

MINUTES OF THE MEETING
OF THE STATE CREDIT UNION BOARD

November 18, 2003

First item in order of business: The Credit Union Board meeting was called 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 17, 2003. The meeting was held in the conference room of the Oklahoma State Banking Department, Oklahoma City, Oklahoma with Commissioner Mick Thompson presiding.

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

Floyd Atha
Richard Forshee
Steve Rasmussen
Les Rector
Chairman Thompson

The Chairman declared a quorum present.

Also present from the Department: Dudley Gilbert, Legal Counsel and Debbie Moore, Secretary.

Chairman Thompson: Noted that Richard Forshee had been mentioned in the Daily Oklahoman recently.

Third item: Approval of the Minutes of the meeting held September 16, 2003.

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

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

Member Rasmussen: Seconded the motion.

Minutes were approved as follows:

Member Atha: yes

Member Forshee: yes

Member Rasmussen: yes

Member Rector: yes

Chairman Thompson: yes

Fourth item: Commissioner's Monthly Report

A. Department Status Report

Chairman Thompson handed out copies of the Department Status Report and offered a brief explanation of the report. He explained that the four types of funds: General Revenue; Section 211 Revolving Fund; Examiner Revolving Fund; and Cemetery Fund are different accounts that we work from. As a result of self-funding the Section 211 Revolving Fund and Cemetery Fund will be the two primary funds remaining. The Section 211 Revolving fund consists of fees and assessments, and is a general fund.

Currently the Department has spent \$804,000 in 2003 and is under budget \$5,000.

After a review of the Status Report the Commissioner asked if any members had other questions that were not included in the report.

Member Atha: Asked if the Commissioner had already been through budget hearings with the state.

Commissioner Thompson: Replied that budget hearings will resume in January. We still have to submit approximately the same documents that we did before being self-funded.

Member Rasmussen: Asked if all other self-funded agencies have to submit this much paper work.

Commissioner Thompson: Replied yes. State rules still apply to our agency such as hiring freezes, approval of promotions and salaries. We still have to go through the same documentation as every state agency that is not self-funded. With self-funding, though, we do not have to go through the in-depth legislative process and justification of our figures. Also we do not risk budget cuts now.

B. Examination Report

During October we began examinations on three credit unions and three were already in process.

We are ahead of schedule with examinations as far as the date they are actually due.

C. The Legislative Report

There is not a definite plan yet as to legislative requests. We do not have obvious problems at this time that need attention.

Fifth Item: Consideration of the request by Williams Employees Credit Union, Tulsa, Oklahoma to change its field of membership to a community field of membership serving the Tulsa Metropolitan Statistical Area, and to amend its bylaws accordingly, pursuant to Title 6 O.S. Section 2007 and O.A.C. 180:10-3-5.

Officers of Williams Employees Credit Union present for the meeting were Gary Jones, President and CEO; and Bob Dotson, Vice President.

Dudley Gilbert: Reported that Terry Slagle, Credit Union Examiner for Williams Credit Union did not have any reservations about the conversion. She felt that the conversion would be beneficial to the credit union.

Member Atha: Complimented President Gary Jones on his direction of the credit union.

Member Rector: Moved to approve the request of Williams Employees Credit Union to convert to a community field of membership serving the Tulsa Metropolitan Statistical Area.

Member Forshee: Seconded the motion.

Member Atha: yes

Member Forshee: yes

Member Rasmussen: yes

Member Rector: yes

Chairman Thompson: yes

Motion passed

Sixth item: Consideration and prescription of the rate of credit union assessments as of December 31, 2003, pursuant to Title 6 O.S. Section 2001.2 and O.A.C. 180:10-1-14.

Dudley Gilbert, Legal Counsel summarized how assessments have been set at the rate of \$.15 per \$1000.00 for the past few years.

Chairman Thompson: Read the previous language of the statutes setting the assessment rates. The language, which was confusing, has been clarified. The Credit Union Board is

allowed by statute and rule to set the rate now. He handed out information sheets to the Board Members showing examples of the formulas that had been used in setting the assessment rates.

He also discussed the need for having funds available within the Banking Department to provide periodic raises for the Examiners, giving them incentive to stay with the Department on a long term basis.

Member Forshee: Asked if the Banking Department would still be subject to hiring or salary freezes that affect all other state employees?

Chairman Thompson: Replied yes. He said the goal of the Department is to have a minimum of six months expenses in reserve. That would help to avoid any mid-year special assessments in the future. The Department needs enough in reserve to offset unexpected shortfalls such as the loss of a state-chartered credit union.

The goal of the Department for next few years is to (1) get salaries up for examiners (2) get reserves up and (3) begin evaluating when we can reduce assessments on entities we regulate.

Member Rector: Asked if there would be fee changes for credit unions who request to change their by-laws?

Chairman Thompson: Replied there is no suggestion at this time to raise fees.

Member Forshee: Asked if we need to set the assessment rate at today's meeting?

Chairman Thompson: Replied yes. It is usually set in November so notices can be mailed to the credit unions in December.

Member Atha: Asked the Commissioner if he was suggesting that they leave the rate the same.

Chairman Thompson: Replied yes. It would not be fair to raise rates so soon after a special assessment.

Member Forshee: Moved to set the assessment rate at \$.15 per \$1000.00 of total assets for state-chartered credit unions under the Department's supervision as of December 31, 2003.

Member Rasmussen: Seconded the motion

Member Atha: yes

Member Forshee: yes

Member Rasmussen: yes

Member Rector: yes

Chairman Thompson: yes

Motion passed

Seventh item: New Business

There was no new business brought before the Credit Union Board.

Commissioner Thompson: Announced that the annual Awards/Thanksgiving Banquet would be held at the Department on Friday, November 21, 2003.

Eighth Item: Adjournment

Member Rasmussen: Moved to adjourn.

Member Atha: Seconded the motion.

Member Atha: yes

Member Forshee: yes

Member Rasmussen: yes

Member Rector: yes

Chairman Thompson: yes

The meeting was adjourned at 10:30 a.m.

Floyd Atha

Richard Forshee

Steve Rasmussen

Leslie Rector

Chairman Thompson