MINUTES OF 38TH ANNUAL GENERAL MEETING

MINUTES OF 38TH ANNUAL GENERAL MEETING HELD ON THURSDAY, 27 MAY 2021 AT THE CARIBBEAN CONFEDERATION OF CREDIT UNIONS CONFERENCE ROOM, FORTLANDS, BASSETERRE

Minutes of 38th Annual General Meeting (AGM) of the St Kitts Co-operative Credit Union (SKCCU) Ltd convened at the Confederation of Credit Unions Conference Room, Fortlands, Basseterre, on Thursday, 27 May 2021.

The following was the proposed Agenda:

**General Session:**

1. Call to Order
2. Invocation
3. National Anthem
4. Welcome Remarks

**Business Session**

5. Ascertainment of Quorum
6. Minutes of 37th Annual General Meeting, Amendments Matters Arising and Adoption
7. Presentation and Acceptance of Reports
8. Auditors' Report and Presentation and Acceptance of Financial Statements
9. Treasurer's Report and Declaration of Dividends
10. Setting Maximum Liability Ceiling
11. Appointment of Auditors
12. Resolution - Resolution to change the par value of shares from $5 to $1
13. Question and Answer Session
14. Election of Officers
15. Acknowledgement of Retiring Volunteers
16. Any Other Business
17. Vote of Thanks
18. Adjournment
ITEM 1: CALL TO ORDER
The Annual General Meeting was called to order at 5:20 pm by Alex Straun, President, and Chairperson of the meeting.

ITEM 2: NATIONAL ANTHEM
A recorded version of the National Anthem was played.

ITEM 3: INVOCATION
Mr. Kraig Brooks, a member of staff, invoked God's blessings on the proceedings, following which the Credit Union Prayer was recited in unison.

ITEM 4: ASCERTAINMENT OF QUORUM
Mrs. Kjellin Rawlins-Elliott, Registrar of Credit Unions, checked the register of attendees both face-to-face and virtual and confirmed that the number of members present constituted a quorum for the Annual General Meeting.

ITEM 5: WELCOME REMARKS
The Chairperson welcomed all present, both virtually and face-to-face, He gave the following opening remarks drawing the attention to key initiatives such as the expanded use of technological tools. He posited that these are troublesome times but indicative of the new normal. To set the stage for the next four years a new normal, where physical interaction cannot be taken for granted, where availability of services and responses must be 24/7 was emerging. Technology can be viewed as a powerful equalizer and maximized to facilitate remote service delivery. He highlighted the critical importance of the right team and the right tools. He pointed out that the current leadership and members of the SKCCU stand here today on the shoulders of staff volunteers and members for the sacrifices they have made over the years and expressed sincere thanks to all players. He recognized and paid tribute to fallen patriots Mr. Gerard "Archie" Williams, past Board member and Treasurer, and Mrs. Denise Edwards, Immediate past Credit Committee member. They were recognized by a minute of silence.
BUSINESS SESSION

ITEM 6: MINUTES OF THE 38TH ANNUAL GENERAL MEETING, MATTERS ARISING AND ADOPTION

As the minutes were previously circulated and there were no amendments noted, the minutes were accepted as read on a motion moved by Jessie Astaphan virtual attendee and seconded by Willa Franks Liburd. The minutes were unanimously accepted as read. There were no matters arising from the minutes.

ITEM 7: PRESENTATION AND ACCEPTANCE OF REPORTS

Mr. Alex Straun, President, proposed that the tabling of the following reports previously circulated be considered for acceptance.

Board of Directors' Report
Supervisory and Compliance Committee's Report
Credit Committee's Report
Education and Membership Committee's Report

MOTION FOR THE ACCEPTANCE OF THE REPORTS

The motion for the acceptance of all the reports was moved by Janice Althea Esdaille and seconded by Shirmel Woods. There being no dissent, the motion was carried, and reports were therefore accepted as circulated.

ITEM 8: PRESENTATION AND ACCEPTANCE OF FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Independent Auditors' Report was previously circulated. The Auditors Grant Thornton inquired if there were any questions on the report. There were none.

ITEM 9: TREASURER'S REPORT AND DECLARATION OF DIVIDENDS

Mr. Ivor K Phillip, Treasurer, presented financial highlights from the Treasurer's Report for the year ending 31 December 2020.
Balance Sheet Items:

**Total Assets:** In 2020 the Credit Union recorded a growth in total assets of 11.7% or $19.7M. A similar growth of 11.7% was experienced in 2019 but with $15.8M. The 2020 growth was due primarily to an increase in loans from $105M in 2019 to $112.8M in 2020. Total assets $187.9 M with a growth of 72.3% collectively over the past 5 years.

**Loans to Members:** Loans to members grew by 6.9% of $7.4M compared to 16.1% or $14.5M in the previous year. Total loans represent 60% of the total assets of the Credit Union.

**Liabilities:** The ratio of member's deposits to total assets is 79.2%. Member's deposits grew by 9.7% or $13.2 M compared to 12.1 % or $14.6M in 2019.

**Member's Equity:** Member's equity increased by 22.2% in 2020. Member's shares increased by 10% or $865,000 compared to an increase of 13.4% or $1M in the previous year. Reserves increased by 21.7 % or $3.6M compared to an increase of 5.8% or $1.2.M in 2019. The reevaluation of both buildings is included in the 2020 financials and the reevaluation surplus of $2.4M is included in the reserves. The Treasurer highlighted the upward trajectory of the Credit Union in all major balance sheet categories: total assets, loans, deposits and members equity for the past 5 years have been increasing.

**Income Statement:** Operating Income increased by 11.4% or $1M compared to an increase of 21.6% or $1.7M in 2019. Interest income from loans being the main revenue stream increased by 8.1%. Other Income increased by 23.8%. Operating expenses decreased by 17.1% or $1.3M compared to an increase of 27.7%, or $1.8 M in 2019. The main contributor to the 2019 increase in operating expenses was the bad debt expense which increased by 204.6 % or $1.2M.

**Delinquency:** The rate of delinquency reduced from 6% at 31 December 2019 to 3% at 31 December 2020. In December 2020 ninety-nine loans with a total value of $1.3M were charged off. Collection efforts on these loans will continue.
The motion for acceptance of the Auditors' Report and the Treasurer's Report was moved by Adora Preville Warner and seconded by Bibiana Henry. There being no objections, the Auditors' Report and the Treasurer's Report were accepted as circulated and presented.

**DECLARATION OF DIVIDENDS**

The Treasurer announced that the Board of Directors has proposed a dividend of 6% Cash and 4% shares. This was accepted on a motion raised by Jessie Astaphan and seconded by Ivor Blake. There being no objection this was confirmed.

**ITEM 10: SETTING MAXIMUM LIABILITY CEILING**

The Treasurer reported that the Board of Directors has proposed a Maximum Liability Ceiling of EC$5M. This is the maximum the Board can borrow without special approval from its members. A motion was moved by Bernice Matthew and seconded by Shervin White. There being no objection, the motion was carried.

**ITEM 11: APPOINTMENT OF AUDITORS**

The Treasurer reported that the Board of Directors has recommended the reappointment of Grant Thornton as Auditors for the 2021 financial year. The motion to re-appointment Grant Thornton to serve as Auditors for the financial year 2021 was moved by Sonya Isaac and seconded by Victor Henry. There being no objections, the motion was carried.

Mrs. Willa Franks Liburd commended the Board of Directors Management and Staff for doing an excellent job during challenging times and recommended a round of applause.

**ITEM 12: PRESENTATION OF RESOLUTION**

Change the par value of shares from $5 per share to $1 per share. Some reasons to support this recommendation are to ensure flexibility in the value of the shares and thus avoid having to calculate fractional dividends and to ensure the shares remain affordable. Mr. Clyde James, attending virtually, moved the motion which was seconded by Mr. Cleon Bradshaw to approve the resolution to change the par value of the shares.
ITEM 13: QUESTION AND ANSWER SESSION

**Question** raised by member Emelita Warner Paul whether the number of shares each member should have, be raised. Secondly would the SKCCU provide a platform to facilitate the sale of shares between members or would members be responsible for selling on their own?

**Answer:** The President responded as the Share Register is maintained at SKCCU, the Institution will facilitate the transfer of shares, although the Credit Union would not be party to the sale. The SKCCU has no immediate intention to recommend a specific amount of shares each member must purchase. CEO Janet Harris added that the strategy to pay dividend in a combination of shares and cash is an effort to maintain the required level of share capital. She also stated the SKCCU will work on developing a platform in the future to facilitate the exchange of shares.

**Question:** Can individuals purchase shares while living overseas?

**Answer:** Yes, persons living overseas can be facilitated to purchase shares. The Credit Union will provide the avenues for completing the transaction.

**Question:** Have we not fully transitioned from FedCom to Cruise Net? Can the SKCCU find ways of assisting the membership to become more savvy at using online platform?

**Answer:** The President responded that the Institution has in fact moved from FedCom and that the Member Services Department will continue to assist members to become more skilled at participating in the new digital space.

**Question:** Kindly explain the wisdom of how investing in projects in these perilous times will bring financial benefits to the membership in the light of global financial challenges and risky financial market.

**Answer:** President Straun responded the SKCCU has been very diligent in balancing the loan to asset ratio and has also been very diligent in managing the current moratorium and strengthening efforts to ensure the loans on moratorium do not go into delinquency. To date these loans have decreased form 500 loans to 200 loans and are being managed on a case-by-case basis. With
regards to the Scenic View Homes project, the President emphasized the Board's commitment and excitement about turning the acquired land into an immediate asset in the form of mortgages.

ITEM 14: ELECTION OF OFFICERS

The Nomination Committee Report was presented. In accordance with Article XIII, section 41 (1) of the By-Laws of the St Kitts Co-operative Credit Union (LTD, the Board of Directors appoints a Nominating Committee to nominate and accept nominations for each vacant position on the Board of Directors and Committees, to ensure continuity once members have retired.

The following persons were approved by the Board to serve on the Committee:

Mrs. Shirmel Woods Director/Chairperson
Mrs. Janet Harris Chief Executive Officer
Ms. Joanna Collins Member

Following due diligence by the Nomination Committee, the nominees were approved by the Board for nomination to serve on the various committees as follows:

Board of Directors
Ikeisha Esdaille-Turo

Supervisory and Compliance Committee
William V. Hodge
Janice Althea Esdaille - to serve second term

Credit Committee
Damon Bacchus
Vernice Morton (re-election)

Mrs. Vadeesha John-Brookes of Johnson and Associates Law Firm oversaw the election of Volunteers. The nominated volunteers were confirmed as follows:

- Ikeisha Esdaille Turo - on a motion by Keithley Phillip and seconded by Jessie Astaphan.
• William Vincent Hodge was appointed to the Supervisory and Compliance Committee on a motion by Shervin White and seconded by Clyde James.

• Janice Althea Esdaille was re-appointed to serve a second term on the Supervisory and Compliance Committee on a motion by Cleon Bradshaw and seconded by Patricia Welsh, virtual attendee.

• Damon N K Bacchus was appointed to the Credit Committee to replace Denise Edwards on a motion by Thelbert Pike and seconded by Keisha Thomas.

• Vernice Morton was re-appointed to the Credit Committee for a second term on a motion by Bernice Matthew and seconded by Cleon Bradshaw.

Nominations were ceased on a motion by Mertyl Nicholas and seconded by Sonya Isaac.

ITEM 15: ACKNOWLEDGEMENT OF RETIRING VOLUNTEERS
President Straun extended words of appreciation to the retiring volunteers and commended their dedication during the period of their service.

ITEM 16: ANY OTHER BUSINESS
In response to a question raised, the President responded that the SKCCU Debit Card is projected to be available by the end of July 2021.

ITEM 17: VOTE OF THANKS
The vote of thanks was delivered by Director Cleon Bradshaw.

ITEM 17: ADJOURNMENT
The meeting adjourned at 6:47 pm on a motion moved by Bibiana Henry and seconded by Pamela Osborne.

Alex Straun
President

J Sonia Edwards
Secretary