as we have for over 90 years.*

*Respectfully submitted,*

*Yvonne "Pat" Dotson, Chairperson  
Ken Allen, Committee Member  
Eva Culbertson, Committee Member*

## CHICAGO POST OFFICE EMPLOYEES CREDIT UNION

### BALANCE SHEET COMPARISON

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>	<b>Dollar Variance</b>	<b>Percent Variance</b>
Cash on Hand and in Banks	\$1,398,823	\$1,281,197	\$117,625	9.18%
Loans to Members	9,722,204	9,804,682	(82,478)	(0.84%)
LESS: Allowance for Loan Loss	(376,864)	(515,813)	138,949	(26.94%)
Investments	7,686,021	7,357,907	328,114	4.46%
Building and Land - Net	155,948	160,594	(4,646)	(2.89%)
Furniture and Fixtures - Net	79,290	22,502	56,788	252.37%
Computer and Technology - Net	24,307	20,237	4,070	20.11%
Income Receivable	22,730	17,197	5,533	32.17%
Other Assets	204,615	234,562	(29,947)	(12.77%)
<b>Total Assets</b>	<b>\$18,917,073</b>	<b>\$18,383,064</b>	<b>\$534,009</b>	<b>2.90%</b>
<b>LIABILITIES AND MEMBERS EQUITY</b>				
Members Savings	\$13,348,462	\$13,216,164	\$132,298	1.00%
Accounts Payable & Other Liab.	389,079	349,120	39,960	11.45%
Accrued Expenses	130,314	113,329	16,985	14.99%
Unclaimed Property	48,916	73,289	(24,374)	(33.26%)
Reserves	751,706	751,706	0	0.00%
Undivided Earnings	4,248,595	3,879,455	369,140	9.52%
<b>Total Liabilities and Equity</b>	<b>\$18,917,073</b>	<b>\$18,383,064</b>	<b>\$534,009</b>	<b>2.90%</b>
<b>Loans to Members</b>				
New Vehicle	\$1,832,318	\$1,833,061	(\$743)	(0.04%)
Used Vehicle	1,930,813	1,771,408	159,405	9.00%
Quick Cash	100,814	102,596	(1,782)	(1.74%)
Unsecured Loans	4,858,480	5,305,566	(447,086)	(8.43%)
Savings and Certificate Secured	101,723	74,804	26,919	35.99%
Visa Credit Cards	898,057	717,247	180,810	25.21%
<b>Total Loans</b>	<b>\$9,722,204</b>	<b>\$9,804,682</b>	<b>(\$82,478)</b>	<b>(0.84%)</b>
<b>Members Savings</b>				
Regular Savings	\$7,902,680	\$7,603,273	\$299,407	3.94%
Consumer Savings Secured Loans	154,768	125,571	29,197	23.25%
Checking	1,863,033	1,830,240	32,793	1.79%
Money Market	1,277,842	1,257,910	19,932	1.58%
Christmas Club	46,473	47,087	(614)	(1.30%)
Vacation Club	160,730	151,448	9,282	6.13%
Youth & My Future	64,572	68,031	(3,459)	(5.08%)
Share Savings Certificates	1,878,364	2,132,604	(254,240)	(11.92%)
<b>Total Savings</b>	<b>\$13,348,462</b>	<b>\$13,216,164</b>	<b>\$132,298</b>	<b>1.00%</b>

# CHICAGO POST OFFICE EMPLOYEES CREDIT UNION

## Statement of Income and Expense

INCOME	2017	2016	Dollar Variance	Percent Variance
Interest on Loans	\$1,066,682	\$1,063,807	\$2,875	0.27%
Interest on Investments	81,536	57,291	24,245	42.32%
<b>Non-Interest Income</b>				
Fee Income on Loans	266,565	242,060	24,505	10.12%
Fee Income on Savings	292,909	267,471	25,437	9.51%
Fee Income on ATMs	176,833	181,314	(4,481)	(2.47%)
Other Misc. Income	104,187	84,738	19,449	22.95%
<b>Total Non-Interest Income</b>	<b>840,494</b>	<b>775,584</b>	<b>64,910</b>	<b>8.37%</b>
<b>Total Income</b>	<b>\$1,988,712</b>	<b>\$1,896,682</b>	<b>\$92,030</b>	<b>4.85%</b>
<b>EXPENSES</b>				
Compensation and Benefits	\$656,099	\$657,286	(\$1,187)	(0.18%)
Travel and Conference	46,896	22,573	24,323	107.75%
Office Occupancy	145,616	162,517	(16,901)	(10.40%)
Office Operations	439,320	426,507	12,813	3.00%
Education and Promotional	37,614	55,855	(18,241)	(32.66%)
Loan Servicing	98,449	100,781	(2,332)	(2.31%)
Professional and Outside Services	30,775	20,408	10,367	50.80%
Professional Dues and Fees	11,024	11,176	(152)	(1.36%)
Staff and Board	23,858	12,846	11,012	85.72%
Insurance and Bond	37,485	41,620	(4,135)	(9.93%)
Misc. Expenses	14,941	6,077	8,863	145.84%
<b>Total Operating Expenses</b>	<b>\$1,542,078</b>	<b>\$1,517,647</b>	<b>\$24,431</b>	<b>1.61%</b>
<b>Income (Loss) from Operations</b>	<b>\$446,634</b>	<b>\$379,035</b>	<b>\$67,599</b>	<b>17.83%</b>
Provision for Loan Loss	49,305	235,441	(186,136)	(79.06%)
<b>Income (Loss) after PLL</b>	<b>\$397,329</b>	<b>\$143,594</b>	<b>\$253,735</b>	<b>(176.70%)</b>
<b>Cost of Funds</b>				
Dividends	\$28,189	\$32,778	(\$4,589)	(14.00%)
Interest on Borrowed Funds	0	0	0	0.00%
<b>Total Cost of Funds</b>	<b>\$28,189</b>	<b>\$32,778</b>	<b>(\$4,589)</b>	<b>(9.91%)</b>
<b>Net Gain or (Loss)</b>	<b>\$369,140</b>	<b>\$110,816</b>	<b>\$258,324</b>	<b>233.11%</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*

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

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

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