

MINUTES OF THE MEETING
OF THE STATE CREDIT UNION BOARD

January 15, 2002

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 January 14, 2002. 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

Richard Forshee

Member Rector was absent.

Also present for the Department: Dudley Gilbert, General Counsel; Terry Slagle, Credit Union Examiner, Kandace Natale, Credit Union Examiner; Angela Morris, Secretary; and Debbie Moore, Secretary.

Third item: Approval of the Minutes of the meeting held November 20, 2001.

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

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

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

Member Rasmussen: Yes

Member Forshee Abstained

Commissioner Thompson: Yes

Member Atha: Yes

Fourth item: Next item on the agenda was the Commissioner's Monthly Report. Since the Board met last, he was notified that every agency was asked to take a 2.5% cut in their budget starting the first of January. This would be an approximate cut of \$35,000 to the Banking Department. They have already told the Department that amount would be implemented in next year's budget. The House Staff wants a 10% -15% additional cut for next year. Commissioner Thompson urged the support of the Credit Union League to off-set possible budget cuts, since this is going to be a difficult year.

Credit Union assessments for the year have been mailed. Commissioner Thompson said if the budget is cut too much, we will have two choices: reducing some examinations or staff; or raising assessments. Credit Unions need to start getting involved with the legislative process or they will possibly have higher assessments next year. Commissioner Thompson urged credit union members to stay in contact with key legislators who are on Appropriations and Banking Committees, to avoid further budget cuts for next year. They also were told that if the shortfall continues, the present 2.5% cut might be increased immediately.

Commissioner Thompson reported that House Bill 2900 was filed after Department staff conferenced with the House staff. He said we may choose not to bring the bill out of committee because the major emphasis continues to be budget cuts. We have the bill available, however. If any credit unions know of an issue that needs to be addressed, let Commissioner Thompson know. He said the Credit Union League was also asked if it had any legislation requests.

Commissioner Thompson reported that all Credit Union exams are current. During the month of December, we completed 3 credit unions, with 2 credit union exams currently in process. All credit unions are on target.

Question from Member Atha: "When they say a 2.5% cut what agency directs that?"

Commissioner Thompson explained that Office of State Finance sends out the directive on budget cuts. Our budget is self-generating and should, at least, remain the same.

Member Atha: "So we can't change this year?"

Commissioner Thompson: "Correct" He explained that the Banking Department budget is self-generated. Travel has increased, so the budget is automatically expanded.

Member Atha: "How detailed is this budget that you present? And who looks at it this closely?"

Commissioner Thompson: "The sub-committee looks at the budget and they are looking for growth in our assets and in our budget."

Member Atha: "Who makes up the subcommittee?"

Commissioner Thompson: "We are in a group of regulatory agencies which make up the subcommittee." He referred to agencies regulating Insurance, Consumer Credit, Securities, and Banking.

These four agencies are put in the subcommittee. Leaders in the House and Senate recommend the total amount of funds going into the regulatory services. Then the total amount of money available is allocated to each of the four agencies.

Member Atha: "Is there a part of the funds collected by this agency that does not go into the general revenue fund?"

Commissioner Thompson: “ Yes, any of our fees.”

Member Rasmussen: “ Is an exam fee one of those charges that is based on asset size?”

Commissioner: “ No”

Member Atha: “ Travel fees and assessment charges are separate.”

Member Rasmussen: “ Even if you raise our assessments, how would you know that it would come back into this agency?”

Commissioner Thompson: “ We wouldn’t.” We are one of the few agencies that get all our money from the people we regulate then turn it over to the state and a portion is given back.

Fifth Item: The Board next considered the application of Federal Employees Credit Union to convert its field of membership to a community field of membership and amend its bylaws, Article IX, Section 1, “ Membership” .

Lynette Leonard, President of Federal Employees Credit Union explained why they want to change their field of membership. She said they feel it is a natural extension of the select group process in which they have already been involved.

Member Atha: “ Does their report comply with guidelines?”

Dudley Gilbert: “ Yes, the application is complete and contains all details necessary.”

Member Atha to Ms. Leonard: “ Did you poll your membership regarding the change?”

Ms. Leonard: “ No. It was a Board decision.”

Commissioner Thompson pointed out that both Credit Union Examiners were present if anyone had questions for them.

Member Forshee: Made motion to approve the change in the field of membership for Federal Employees Credit Union to community field.

Motion seconded by Member Rasmussen.

Vote was unanimous with all Board Members voting “ yes” .

Commissioner Thompson declared the request approved.

Commissioner Thompson explained that the Banking Department has initiated a new program whereby the Field Examiners are the “ first point of contact” with the Credit Unions. He has sent

out a list of the examiner's cell phone numbers so they can be contacted at any time. This program is effective immediately.

Commissioner Thompson asked if anyone had any new business.

Member Forshee made motion to adjourn.

Member Rasmussen seconded the motion.

The meeting was adjourned at 10:30.

Mick Thompson, Chairman

Steve Rasmussen

Richard Forshee

Floyd Atha