



**In 2020 we helped
our members to . . .**



**CBI Federal Credit Union
2021 Annual Meeting**



CBI Federal Credit Union



Annual Meeting

Agenda:

March 10, 2021

4:00 p.m. Registration

4:15 p.m. Welcome and Introduction to 57th Annual Meeting Dave Lacey

Call to Order and Read Notice of Annual Meeting Dave Lacey

Determination of Quorum is Present - Secretary of the Board Dick Poirier

Approval of the Minutes of CBI FCU's 56th Annual Meeting

Reports to the Membership:

Chair of the Board of Directors Dave Lacey

Treasurer's Report Robert Doty

Manager's Report Michele Timpe

Chair of the Credit Committee Ray Moen

Chair of the Supervisory Committee Christopher Patti

Unfinished Business

New Business

Report of the Nominating Committee

Call for Additional Nominations from the Floor

Election of Directors

Service Recognition

Member Questions

Door Prize Drawing

Motion for Adjournment

CBI Federal Credit Union

Volunteers & Staff

2020– 2021

Board of Directors

Dave Lacey
President

Gerald Pettit
Vice President

Robert Doty
Treasurer

Richard Poirier
Secretary

Jeff Garrison
Director

Thomas Mullen
Director

Nancy Nelson
Director

Patricia Rice
Director

Rob Schick
Director

Executive Committee

Robert Doty
Patricia Rice
Jeff Garrison

Supervisory Committee

Christopher Patti, Chairperson

Scott Harmon
Jong T. Hwang
Chelsea LaHaye
Frank Bianchetta

Credit Committee

Ray Moen, Chairperson

Rae Jensen
Deanna Young
Monique Antos

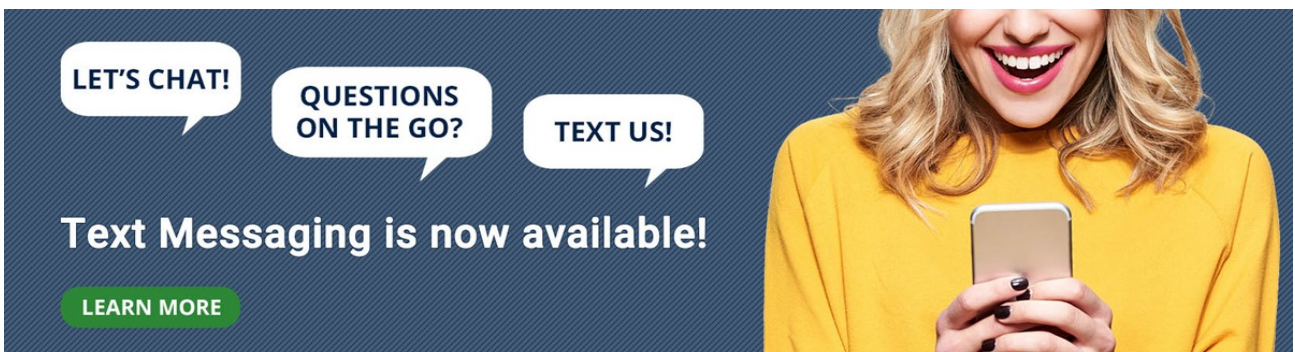
Credit Union Employees

Michele Timpe
Manager

Fran Parkison
Assistant Manager

Monique Antos
Loan Officer

Kathleen Wilkinson
Member Service Rep.



**MINUTES OF THE 2020 (56th) ANNUAL MEETING
OF THE CBI FEDERAL CREDIT UNION**

The 2020 56th Annual Meeting of the CBI Federal Credit Union was held on March 11, 2020 in the Illinois Conference Room at the office of CB&I in Plainfield, Illinois, and via video link with members attending from the Woodlands, TX Office. President Dave Lacey chaired the meeting and Thomas Mullen was the acting Secretary. Katye Wilkinson supervised the recording of the attendance at the meeting.

The meeting was called to order at 4:19 p.m. by the Chair, who read to the assembled members the Notice of the Annual Meeting (a copy is attached to these minutes) which was printed for the quarterly newsletter and mailed with statements as of December 31, 2020. Fran Parkison reported to the Chair that a quorum was present. It was moved by Pat Dywan, and seconded by Nancy Nelson, to accept the minutes of the 2019 Annual Meeting. This motion was approved unanimously by the members.

Dave Lacey presented the **Director's Report**. Year on year highlights included: Total Assets were down \$1.3 million to \$17.4 million, primarily due to paydown on existing loans; charge-offs were reduced by 68% to \$62,000; Net Income was a negative \$8,400; \$52,686 needed to be pulled from reserve to accommodate a change in Allowance for Loan Loss Calculation, as agreed with NCUA.

CB&I Storage Tank Solutions remains a part of McDermott, which filed for Chapter 11 bankruptcy in January 2020. McDermott's cash flow impacted the repayment of the Credit Union's charged-off Flood Loans. However, prior to the Chapter 11 filing, McDermott paid \$202,000 in Flood Loan invoices, leaving a balance of \$2,215. Remaining Flood Loan balances continue to be secure from default, through McDermott loan repayment of charge-offs.

Managers from the Illinois Credit Union League (ICUL) assisted the Directors in analyzing the current status and identifying possible future strategic scenarios. However, the uncertainty of McDermott and of the global market impacted the ability to finalize strategic plans and the focus in the latter half of 2019 was on operational improvements. Further strategic planning activities are planned for March 2020 where various strategic options will be evaluated. The Credit Union is currently a Single Employer Group (SEG) serving CB&I, Lutech and McDermott employees. Our growth opportunities will rely on adjusting our products and services to meet our members' needs. The Board's focus will continue to be financial soundness, security, competitiveness and a qualified staff providing excellent service.

Dave thanked the directors, committee members and staff for their significant efforts and dedication. A special thank you was extended to Eugene Sheeren, Bob Latzke and Dan Carroll, for their past service, as they leave their Board and Committee positions. Dave invited Credit Union members to consider volunteering for a Board or Committee position. Finally, a big thank you to all our member-owners who continue to support the CBI Federal Credit Union, which was founded on the principle of "People Helping People".

On the motion by Jeff Baker, and seconded by Fran Parkison, the Director's Report was unanimously approved by the members.

Robert Doty presented the **Treasurer's Report**. The report included a brief summary of the Balance Sheet and Income Statements as of December 31, 2019. Total assets decreased from \$18.64M at the end of 2018 to \$17.36M as of 12/31/19. Savings and Share Draft accounts were down by \$1.4M and Member IRA Certificates and Term Share Certificates were down about \$164K for a net loss of \$1.2M in members' accounts.

Net Loans decreased in 2019 by \$1.5M. Our Real Estate Loans saw a net decrease of \$427K and regular loans decreased by \$1.1M. Visa balances increased by \$17K. Total Income for 2019 was down \$41K, Operating Expenses were down \$37K and the Provision for Loan Loss decreased by \$54K. Note the NCUA examiners require us to provide a certain percentage in reserve for each loan category. Net income was down \$8.4K for 2019.

Our membership decreased by 137 over the prior year due to dormant accounts, which now are required to be reported after 3 years of inactivity, instead of 5 years. Non-performing loan charge-offs totaling \$61.5K were made in 2019, primarily due to Signature Loans and Automobile loans. The Loans-to-Assets ratio goal we would like to have (be) is over 60% and we achieved 60.69% which was lower than 2018 due to our decrease in the loan portfolio. During 2019, our dividend rate remained at 0.20%. Current interest rates in the market-place are expected to decrease.

On the motion by Jeff Rinehart, and seconded by Jeff Baker, the Treasurer's Report was unanimously approved by the members.

Michele Timpe presented the **Manager's Report** by starting off explaining how 2019 was a much better year than 2018 for the credit union due to charge-offs at a much lower percentage. We recognize that we need to continue to focus on technology of how to make things easier for the member either by opening an account online, applying for a loan through DocuSign or by their accessing accounts online through our Virtual Branch site. The survey resulted in over 60 responses from the membership which was a great turnout since we haven't seen a response for a period of time. Last year we did introduce Text communication which is a great feature to reach out to members if no email address is available. We also introduced Visa Gift Cards.

On the motion by J.T. Hwang, and seconded by Pat Dywan, the Manager's Report was unanimously approved by the members

The **Credit Committee Report** was presented by Ray Moen, who reported that the committee consists of Deanna Young, Rae Jensen, Monique Antos and Ray Moen, as Chairman.

During 2019 the committee approved 102 new loan applications requesting more than \$1.6M, which was an increase of 15% from the \$1.38M approved in 2018. We continue to see new and used automobile loans to be one of our most popular programs with a small increase in Signature Loans. We currently have 687 VISA card accounts on file which have also been reviewed by the Committee. In 2019, 3 new First Mortgage Loans were completed for more than \$480,000, and 16 new Instant Advance Loans were written for \$18K

The Committee encourages fellow members to consider the Credit Union for their borrowing needs, especially with our 1.0% cash back on vehicle loans and other special loan programs. Ray expressed how privileged he felt to serve with these hard-working volunteers and he thanks Deanna Young, Ray Jensen, and Monique for their time and thanked Dan Carroll for

his support and participation with the committee for these last three years of service and wish him the best. On a motion by Patti Rice, seconded by Jeff Rinehart, the Credit Committee report was unanimously approved by the members.

The **Supervisory Committee Report** was presented by J.T. Hwang. The committee consists of Christopher Patti (Chairman), Scott Harmon and J.T. Hwang. During 2019, Desmond & Ahern performed the Agreed Upon Procedure audit as of June 30, 2019. This type of audit is performed as required by NCUA rules. There were no material concerns but some recommendations.

During the past 12 months, the committee conducted a total of 14 various audits throughout the year such as surprise cash count on teller drawers, review on-going file maintenance report of member's accounts on shares, loans, address changes, etc., bank reconciliations along with general ledger activity for allowance for loan loss, negative shares and dormant accounts followed all the way through to escheatment. A membership verification was performed this year by the committee which is required every 2 years. No significant exceptions were noted in our various audits.

On a motion by Nancy Nelson, and seconded by Rob Schick, the Supervisory Committee report was unanimously approved by the members.

Copies of all the reports, Agenda of the Annual Meeting, and the attendance list are attached to these minutes.

Unfinished Business:

There was no unfinished business

New Business:

The President then called for nominations for the election of three directors. Thomas Mullen of the Nominating Committee gave the report. The Nominating Committee for this year's Annual Meeting of Members consists of Dave Lacey, Thomas Mullen and Bob Doty. The Committee nominated the following persons to be Directors of the Credit Union for a three-year term to March, 2020: Dick Poirier, Jeff Garrison and Rob Schick. Eugene Sheeren has declined to serve for another term. These three nominated persons were contacted and have volunteered to serve the members of the credit union. Mr. Mullen called for any additional nominations from the floor and there were none.

A motion was made by Jeff Rinehart, and seconded by Nancy Nelson, to unanimously elect these three nominated members. On behalf of the Credit Union Directors, Committees, Staff and members, Dave Lacey thanked and presented plaques to the following retiring directors for their years of service to the CB&I Federal Credit Union.

- | | | |
|------------------|---------------------|--------------------------------|
| • Eugene Sheeren | 26 Years of Service | Director and Various positions |
| • Dan Carroll | 3 Years of Service | Credit Committee |
| • Robert Latzke | 4 Years of Service | Supervisory Committee |

A drawing for five \$25 door prizes was held. Winners were: Yvonne Smith, Jeff Baker, Michele Timpe, Frank Bianchetta and Fran Parkison.

There being no further business to come before the meeting, the meeting was adjourned at 5:25 p.m., on a motion by J.T. Hwang, and seconded by Patti Rice. This motion was unanimously approved by the members.

Dave Lacey, Chairman _____

Thomas Mullen, Acting Secretary _____

Director's Report

Dave Lacey

Treasurer's Report 2020 Bob Doty



CBI FEDERAL CREDIT UNION
13717 S. Route 30, Unit 157
Plainfield, IL 60544

Charter Number 15848

Financial and Statistical Report

12/31/2020

12/31/2019

BALANCE SHEET

Assets

Regular Loans	2,734,206	4,166,148
First Mortgage Loans	3,543,004	4,227,499
Home Equity Loans	52,073	126,691
VISA Balances	712,604	881,993
Total Loans	7,041,887	9,402,331
Less: Allowance for Loan Losses	-120,486	-130,126
Net Loans	6,921,401	9,272,205
Cash	148,818	213,081
Federal Agency Securities / U.S. Gov't Obligations	300,000	600,000
Alloya Corporate F.C.U. Deposit	2,293,960	804,545
Alloya Corp. Certificates of Deposit	0	0
Certificates of Deposits at Banks & CUs	8,065,112	4,958,106
Money Market Accounts at Banks & CUs	1,183,293	1,078,627
VISA Clearing Fund	24,883	27,658
NCUSIF Capital Deposit	154,938	167,478
Net Investments	12,022,186	7,636,414
Furniture, Equip. and Office Space (net of depreciation)	0	0
All Other Assets (prepaids and accruals)	39,025	238,303
Total Assets	19,131,430	17,360,002

Liabilities and Equity

Accounts Payable & Disputes Pending	-8,903	10,297
VISA Payments in Process	0	1,333
Dividends Payable	-1,578	0
Taxes Payable	1	5
Accrued Expenses	20,568	15,262
ATM in Transit or Drafts in Process	21,228	37,200
Total Liabilities	31,316	64,097
Members' Savings	9,039,153	8,709,857
Holiday Club Savings	10,759	13,014
Money Market Accounts (new in '18)	309,673	133,623
Share Draft Accounts	5,173,164	4,229,746
Term Share Certificates	1,649,321	1,496,707
Individual Retirement Accounts	1,151,043	910,150
Total Shares	17,333,114	15,493,097
Regular Reserve	500,000	500,000
Undivided Earnings	1,267,000	1,302,808
Total Liabilities and Equity	19,131,430	17,360,002



CBI FEDERAL CREDIT UNION
13717 S. Route 30, Unit 157
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Charter Number 15848

Financial and Statistical Report

12/31/2020

12/31/2019

STATEMENT OF INCOME

Income

Interest from Regular Loans	165,871	216,985
Interest from First Mortgage Loans	145,296	172,781
Interest from Home Equity Loans	3,962	7,462
Interest from VISA Outstanding Balances	56,816	64,856
Total Income From Loans	371,945	462,084
Interest from Investments	140,775	155,711
Total Interest Income	512,720	617,795
VISA Interchange Income (from Debit & Credit Cards)	68,079	77,509
Other Income (Fees and FML Referral Income)	28,663	35,551
Gain on Investments (or Loss)	0	0
Other Non-Operating Gain (or Loss)	0	0
Total Income	609,462	730,855

Expenses

Employee Compensation	198,545	194,646
Employee Benefits	29,011	29,664
Association Dues (ICUL)	11,054	11,829
Office Occupancy	34,521	34,528
Office Operations & Conference Costs	57,912	53,997
Loan Servicing & FML Costs	19,013	15,970
Card Processing Expenses (CSCU/FIS, LSC/ICUL)	93,841	108,427
Account Processing Services (Fiserv, FSCC, CO-OP)	107,205	112,478
Annual Audit and NCUA Examination Fees	10,930	8,922
Miscellaneous (incl. \$4,200 Fraud Loss & \$3,200 Legal Fees in '20)	8,083	662
Total Operating Expenses	570,115	571,123
Provision for Loan Losses	19,000	110,686
Interest Paid on Borrowed Money	0	0
Total Expenses Before Dividends	589,115	681,809
Dividends Paid (No Dec. Bonus Dividend In '19 or '20)	56,154	57,427
Total Expenses	645,269	739,236
Regular Net Income (before Extraordinary Expenses)	-35,807	-8,381
NCUA Corporate Stabilization Plan (2009-13 = -\$1:	0	0
Reported Net Income (no NCUA Assessments were required)	-35,807	-8,381



CBI FEDERAL CREDIT UNION
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Charter Number 15848

Financial and Statistical Report	change	12/31/2020	12/31/2019
Amount Transferred To Regular Reserve		0	0
Net Income Transferred To Undivided Earnings		-35,807	-8,381
Number of Members at Year-End	(78)	1,718	1,796
Dollar Amount of Loans Made During the Year		1,601,817	2,102,420
Number of Net New Loans Made During the Year	(62)	59	121
Dollar Amount of Loans Made Since Organization		82,312,779	80,710,962
Number of Loans Made Since Organization	59	12,705	12,646
Dollar Amount of Delinquent Loans at Year-End		208,817	436,985
Loan Amounts Charged-Off		33,293	61,515
Recoveries on Loans Charged-Off		4,256	9,072
Home Equity Lines of Credit		0	707,700
Number of Active Home Equity Loans		7	7
VISA Lines of Credit		3,523,824	4,145,744
Number of VISA Credit Cards on File	(106)	581	687
Number of Active Classic Cards	(54)	211	265
Number of Active Platinum Cards	(19)	165	184
Loans / Shares Ratio		40.63%	60.69%
Loans / Assets Ratio		36.81%	54.16%
Total Investments / Assets Ratio		62.84%	43.99%
Total Reserves + ALL / Assets Ratio		9.87%	11.13%
Total Reserves + ALL / Total Loans		26.80%	20.56%
Delinquent Loans / Total Loans		2.97%	4.65%
Return on Average Assets (ROA)		-0.20%	-0.05%
NCUA Net Worth / Assets Ratio (Capital Ratio)		9.24%	10.38%
Regular Net Income Percent of Total Income (before NCUA Assessments)		-5.88%	-1.15%

Manager's Report

Michele Timpe

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- Share Savings
- Holiday Accounts
- Individual Retirement Accounts (IRA's)
- Money Market Accounts
- Share Certificates



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- Shared Branching
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Types of Loans

- Personal Loans/Signature
- New & Used Automobile Loans
- New & Used Motorcycles
- Boat & RV Loans
- First Mortgage Loans
- Share Secured Loans
- Visa Classic Credit Card
- Visa Platinum Cash Back Credit Card with full 1% cash back
- GAP Insurance

Credit Committee Report Ray Moen

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Balancing Act**

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Supervisory Committee Report Chris Patti

**Unfinished Business
New Business**

Questions?





*Serving YOU Since 1963 and
look forward to the future.*

CBI Federal Credit Union
13717 S. Route 30, Unit 157
Plainfield, IL 60544
(800) 699-5417
www.cbifcu.org