

Minutes of the 46th Annual General Meeting of the JTA Co-operative Credit Union Limited held at the Jamaica Conference Centre, 14-20 Port Royal Street, Kingston on Saturday May 8th, 2010.

Call to Order

The meeting was called to order at 10:10 a.m. by the Chairman, Dr. Dorothy Raymond, and President of the Credit Union.

Ascertaining a Quorum

Mr. Vivian Whyte, Chairman of the Supervisory Committee advised that there were 420 teachers present and since the quorum was 100, the meeting was properly constituted

Notice of meeting

The notice convening the meeting was read by Mr. Patrick Smith Secretary of the Credit Union.

Invocation

The Reverend Monsignor Michael Lewis, of Stella Maris Roman Catholic Church led the devotion.

Welcome and Apologies for absence

Dr. Raymond extended a warm welcome to everyone recognizing the presence of Monsignor Lewis, Miss Nadine Molloy, President Elect of the JTA, Messrs Ken Wilson and Robert Clair from the Audit Firm BDO, Miss Paulette Kirkland and Miss E Campbell from the Department of Cooperative and Friendly Societies, Miss Phillipa Beckford of CUNA Mutual Insurance Society and Mrs Joan Garfield, Manager of NCB Employees Co-operative Credit Union.

Apologies for absence were tendered on behalf of Miss Yvonne Ridguard, President and Mr. Glenworth Francis General Manager of the Jamaica co-operative Credit Union League as well as Mr. Leo Williams, President of the Retired Teachers' Association.

The Board of Directors was introduced as:

Dr. Dorothy Raymond	President
Miss Hazel Duncan	1 st Vice President
Mr Fitz Carr	2 nd Vice President
Mr. Cyril Lebert	Treasurer
Mr. Paul Adams	Assistant Treasurer
Mr. Patrick Smith	Secretary
Miss Ena Barclay	Assistant Secretary
Mr. Ray Howell	Director
Miss Dottlyn Dawes	Director

Mr Joel Scott	Director
Mr Lincoln James	Director
Mr. Sherlock Allen	Executive Director
Mr. Morris Stewart	Executive Director
Mrs Karen Hewett-Kennedy	Director and
Mrs Barbara Gascoigne	General Manager

An apology was tendered on behalf of Mr Fergus Mitchell who was unavoidably absent.

The Supervisory Committee was introduced as:

Mr. Vivian Whyte	Chairman
Mrs Pauline Stephenson	Secretary
Miss Enid Fuller	
Mr Wentworth Gabbidon	
Mrs Mary Dick	
Miss Blanche Oliver	

The Credit Committee members presented were:

Mr. Vivian Johnson	Chairman
Mrs. Melvina Freckleton	
Mrs Rosemarie Vernon	
Mrs Patricia Brown-Baker	
Mr. Cecil Johnson	

Minutes of the 45th Annual General Meeting

Reading and Confirmation of the Minutes

The Minutes having been circulated and posted on the website were taken as read on a motion by Ms. Sarah Graham (Retiree) and seconded by Mr. Ervin Facey (Hatfield Primary and Junior High School)

The Minutes were confirmed on a motion by Mrs. Estelle Davis Wright (Lystra Primary) and seconded by Mrs. Rhoena Granville- Mitchell (John Mills Primary and Junior High).

Matters arising from the Minutes

Lunch Break

Mrs Ivy Christie (Retiree) proposed that lunch break be made an item on the Agenda so that members would be aware of the timing for lunch and no one would be embarrassed by taking a lunch break before it was due.

Office Space Morant Bay

Two locations had been identified as sites for the office, but these plans had not materialized. However recently another location had been found and the Credit Union was in the process of negotiating to acquire that property.

Members of unsound mind

A legal opinion had been sought on the subject of the entitlement of members of unsound mind and the opinion given was that a member of unsound mind would not be able to give power of attorney to anyone to transact business on his/her behalf. Insanity also nullified any such power of attorney given prior to the onset of the condition.

Golden Harvest

There had been a request for a review of the interest rates at the previous Annual Meeting. Dr Raymond told the meeting that the number of Golden Harvest Accounts acquired by members had increased from 5,122 in 2008 to 6,648 in 2009. The interest rates offered on the product have been reviewed in keeping with trends in the market.

Business Loans

As the demand for business loans was low, the Credit Union had found that there was no need to create a special window to facilitate these loans.

Availability of AGM Minutes

The members were advised that the Minutes of the meeting had been posted on the Credit Union website from April 12th and this information had been publicized through the "Teacher's Time". The plans were that in the future the Minutes and various aspects of the Annual Report would be posted on the website prior to the meeting.

Small Business Loans

Mrs Ivy Christie noted that she had not asked for a special window for small business loans, rather she had asked "what could be done to assist persons who were small entrepreneurs. She also noted that while statistics had been given for the Golden harvest product, the response that interest rates were in keeping with the trend did not indicate whether interest rates had gone up or down. Dr. Raymond replied that based on the market trends the interest rates had gone down.

Permanent Shares

Miss Yvonne Wright (Shortwood Practicing School) sought clarification on the matter of Permanent Shares.

Mr. Robert Ramsay, Finance Manager of the Credit Union was asked to respond to the query.

He explained that all credit unions were required to institute Permanent Shares. Traditionally credit union members had share accounts, to which they could deposit or from which they could withdraw monies, but from an accounting perspective shares

were supposed to represent capital investment in a particular institution. Consequently credit unions have been in conflict with the accounting principles, and JTA Credit Union along with all other credit unions was instituting a new category of shares called Permanent Shares. The minimum of \$2,000 which each member was required to have in their Permanent Shares represented their ownership, the capital that they had permanently invested in the credit union. The shares in the regular shares account would be called Voluntary Shares as members would still be free to add to or withdraw these shares.

New members would be required to deposit \$2,000 to their Permanent Shares account and a minimum of \$500 to their voluntary shares account.

Dr. Raymond further added that members could only withdraw these shares if they were withdrawing from the Credit Union. Members bemoaned the lack of information on the subject.

Dr. Raymond reminded the meeting that the matter had been raised Annual General Meetings two years previously and then a Special General Meeting had been convened to have the Rules changed to accommodate the Permanent Shares. The President said information had been sent to each member giving information about Permanent shares. She apologized to those members who had not received the information.

Greetings from Affiliate Associations

The Chairman invited Miss Nadine Molloy (JTA) Miss Paulette Kirkland (Department of Co-operative and Friendly Societies and Miss Phillipa Beckford of CUNA Mutual to bring greetings.

Report of the Board of Directors

Before giving her report the Chairman announced that there were 550 members present.

Making reference to the impact of the financial crisis on the global economy, Dr. Raymond observed that the effects on the Jamaican economy had resulted in the closure of all but one aluminium plant, major reduction in remittances and tourism, and increased borrowing by the Government. Some credit union members had experienced difficulties in the repayment of their loans. The resulting increase in delinquency had caused the credit union to increase its loan loss provision by 18%.

The Board reported a successful year in all areas of operations. Total assets increased by 18.7% from \$5.2B in the previous year to \$6.2B due to the growth in the loan and investment portfolios. This was the first time that the credit union's assets had increased by a billion dollars in a year. Member deposits excluding voluntary shares had grown by 29% to \$2 billion while voluntary shares increased by 19.2% to \$2.9 billion resulting in

total members' deposits of \$4.9 Billion. Loans grew by 17% to \$4.6 Billion an increase of \$672 million driven mainly by the demand for automobile loans. Total revenues for the year exceeded \$1 billion.

The President reported that the Credit Union continued to adhere to the principles of safety and soundness and to prudential and financial performance standards stipulated by the Jamaica Co-operative Credit Union League. She highlighted the Credit Union's performance in relation to each of the PEARLS standards, observing that the Credit Union had met all the standards except membership growth. The Credit Union had grown by 4% whilst the standard was 5%.

Regional Services

In 2009 the Credit Union disbursed 22,266 loans through its branches. They had processed 26,450 deposits and recruited 1,492 new members.

The Credit Union continued to be a good corporate citizen providing assistance to a number of organizations, civic groups and charities including Fletchers Land Youth Club, St. Barnabas Basic School, island wide basic school projects, JTA Golden Torch Award, JTA National Primary School Championship, the Retired Teachers' Association projects, JTA Parish Association activities and JTA (EFA's) HIV/AIDS Awareness Project.

The Credit Union also provided scholarships and grants to members who were in their final undergraduate year at University. Three scholarships valued at \$7,000 were awarded to Mr. Damion Andrews, Miss June Fair-weather and Mr. Demar Sylvester. Two grants valued at \$45,000.00 each were awarded to Mr. Winston Robinson and Miss Euton Binns-Gordon. In recognition of the 50th anniversary of the Credit Union two scholarships of \$125,000 each had been awarded to Mr Rowan Dixon and Miss Leonora Rhule-Hemans whilst Mr. Michael Ottey was the recipient of the Desmond D.C. Gascoigne Scholarship valued at \$150,000. One scholarship for secondary education valued at \$20,000 was awarded to Kedesha Levene the child of a staff member.

The Credit Union participated in the League's Annual General meeting as well as the meetings of the Caribbean Confederation of Credit Unions and the World Council of Credit Unions.

The President detailed the events that had commemorated the Credit Union's 50th Anniversary. She identified the overall strategic direction of the Credit Union as strategizing for efficiency and effectiveness, with the focus being on customer satisfaction, growth and retention of members, profitability, internal business processes, and improvement in technology and staff development.

Dr Raymond thanked the members for their continued faith in the organization, the Board and Committees for their time talent and guidance over the years and the management and staff for their hard work and diligence. She expressed appreciation to

the following organizations for their contribution to the success of the organization: Jamaica Co-operative Credit Union League, the Department of Co-operatives and Friendly Societies, CUNA Mutual Insurance Society. She thanked: the Ministry of Education for their continued support in delivering teacher's salary deductions; the Bursars in the schools, the Jamaica Teachers' Association and the organization's auditors, BDO.

Mrs. Ivy Christie (Retired Teacher) expressed her pleasure at the report on the performance of the Credit Union.

Mr. A. Thomas (Osbourne Store Primary and Junior High School) proposed improvement in customer service in the Branches as well as the appointment of recruiting agents as means of increasing membership. The General Manager, Mrs Barbara Gascoigne responded that a Contact Teacher Incentive Scheme had been developed and several Contact Teachers' Fora had been planned as the motivation of contact teachers was seen as important. The Credit Union had put the quality of service in its goal action Plan and would continue to pursue it.

The Board Report was adopted on a motion by Ms. Yvonne Wright of Shortwood Practising School and seconded by Mr Albert Thomas of Osbourne Store Primary and Junior High School.

Treasurer's and Auditor's Report

The Treasurer Mr. Cyril Lebert reported that 2009 was a successful year despite the many challenges faced in the local economy and by the teaching fraternity. The Jamaican Debt Exchange had resulted in a reduction in interest rates from an average of 22% to a low of 11% -12% and rates were expected to continue to decline. The Credit Union was expecting increased competition especially in loans as the larger financial institutions repositioned their business strategy from investment income to income from loans and other services. JTA Credit Union would try to combat this through more focussed and aggressive marketing, innovative loan programmes and improved customer service.

He expected that the Bank of Jamaica Regulations would be implemented very shortly and the Credit Union having reviewed the Draft Regulations were confident that they had satisfied the fundamental prerequisites for licensing. JTA Credit Union continued to employ sound and effective corporate governance practices, proactive business strategies and stringent budgetary controls.

Mr. Lebert detailed the growth indicators of the Credit Union. Loans had increased by 19.87% or \$788.81 M over the previous year, Members' shares increased by 18.12% or \$455.99M over the previous year. Members' deposits grew by \$483M to \$1.9B an increase of 33.3% over the previous year.

Income had increased by \$41.28M to \$553B. Total operating expenses had increased by 34.83%, from \$328million to \$442million.

He concluded that the Credit Union had performed well despite the financial downturn in the economy, but cautioned that the country was still facing difficult times and therefore the Credit Union would employ greater efforts to improve the management of the organization, minimize risk and practice sound business strategies.

Registrar's approval of Accounts

Miss Paulette Kirkland of the Department of Co-operative and Friendly Societies read the letter from the Registrar which approved the accounts and gave permission for the meeting to be held.

Auditors Report

Mr. Wilson of the Audit firm BDO presented the Auditor's Report. The opinion given was that proper accounting records had been kept these records complied with the Co-operative Societies Act. He guided the meeting through the report giving a detailed explanation of the Accounts.

Shares Certificates

In response to a query from Mrs. Veronica Thomas Whyte of Paul Bogle High the meeting was assured that although shares certificates were electronic they could be issued to the members who so desired to have them.

BOJ (CU) Regulations

Mrs. Ivy Christie (Retired teacher) sought clarification on the impact which the Bank of Jamaica Regulations would have on the Credit Union. She was advised that the BOJ was interested in compliance to standards and the Credit Union had previously been regulated by the Credit Union League and the BOJ would assume this responsibility. The President explained the role of the Stabilization Fund and again assured the members that the Credit Union was well positioned to meet the requirements of the Bank of Jamaica.

The Treasurer's and Auditor's Reports were adopted on a motion by Mrs. Ivy Christie seconded by Mrs Paulette Phillips of Tivoli Gardens High School.

LUNCH BREAK

The lunch break was taken at 1:00 p.m. and the meeting resumed at 2:15 p.m.

Report of the Credit Committee

Mr. Vivian Johnson, Chairman of the Credit Committee introduced the other members of the Committee as: Mrs. Melvina Freckleton, Mrs. Rosemarie Vernon, Mrs Patricia Brown-Baker and Mr. Cecil Johnson.

He reported that 572 applications were submitted for loans, 426 of which had been approved.

The Report was adopted on a motion by Mr. Hewitt Johnson of St. John's Primary School seconded by Ms Beverley Johnson of May Pen Primary School.

Report of the Supervisory Committee

The Committee was introduced as Mr. Vivian Whyte, Mrs Mary Dick, Mr. Wentworth Gabbidon, Miss Blanch Oliver, Miss Enid Fuller and Mrs. Pauline Stephenson.

Mrs. Stephenson reported that the Committee had undertaken inspections at the Head Office and the eleven branch offices of the Credit Union. Working closely with Internal Audit to ensure that internal controls were adhered to and procedures followed, they had observed the operations of Board of Directors, Administration, Loans and Credit systems, Accounts and Operations. They had also undertaken random sampling of 2,169 members' files, and conducted 31 work sessions.

The Supervisory Committee Report was adopted on a motion by Ms Lavern Johnson of Davis Primary School seconded by Ms Carmen Kennedy of Alpha Infant School.

Report of the General Manager

Mrs Barbara Gascoigne tabled her report which was printed in the Booklet. She added further that the Credit Union was targeting Contact Teachers and Principals as these two groups were considered vital to the growth of the Credit Union. She encouraged all the members to actively recruit members.

She reported that in 2009 the following awards were made:

Employee of the Year: Mrs Nova Swaby Wright, Branch Supervisor , Mandeville Office

Salesman of the Year: Mr. Valentine Holness, Regional Officer Mandeville & Santa Cruz branches

The Most Improved Branch: Linstead

Leadership Cup in the Junior Management Group: Mr. Rowan McFarlane

Resolutions arising from the Treasurer's Report

Distribution of surplus

The Treasurer moved a Resolution for the distribution of surplus viz: that a dividend of 8% be declared and paid on voluntary shares and that \$28M be put towards Permanent shares. Further that an amount of \$2M be used for donations. The resolution was seconded by Mr Wentworth Gabbidon.

Fixing of Maximum Liability

On a motion by the Treasurer seconded by Mrs Ivy Christie, the maximum liability of the credit Union was set at ten (10) times the capital equity, which for the year 2010 would be \$12 billion.

Appointment of Auditors

On a motion by the Treasurer seconded by Mr. Ervin Facey the firm of BDO was retained as the organization's auditors.

Election of Officers

Nominating Committee Report

Director Ena Barclay, Chairman of the Nominating Committee had been excused from the meeting and so the Assistant General Manager, Advisor to the Nominating Committee, presented the report. He advised that the members of the Committee were Mrs. Ena Barclay, Mrs. Grace Savage and Mrs Winsome O'Connor.

Board of Directors

He reported that the retiring members of the Board were:

Mr. Cyril Lebert	Director at large
Mr Ray Howell	Director at large
Mr Sherlock Allen	Region1 (Kingston, St. Andrew, St Catherine)
Miss Dottlyn Dawes	Region (3 St. Mary, St. Ann, Trelawny)
Miss Hazel Duncan	Region 5 (St. Elizabeth, Manchester, Clarendon)

The persons nominated to fill the vacancies on the Board were:

Mr. Cyril Lebert, Mr. Ray Howell, Mr. Sherlock Allen, Miss Dotlyn Dawes, Miss Hazel Duncan.

Credit Committee

The Retiring members of the Credit Committee were Mr. Cecil Johnson and Mrs Patricia Brown Baker, and they were nominated to serve for another two year term.

Supervisory Committee

All members of the Supervisory Committee were retiring and the members nominated to serve for one year were: Mr. Vivian Whyte, Mr. Wentworth Gabbidon, Mrs Pauline Stephenson, Miss Enid Fuller, Mrs. Mary Dick and Miss Blanch Oliver.

Delegates to the League

The President and Treasurer were nominated as Delegates to the League and the Alternate Delegates were to be named by the Board of Directors.

Miss Pauline Kirkland representing the Department of Co-operative and Friendly Societies was asked to be Returning Officer for the elections.

There were no nominations from the floor for the Board or any of the Committees and thus the persons identified by the Nominations Committee were duly elected to fill the vacancies on the Board of Directors, the Credit and Supervisory Committees, and as delegates to the Credit Union League.

Miss Kirkland reminded the Committees that they were required to meet within ten days to elect their officers.

Any Other Business

Permanent Shares

In response to various questions from members, the meeting was advised that :

- a) Whilst there was a minimum there was no maximum on the amount of Permanent shares that a member could hold
- b) 1% of the organization's surplus would be credited to member's Permanent Shares
- c) The AGM report would be amended as per their request to show permanent as well a Voluntary shares
- d) Members who had less than \$2000 in Permanent Shares and who had not acceded to the Credit Unions request to increase it to this minimum would have it deducted from either their Voluntary Shares or from their dividend

Election of Officers

Miss N Bennett of Penwood High School observed that although there was a point in the meeting for nominations, no nominations were ever made from the floor. The President reminded the meeting that they had the option to make nominations and that they had declined. Mrs Christie, retired teacher recalled that at an earlier meeting, it had been agreed that the names of the nominees should be circulated to the membership prior to the Annual General meeting. Dr. Raymond whist agreeing to research this, also reminded the members that

each year the Report stated the names of the person retiring in the following years and further that the decision regarding the nominations was done by the Nominating Committee.

Parking at the Conference Centre

Responding to members' concerns about the cost of parking at the Conference Centre, the President said that consideration would be given to including that cost in the budget for the AGM.

Impact of Government's Debt Exchange Policy

Mrs. Valrie Clahar-Knight of Villa Road Primary School asked for an explanation of the impact of the Debt exchange on the credit union movement especially the Golden harvest Plan. While admitting that the full impact was not yet known Dr. Raymond explained that the Credit Union League had absorbed the impact of the JDX by not altering the value of the deposits held by Credit Unions until after they had matured. However, she warned that there would be significant reduction in interest rates in the future.

Adjournment

After the distribution of prizes, Miss Hazel Duncan moved the vote of thanks. The National Anthem was sung and the meeting adjourned at 3:50 p.m.

Patrick Smith
Secretary