



# 83<sup>rd</sup> Annual Meeting of the Membership

May 31, 2016

*Seminar Center, Pioneer Technology, Ponca City OK*

# **83<sup>rd</sup> ANNUAL MEETING**

May 31, 2016

6:00pm

## **AGENDA**

- 1. Call to Order**
- 2. Roll Call**
- 3. Elections**
- 4. Reading of the Minutes of the Last Meeting**
- 5. Report of the Chairman – Board of Directors**
- 6. Report of the President**
- 7. Report of the Treasurer**
- 8. Report of the Supervisory Committee**
- 9. Unfinished Business**
- 10. New Business**
- 11. Elections Report**
- 12. Door Prizes**
- 13. Adjournment**

## CHEROKEE STRIP CREDIT UNION

### MINUTES OF ANNUAL MEETING OF MEMBERS

March 10, 2015

The **82nd Annual Meeting of Members** of the Cherokee Strip Credit Union was held at the Eastern Heights Christian Church on Tuesday, March 10, 2015. Directors Golliver, Gibson, Happ, Howard, Kruck, LaBossiere, Macy, Phansalkar, and Trewitt were all present. Supervisory Committee Chair Lockwood was absent, as were Committee Members Connelly, Ford, and Gibson. Board Chairman Howard presided. Staff Member Bartlett recorded the proceedings of the Meeting.

The Meeting was called to order at 5:40 p.m. Board Secretary Kruck reported a quorum present, with 194 Members in attendance. Secretary Kruck presented a copy of the notice of the Meeting with a certificate attached thereto stating that notice had been mailed in the quarterly newsletter on January 5, 2015, which was more than seven days prior to this meeting. The proof of notice was ordered received and filed (see attached).

Board Treasurer Golliver read the list of nominees. There were three (3) Director Positions available, each for a 3-year term. The Board nominees were incumbents Happ, Phansalkar and Trewitt. Chairman Howard asked for nominations from the floor three times, and there were none. The nominations were proclaimed closed by Chairman Howard. The nominees were voted in by acclamation, and proclaimed elected.

Secretary Kruck read the minutes from the 2014 annual meeting. Chairman Howard asked for any corrections or additions, and none were noted. Member Truman Stiner made a motion, seconded by Member Jason Lawson, to approve the minutes as presented. The motion passed with none opposed.

Chairman Howard presented a summary of prior year credit union activity in his Report of the Chairman. He introduced the Board of Directors.

President Menton stated we are well-capitalized, with a net worth of 10.16%, our ROA is .88% and our loan to deposit ratio is 74.87%. He gave a brief outline of new products that were introduced in 2014, and new products and services coming this year. A few of the items discussed were Real Time on our debit cards, Remote Deposit, HELOC's, various options on mortgage loans, risk-based lending, our new website, credit cards, financial literacy classes, CD rate specials and ATM enhancements.

Treasurer Golliver presented a summary of the financial status of the credit union. Chairman Howard asked for questions, and none were noted.

Chairman Howard asked if there were any questions regarding the Supervisory Committee report, and there were none.

During 2014, the Credit Union made 2,382 loans for \$42,270,389. We ended the year with \$55,014,094 in outstanding loans, which was an increase of \$27,672,215 over the previous year.

Member Wanda Roland made a motion, seconded by Member Sharla Vetter, to approve the reports as presented. The motion passed with none opposed.

Board Vice Chair Trewitt presented the following resolution: "Resolved, that all acts and other proceedings heretofore passed by the Directors, the Credit Committee, and the Supervisory Committee since the last Annual Meeting of the Members are hereby approved, ratified, and confirmed in each and every aspect." Member Bob Casey made motion, seconded by Member Sharon Glowacki, to approve the Resolution. The motion passed with none opposed.

After the Meeting, drawings were held for ten \$25 cash prizes, two \$100 cash prizes, a 60" TV and a grand prize of a cruise. The drawings were conducted by President Menton, Chief Lending Officer Dahlgren and Staff Member Younger of the credit union staff. The meeting adjourned at 6:20 p.m.

# Chairman Report



## **Dr. Robert Howard, Chairman of the Board**

Last year, your Credit Union experienced a unique situation, where a few employees made consumer loans that stretched beyond our normal risk tolerance. As we were built to do, your Board of Directors quickly and decisively dealt with that challenge – by removing those employees, thoroughly investigating the questionable activities, isolating the loans, and appropriately increasing reserves for potential losses. With the situation behind us, and really a mere “blip on the radar” of our storied legacy as Conoco’s credit union, we’re now 83 years young, and have expanded our reach to serve nearly 10,000 of our neighbors as Kay County’s Credit Union.

As we move ahead, I’m reminded of the classic movie *Back to the Future*. While we continue to look forward by investing in the appropriate people, products, services, and technology that will keep your Credit Union relevant for years to come, we never lose sight of the reason that we were born in the first place: Member Service. The kind of service where our Members are treated like the Owners they are, and a friendly, inclusive financial institution that strives to appropriately and prudently bank all of Kay County, the place that we’ve proudly called home for so many years.

In addition to establishing policy and strategic direction, one of the most important things we can do as your Board is Protect the Cooperative, and we continue to make that our priority and commitment to you, our valued Member/Owner.

Credit unions are financial institutions that see neighbors, not numbers. They are more concerned about people than about profit.

The National Credit Union Administration (NCUA) is the independent federal agency that regulates, charters and supervises federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of more than 98 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

I think you all recognize that as not-for-profit cooperatives, credit unions are different than banks. Though we have to make a profit to keep our doors open, we don’t have stockholders waiting with their hands out. That’s because there are no stockholders. Just you, our Member/Owners. And, when we can, we distribute our profits back to you in the form of interest dividends, more products and better services.

By exercising sound business and service strategies, we can help you navigate your life-cycle challenges, whether uncertain economic periods, and hopefully you will recognize the true benefits of your Membership. We hope and plan for a bright future for us all, and in reaching for the stars, we want to look at new and better ways of defining and redefining our success as we grow and learn and change.

For instance...

- We want to offer more and better resources that allow us to focus more attention on our Members using the most efficient and safe use of technology available;
- We want to grow our community impact through basic interest payouts, financial capability programs, and working with Members facing the challenges of the life phase they might be in;
- We want to target particular segments of our community where we can make the greatest impact - for example, helping with financial literacy and account management for our Members who are most vulnerable, such as pre-high school children, young adults, retirees and our elderly;
- We want to be a knowledge hub that places the Credit Union at the center of our Members' financial lives by helping to provide insights about budgeting, buying, retiring, and saving.

As a financial cooperative, we understand that we can most effectively serve you and strengthen the credit union movement by working through local, regional, national and even international structures. That is why we seek to be involved and networking with other credit unions, and taking advantage of the training tools and resources available through our state and national credit union trade associations.

We are very supportive of the credit union industry's advocacy efforts because we understand the impact legislation has on our ability to serve your financial needs. Unfortunately, tax reform is not yet off the table, and as federal legislators consider tax reform for 2016, we want to reiterate that a federal tax on your credit union is equivalent to a tax on you. Against a massive banking lobby doing its best to convince our lawmakers that the credit union tax exemption puts them at an unfair disadvantage—since they only hold about 92 percent of the financial services market – we will need to remain vigilant in our advocacy efforts.

With the continued success of our Credit Union, we can offer a wealth of savings tools and other financial products and services that enhance your life, improve our delivery channels, and expand our out-reach in the community and beyond.

In closing, let me express my confidence in the leadership of our CEO, Johnny O'Hare, the guidance of our Board of Directors; the watchful eye of our Supervisory Committee; the commitment of a dedicated staff and support and loyalty of our nearly 10,000 Members. And, let me also assure you that Cherokee Strip Credit Union is well positioned to face any challenge and seize any opportunity that presents itself in the future.

Thank you for attending, and wishing you the best for 2016!

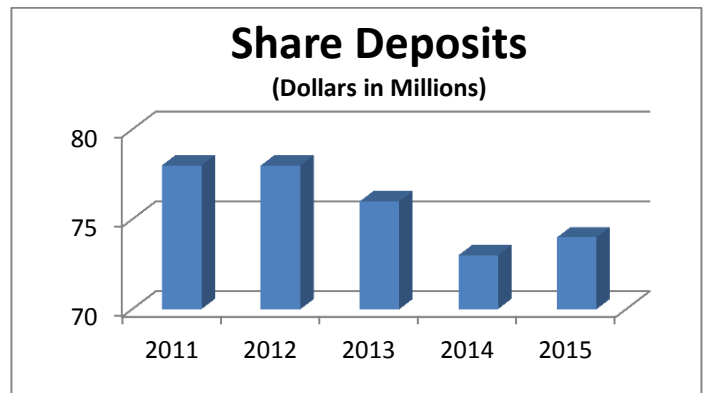
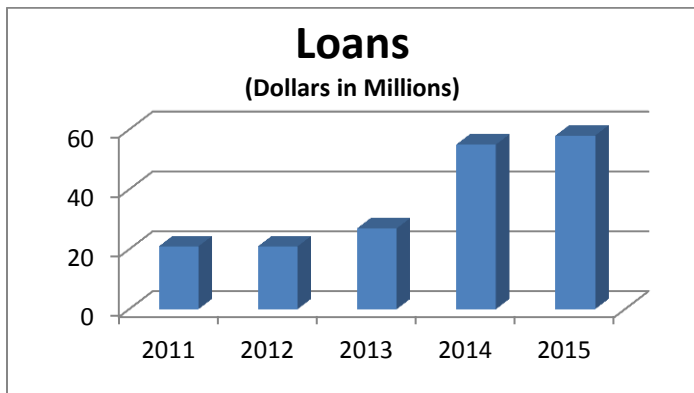
# Treasurer Report



**Calvin Golliver, Board Treasurer**

After a challenging 2015, I'm happy to report that your Credit Union is returning to profitability. The cooperative actually made money last year, before taking some extraordinary provisions for potential future loan losses. In 2016, we anticipate those provisions will return to a more normal level.

Overall Member Loan and Share Deposit balances were up in 2015, which will serve us well in the years to come. Further, our Share Deposit balance - really the investment you've made in your Credit Union - remains relatively constant over time. That loyalty is one of the main reasons that Cherokee Strip Credit Union is proudly entering our 84<sup>th</sup> year serving Kay County.



## Statement of Financial Condition

*(Dollars in Thousands)*

Cash	\$	13,059	Share Savings	\$	48,562
Investments		7,100	Draft Checking		9,707
Loans		54,271	Share CD's & IRA		15,507
Land & Building		1,637	Accounts Payable		451
Other Assets		1,353	Members Equity		3,193

**Assets** \$ **77,420**

**Liabilities & Equity** \$ **77,420**

# Supervisory Committee Report



**Don Lockwood, Supervisory Committee Chairman**

Your Supervisory Committee is an independent authority, created and empowered by your Board of Directors to oversee Credit Union activities. Our Mission is to insure that Management has installed the appropriate controls, processes, and procedures to Protect the Cooperative. To help us complete that Mission, we engage and deploy appropriate external resources as necessary, and report any concerns directly back to the Board.

In 2015, we employed an external firm to complete an audit of our Automated Clearing House activities, as well as a Special Loan Review. They also performed an Annual Review of the books and records of the Credit Union, which examines and tests accounting records, performs a review of internal controls, and shares any findings and recommendations back to our Committee. Your Credit Union also engaged a specially-trained firm to perform a one-time Forensic Audit of questionable loan activities, which allowed us to identify, segregate, and contain this unique operating challenge.

I'd like to thank my fellow Committee Members Mike Connelly, Jamie Ford, and Bobby Gibson for their volunteer service this past year, and commit to our Member/Owners that we will continue to watch over your valued investment in Cherokee Strip Credit Union.

# President Report



Our journey together is new for me, but not for you. For 83 years, our roots as Conoco Credit Union have taken strong hold, growing to the point where we now bank over half of Kay County. That is truly something to be proud of.

The story of credit unions in America is a great one, primarily because of Members just like you. The financial cooperative model works because it is simple and pure: Members pool their money together, and prudently lend that money back out to those expanding their financial horizons. The government has general oversight, but for the most part, stays out of the process – and any time the people can decide their own path, it's a good thing.

Here at Cherokee Strip Credit Union, our Core Mission is Protect the Cooperative, Serve Our Members, and Take Care of Each Other. We're not trying to compete with, or beat, any other bank in town. We're just trying to be the best financial institution for you. By focusing on our Mission, we'll insure that your cooperative remains relevant, vibrant, and sound for many years to come.

I'd like to thank my teammates who work hard every day to serve and delight you. My thanks also extend to our volunteer Board Directors and Committees who donate extraordinary effort and energy to keep us on track. Finally I thank you, our Member/Owner - for your loyalty and your Membership. Stick with us - our future is bright, and we're just getting started.



## Meet your Board of Directors



**Left to Right, Front Row:** John Happ, Dr. Robert Howard, Mike Trewitt. **Left to Right, Back Row:** Johnny O’Hare, Holly LaBossiere, Dr. Raj Phansalkar, Calvin Golliver, Toni Gibson, Bill Geubelle. **Not Pictured:** R. Mark Macy.

**Dr. Robert Howard, Chairman of the Board** – CSCU Member for 20 years; Board Member for 16 years. Prior service on all Board Committees, and moved up through each Executive Board position before serving as Chairman. Holds a Doctorate in Occupational and Adult Education from Oklahoma State University, in addition to Masters of Human Relations and Bachelors of Liberal Arts degrees from Oklahoma University. Since 2009, has been the Business Management Coordinator for Pioneer Technology Center. Served his country honorably in the Army National Guard for 13 years during the Vietnam Era. Graduate of Pioneer Technology Center – Carpentry, Electrical, and Computers. Mechanical Contractor, Journeyman Electrician unlimited. Owns and operates a local Property Business. Certified as an Early Settlement Dispute Resolution Mediator. Holds an Advanced Safety Certification from the National Safety Institute. Served as Administrative Manager and Safety Director for Concarb, as well as Human Resources and Safety Director for both Tyson Foods and Mid-America Door. Elected to the Pioneer Technology Center Board, serving 10 years, as well as the Salvation Army Advisory Board including Northern Emergency Resources Agency Board. Chairman Howard is active in various community organizations including the Ponca City Chamber, American Legion, and Veterans of Foreign Wars.

**Mike Trewitt, Board Vice Chairman** – CSCU Member for 13 years; Board Member for 7 years. Currently serves on the Board’s Personnel Committee, with prior service on the Board’s Investment Committee. Earned a Juris Doctor Degree from the University of Oklahoma College of Law. Self-employed as an Attorney with the Trewitt Law firm. Vice Chairman Trewitt was born and raised in Houston, Texas.

**Calvin Golliver, Board Treasurer** – CSCU Member for 42 years; Board Member for 16 years. Currently Chairman of the Board’s Investment Committee, and serves on the Board’s Credit Committee, with prior service on the Board’s Finance, Technology, Personnel, and Safety Committees. Earned a Bachelor’s Degree in Business Administration, with a major in Accounting. Retired from Conoco in 2004. Served his State and country honorably for 6 years in the Oklahoma National Guard. Treasurer Golliver considers it an honor and privilege to have served our Membership for many years as a valued part of the Board of Directors, and looks forward to the opportunity to represent you in the years to come.

**Toni Gibson, Board Secretary** – CSCU Member for 4 years; Board Member for 4 years. Currently serves on the Board’s Personnel and Credit Committees. Also serves on the Boards of the Ponca City Chamber (2 terms), Hospice of North Central Oklahoma, Ponca City Traffic Commission, Ponca City Domestic Violence, and Ponca City Library. Earned a Bachelor’s of Science degree in Pharmacy from the University of Oklahoma. Has owned Toni’s Westside Healthmart on Grand Avenue for the past 38 years. Secretary Gibson enjoys playing Bridge and attending OU football games.

**Bill Geubelle, Board Director** – CSCU Member for 40 years; Board Member for 1 year. Currently Chairman of the Board’s Disaster Recovery Committee, and serves on the Board’s Investment, Technology, and Credit Committees. Earned a Bachelor’s Degree in Chemistry from Wichita State University. Recently retired after 43 years at Conoco. Director Geubelle and wife Marianne raised 4 successful children, are currently blessed with two grandchildren, and believe Ponca City is the best community on the planet to work and raise a family.

**John Happ, Board Director** – CSCU Member for 35 years; Board Member for 3 years. Currently serves on the Board’s Search Committee and Investment Committee. Leads the Board’s Personnel Committee as Chairman. Holds a Bachelor’s Degree in Business Administration from the University of Wisconsin in Whitewater. Former Assistant Director of Employee Relations at Conoco, and General Manager at Advanced Specialty Chemical Company. Owns Happ Rentals. Director Happ served his country honorably for 25 years in the United States Navy in both active and reserve roles, retiring with the rank of Commander.

**Holly LaBossiere, Board Director** – CSCU Member for 6 years; Board Member for 6 years. Currently Chairperson of the Board’s Credit Committee, and serves on the Board’s Personnel Committee. Earned a Master’s Degree in Library and Information Studies. Holds the senior position of Library Director for the City of Ponca City. Director LaBossiere and husband Marc have one son, Alexander, who attends SWOSU in Weatherford.

**R. Mark Macy, Board Director** – CSCU Member for 38 years; Board Member for 3 years. Career spanned 35 years in Information Technology with two global Fortune 100 companies – Conoco, and Computer Sciences Corporation. Currently CEO and Founder of Teachable Moments of Oklahoma, a Leadership and Teamwork training company that has grown to serve 30+ organizations and companies in just 5 years. The founding curriculum **Manager’s Tool Belt** was recognized by the State Capital for having significant impact on selected Northern Oklahoma businesses. Served 7 years as an Adjunct Professor for Northern Oklahoma College, and is an active training partner with both Pioneer Technology Center in Ponca City and Meridian Technology Center in Stillwater. Active contributor to TeamworkandLeadership.com blog. Published his first Leadership book **Leadership is Not Earned in the Free Space** in 2013. Director Macy also served Ponca City as City Commissioner from 2012 - 2015.

**Dr. Raj Phansalkar, Board Director** – CSCU Member for 42 years; Board Member for 13 years. Currently serves on the Board’s Investment Committee, with prior service as Board Secretary. Earned a Doctorate in Engineering from USC. Retired from Conoco’s International Production as a Manager. Director Phansalkar has been very active in senior leadership roles with community organizations, including service on Ponca City Chamber committees, Chairman of Partners in Education, and President of the Ponca City Rotary Club that includes service on Rotary International projects.



**Brad Beaty, Board Candidate** – Born and raised in Ponca City as the grandson of Paul Barr, who managed our Conoco Credit Union in the late 1970's. Participated in the Future Farmers of America, serving as Chapter President and obtaining both State Farmer and American Farmer Degrees. Graduated from Northern Oklahoma College in 1983 with an Associate's Degree in Ag-Business, later earning a Bachelor's Degree in Ag-Business from Oklahoma State University in 1987. Current President of Fowler Vending Corporation, and also Manager of Farha Wholesale Company. Has served on the Ponca City Rodeo Foundation for over 25 years, as well as Member or Chairman of various statewide youth and high school rodeo organizations. Married Tina Braden of Ponca City in 1988, and have jointly spent last 28 years growing their local vending and wholesale businesses while raising two successful children. Daughter Kaity attended college in Weatherford before returning to join the family business. Son Braden graduated from Epic Charter School, and is currently studying Finance at Dad's alma mater Oklahoma State University.



## Cherokee Strip Credit Union

### Main Branch

1508 East Prospect, Ponca City, OK 74604

<i>Monday–Friday</i>	Drive-Up:	7:30am	-	6:00pm
<i>Monday–Friday</i>	Lobby:	9:00am	-	5:00pm
<i>Saturday</i>	Drive-Up:	8:30am	-	12:00pm

**Phone: (580) 718-4000**

### Waverly Branch

1508 W. Hartford, Ponca City, OK 74601

<i>Monday–Friday</i>	Drive-Up:	9:00am	-	5:30pm
<i>Monday–Friday</i>	Lobby:	9:00am	-	5:30pm

**Phone: (580) 718-4030**