

**MINUTES OF THE MEETING**  
**OF THE STATE CREDIT UNION BOARD**

November 20, 2001

**First item in order of business:** Commissioner Thompson called the meeting of the State Credit Union Board to order at 10:00 a.m. pursuant to the agenda which was posted for public display prior to 10:00 a.m. on November 19, 2001. The meeting was held in the conference room of the Oklahoma State Banking Department, Oklahoma City, Oklahoma.

**Second item:** Roll call - the following members were present:

Mick Thompson, Chairman

Steve Rasmussen  
Floyd Atha  
Leslie Rector

Member Forshee was absent.

Also present for the Department: Dudley Gilbert, General Counsel; Kathy Ward, Credit Union Administrator; Kandace Natale, Credit Union Examiner; and Angela Morris, Secretary.

**Third item:** Approval of the Minutes of the meeting held September 18, 2001.

Commissioner Thompson: Asked for any changes or additions to the minutes from the Board.

Member Rasmussen: Made a motion to accept the minutes as written.

Member Atha: Seconded the motion. Minutes were approved as follows:

Member Rasmussen: Yes

Member Rector: Abstained

Commissioner Thompson: Yes

Member Atha: Yes

**Fourth item:** Commissioner's Report - Commissioner Thompson said he met with the House and Senate Committee, Cabinet Secretaries and Office of State Finance regarding the Department's Budget and Strategic Plan. There was a statute passed last year requiring every agency to implement a Strategic Plan for FY 2003-2007 and the staff has been working on this for several months and will provide any Board members a copy if they would like one. Many agencies contracted and hired someone to do their Strategic Plan for them. The Commissioner felt if the Department would have to go through the exercise, then they should be involved in it from the beginning. The Strategic Plan was approved and the Department

Cabinet Secretary said this is one of the best Plans she has seen and will probably use it as a model to develop and help smaller agencies.

Chairman Thompson said the Department's budget asks for a new copy machine, laptop computers and some other items which total about \$89,000. They asked if the Department could buy these items with revolving fund money and Chairman Thompson told them we could.

The Department completed an examination of five banks and three cemeteries in October; with eight banks, two credit unions, one cemetery, one trust department, and one holding company in process.

Chairman Thompson said there is a number reserved for new legislation, with Representative Debbie Blackburn as the author, if anyone has any legislative items that need to be addressed. He asked the Board to let Dudley Gilbert, Kathy Ward or himself know as soon as possible.

**Fifth item:** Request by El Reno (RIL) Credit Union, El Reno, Oklahoma, to change its field of membership to a community field of membership and to amend its bylaws, Article IX, Sections 1, 2 and 4 (Loans and Investments), and Article XI (Credit Committee).

Janice Caster was present to answer questions.

Ms. Caster said originally the field of membership was set up with railroads and the railroads closed approximately twenty years ago. She said they have been picking up some larger select employee groups in El Reno and are now mainly picking up smaller ones that have 5-10 employees.

Chairman Thompson asked Ms. Caster if the request is for Canadian County?

Ms. Caster said yes.

Member Rector asked Kathy Ward if the application was complete?

Ms. Ward said yes.

Chairman Thompson asked if there is any growth anticipated?

Ms. Caster said projections over four years is 20%.

Chairman Thompson asked if there is enough staff in place?

Ms. Caster said yes. They will also be offering ATM services, audio teller services and become more departmentalized.

Member Atha asked if there will be an overhead increase?

Ms. Caster said no.

Member Atha said he had a question about the delinquency report. He asked what the delinquency ratio is?

Ms. Caster said it is at 1%.

Member Atha said projections seem aggressive and that there is a definite plan in place with 22% growth in loans and 12% growth in assets for next year.

Ms. Caster said this is based on 3 ½ years ago when they moved to a new location. She said the new location is in a more visible area and there is more business because of the new location.

Member Atha asked why they didn't ask for the entire metropolitan area?

Ms. Caster said because there are already so many large credit unions in the area.

Member Atha: Made a motion to approve the change in field of membership to a community field of membership.

Member Rector: Seconded.

The motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Floyd Atha: Yes

Commissioner Thompson: Yes

Member Rector: Made a motion to amend El Reno (RIL's) bylaws Article IX, Sections 1, 2 and 4 (Loans and Investments), and Article XI (Credit Committee).

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: yes

Member Rector: Yes

Floyd Atha: Yes

Commissioner Thompson: Yes

**Sixth Item:** Request by FAA Employees Credit Union, Oklahoma City, Oklahoma, to change its field of membership to a community field of membership, and to amend its bylaws, Article IV, Section 3 (Membership), Article XIV, Section 3 (Meetings of Members) and Article XI, Sections 1 and 3 (Credit Committee).

Vic Thate was present to answer questions. He said the request for change in the field of membership will give people an alternative to banking and to join the credit union. He said there isn't a day that goes by that someone calls or goes to a branch location and asks if they can join the credit union.

Member Atha asked Mr. Gilbert if Article IV complies with the statute?

Mr. Gilbert said the amendment of Article IV is separate from the community field of membership application. He said this item contains two requests that will need to be voted upon separately.

Member Atha said this application has been well laid out.

Chairman Thompson complimented FAA's staff for a job well done on the application.

Member Rector: Made a motion to approve the change in field of membership to a community field of membership.

Member Atha: Seconded.

The motion passed as follows:

Member Rasmussen: Abstained

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

Member Rector: Made a motion to amend bylaws Article IV, Section 3 (Membership), Article XIV, Section 3 (Meetings of Members) and Article XI, Sections 1 and 3 (Credit Committee).

Member Atha: Seconded.

The motion passed as follows:

Member Rasmussen: Abstained

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

**Seventh Item:** Request by Fire Fighters Credit Union, Tulsa, Oklahoma, to amend its bylaws, Article IV, Sections 1 and 4 (Membership).

Member Atha asked for a clarification on Article IV "a member may be expelled by a vote of the credit union's board of directors."

Mr. Gilbert said the original document request sent to the office had red marking for the new language and since the copier doesn't copy in color, the new language has been highlighted.

Member Atha asked if the bylaws say "the Board can expel a member"?

Mr. Gilbert said yes, it is legal, as long as a notice is provided to the members and they have to have been given prior notice showing the policy will take effect February 1, 2002, and credit union management adheres to that policy.

Member Atha: Made a motion to approve the request.

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

***Eighth Item:*** Request by Frisco Employees Credit Union, Tulsa, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Chairman Thompson said all credit unions will be complete today with respect to declaring their field of membership, which is required by rule.

Member Atha: Made a motion to approve the request as written.

Member Rector: Seconded.

The motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

***Ninth Item:*** Request by H-H Employees Credit Union, Tulsa, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Member Rector: Made a motion to approve the request as written.

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Member Atha: Yes  
Commissioner Thompson: Yes

**Tenth Item:** Request by Woods Credit Union, Oklahoma City, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Member Atha: Made a motion to approve the request as written.

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: Yes  
Member Rector: Yes  
Member Atha: Yes  
Commissioner Thompson: Yes

**Eleventh Item:** Request by Teachers Credit Union, Oklahoma City, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Member Rasmussen: Made a motion to approve the request as written.

Member Atha: Seconded.

The motion passed as follows:

Member Rasmussen: Yes  
Member Rector: Yes  
Member Atha: Yes  
Commissioner Thompson: Yes

**Twelfth Item:** Request by Santa Fe Credit Union, Oklahoma City, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Member Rasmussen: Made a motion to approve the request as written.

Member Rector: Seconded.

The motion passed as follows:

Member Rasmussen: Yes  
Member Rector: Yes  
Member Atha: Yes  
Commissioner Thompson: Yes

**Thirteenth Item:** Request by Oklahoma RE&T Employees Credit Union, Oklahoma City, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Member Atha: Made a motion to approve the request as written.

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

**Fourteenth Item:** Request by Cooperative Employees Credit Union, Anadarko, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Member Atha: Made a motion to approve the request as written.

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

**Fifteenth Item:** Request by McAlester Credit Union, McAlester, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Member Rasmussen: Made a motion to approve the request as written.

Member Rector: Seconded.

The motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

**Sixteenth Item:** Request by Ada Federal Employees Credit Union, Ada, Oklahoma, to amend its bylaws, Article IV, Section 1, (Membership).

Member Atha: Made a motion to approve the request as written.

Member Rector: Seconded.

The motion passed as follows:

Member Rasmussen: Yes  
Member Rector: Yes  
Member Atha: Yes  
Commissioner Thompson: Yes

**Seventeenth Item:** Request by Michael K. Smith, Tulsa, Oklahoma, for approval as a Credit Union Auditor.

Dana Kroutil, Oklahoma Credit Union League, was present to answer questions. She said Mr. Smith has an accounting degree, is a CPA Candidate, and has six month auditing experience before working with the League. She said he's worked with the League about four months under temporary placement arrangements. She said the League has trained him and she has reviewed his work and is continuing with his training.

Member Atha: Made a motion to approve the request as written.

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: Yes  
Member Rector: Yes  
Member Atha: Yes  
Commissioner Thompson: Yes

**Eighteenth Item:** Request by Federal Employees Credit Union, Oklahoma City, Oklahoma, to add the following Select Group to its field of membership:

- (A) Employees of Fairway Human Resource Management, Oklahoma City, Oklahoma

Member Rector: Made a motion to approve the request as written.

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: Yes  
Member Rector: Yes  
Member Atha: Yes  
Commissioner Thompson: Yes

**Nineteenth Item:** Consideration and Prescription of the rate of credit union assessments as of December 31, 2001, pursuant to Title 6 O.S. Section 2001.2 and Credit Union Board Rule 180:10-1-14.

Chairman Thompson said before the assessment rates were in rule 85:10-1-14, now the Board has the authority to set the assessment rates. He said, generally, the budget,

expenditures, conversions, losses etc. are looked at to help determine the assessment rate. He said he recommends because of the national economy to leave the assessment as is, without an increase or decrease, and put all credit unions into one category instead of the two categories they are in now. He said currently there is only one credit union that will be affected and it pays \$190.00 a year in assessments. He said Mr. Gilbert has talked to the credit union that will be affected by the increase in their assessment. He said this credit union also has no plans to expand its field of membership.

Member Rector asked if the Board could exclude this affected credit union this year so they can budget for the additional amount next year?

Chairman Thompson said if that is what the Board wants to do, that is fine with the Department.

Member Rasmussen asked if the \$2 Million dividing point was on the books before 1995?

Mr. Gilbert said yes.

Chairman Thompson said Mr. Higgins had represented the Oklahoma Credit Union League in 1995 when the current numbers were set.

Member Atha: Made a motion that state credit unions be assessed at the following rates: an annual fee of \$1,000 plus an annual assessment of .00015 multiplied by the total assets of the credit union as of December 31, 2001.

Member Rasmussen: Seconded.

The motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

Commissioner Thompson asked if there was any new business to come before the board?

***Twentieth Item:*** Adjournment.

Member Rector: Made a motion to adjourn.

Member Rasmussen: Seconded.

Motion passed as follows:

Member Rasmussen: Yes

Member Rector: Yes

Member Atha: Yes

Commissioner Thompson: Yes

Adjournment was at 10:40 am.

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Mick Thompson, Chairman

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Steve Rasmussen

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Leslie Rector

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Floyd Atha