

## Minutes of Core Credit Union Annual General Meeting, 7<sup>th</sup> December 2019 Royal Marine Hotel, Dún Laoghaire, Co. Dublin

### **Present Board:**

Elizabeth Harpur Chair, Siobhan Hackett Acting Secretary, Elaine Hughes Vice-Chair, Liam Sullivan, Alan Guerins, Martina Cox, Tony Kirwan, Mary O’Riordan, Wendy Crimmins

### **Present Board Oversight:**

Eamon Delaney Chair, Lia Downer, Mary Burnham

### **Management Staff:**

Michael Byrne CEO, Brendan Kelly, Amanda Dillon, Claire McCann, Mark Ryan

### **Apologies:** Deirdre Keane, John O’Reilly Honorary Secretary

The Chair called the meeting to order at 2.00pm stating the board’s acceptance of the authorised representatives of Members that are not natural persons and ascertained that a quorum was present there being 110 members in attendance.

### **1. Adoption of Standing Orders (Annual Report P 4)**

*Proposed and seconded from the floor.*

### **2. Reading and Approval of Minutes**

The minutes of the 2018 AGM were given to members at the entrance to the meeting, once they had signed in.

*Proposed: Siobhan Hackett*

*Seconded: Jean Dillion Byrne*

*Corrections: Jean O’Hara – Liam O’Sullivan was not present at the 2018 AGM.*

*Questions: Hugh Maguire – Can the minutes be issued before the meeting.*

*Comments: Jean O’Hara – The minutes could be included in the AGM booklet.*

*Responded: Michael Byrne CEO – If the minutes are included in the AGM booklet they will increase the weight of the booklet and push it into the next postage band, which would cost Members more money. If some of the reports were taken out, the minutes could be included and it wouldn’t affect the postage costs, but then the members who don’t attend the meeting would not get to read the CEO’s and Chair’s report. Michael Byrne asked for a show of hands for and against the minutes being included in the AGM booklet – against won.*

### **3. Chairperson’s Address (Annual Report P’s 8-10)**

Elizabeth Harpur Chair presented her report as per pages 8 – 10 in the Annual report. The key points included:

- Welcome Brendan Kelly to the role of Risk Officer. Brendan and our Compliance Officer, Tracey McAreavey, together with our internal and external auditors, are providing a framework to assure Board, the Central Bank and members that our Credit Union is well managed and governed.
- We implemented a cap on savings of €40,000 which resulted in €7m being returned to members. However, we still had a net increase of €3.2m in savings in the year.
- Our property strategy to right-size our premises continues and we are on target to complete the plan within the next 24 months.

- The launch of our new current account service.
- In January, we will be launching our “People Insurance” brand which will initially include Home, Travel and Life Insurance.
- Core Credit Union have been involved in a knowledge exchange with American Credit Unions who, have dealt with the challenges we currently face.
- While we have received the support of the American Credit Unions, we have been providing coaching support to Credit Unions in The Gambia.
- On the 9th May, we celebrated the official 50th Anniversary of Dalkey Credit Union.
- Sadly, this year we lost Noel Ryan who was one of the founder members of Shankill Credit Union. We also lost Gerry Cahill, who was a long-time director of Dalkey Credit Union. We want to express our condolences to their families and also the families of all 240 members who died during the year.
- Thank you fellow directors, Board oversight committee members, members, volunteers and staff, particularly the CEO Michael Byrne, for their continued hard work, support and commitment throughout the year. I wish to pay a special tribute to Liam Sullivan, who is stepping down this year after 50 years’ service both as a staff member and Board member.

#### **4. First half of the attendees Prize Draw**

There were 15 tickets drawn for prizes such as bottles of wine and chocolates. Members attending the meeting held one ticket each.

#### **5. CEO’s Report (Annual Report P’s 11-12)**

Michael Byrne CEO presented his report as per pages 11 – 12 in the Annual report.

The key points included:

- The report of the Credit Committee, presented by Amanda Dillion.
  - During 2019 two thirds of loans issued were for less than €2,000.
  - The total value of loans issued = €27.6million.
  - The number of loans issues = 8,095.
  - New lending legislation has been published by the Central Bank – we can now offer large home improvement loans and mortgages over a longer term.
- The report of the Credit Control Committee, presented by Clare McCann.
  - The number and amounts of loans in arrears has decreased again this year.
  - During the year we recovered €320,400 of bad debts and €331,943 of loans were written off.
  - The Central Credit Register is also helping. Members who had failed to engage with us are now finding that they cannot access credit elsewhere.
  - We encourage anyone who has had a loan with us in the past, which has not been repaid in full within the terms of the credit agreement, to contact us.
- The report of the Membership Committee, presented by Mark Ryan.
  - This year we welcomed 1,856 new members to Core Credit Union. Two-thirds of all new members who joined this year are under the age of 35.
  - While only recently launched, we are starting to see new members joining specifically to avail of our new Current Accounts. We expect to see this trend continue once we promote the current accounts externally in 2020.
  - We have had another successful year with our Schools Savings scheme and we now have 17 primary schools participating and over 900 children saving with us on a regular basis.
  - In 2019 we launched our electronic membership application.
  - In 2020 we plan to launch Credit Union membership through employers.
- Michael Byrne:
  - We are faced with many challenges, some of which we have control over, but many are controlled by others.

- €10 million of our investments are either earning 0% or negative rates of interest. In November, we paid banks €3,800 to hold your money.
- We have been working hard to address these issues. In 2012 the board and CEO set out a strategy called 'beyond 2020'. This strategy envisaged that in a time beyond 2020 people would be paying for and doing everything from their phone or something even more advanced.
- It's astonishing that so much in our strategic plan which could have been considered as unrealistic in 2012 has come to pass. This strategy did set us on the correct path.
- After a number of years waiting for others to provide the services our strategy demanded, we took the initiative along with a number of like-minded credit unions and have worked hard to deliver a current account where members can pay for things worldwide with a simple tap. In 2020 this will also be on your phone.
- In 2020 we will also be launching our holiday, home and life insurance products which will be delivered true to credit union values.

## 6. Auditor's Report (Annual Report P's 19 - 21)

Denise O'Connell FCA for the auditors Grant Thornton presented her report and the accounts to the members. She outlined the financial position and figures for the year in detail. She thanked the staff for facilitating and enabling them to carry out their statutory duties.

*Proposed:* Elizabeth Harpur, Chair

*Seconded:* Tom McLaughlin

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*Questions:* Aoibhinn O'Toole as follows:

- *Can a full list of subscriptions be provided?*
- *In the Chairs report what other high cost items are being reviewed apart from the insurances?*
- *What is the cost to the Credit Union for launching Peopl. Insurance?*

*Responded:* Michael Byrne CEO, Elizabeth Harpur, Chair.

*Actions:* A full list of subscriptions is to be provided to Members.

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*Questions:* Gary Kelly as follows:

- *The employment cost have increased from 2018 – 2019.*
- *What is the CEO remuneration? Broken down by Salary, Benefit in Kind, Bonus, Pension and Exit package?*
- *Why was the CEO's salary not ratified by the Members?*
- *What is the Key Management remuneration?*
- *What do Key Management do to avail of benefits?*
- *Who is in receipt of Motor Vehicles?*
- *Why are there Holiday pay accruals?*
- *Computer Maintenance has increased from 2018*
- *Why is Legal and Professional fees so high?*
- *Why have the travel expenses increased?*
- *What is involved in Promotion and Sponsorship?*
- *Who and what are being sponsored?*
- *There is a surplus, but no dividend, why?*
- *What is the current Dún Laoghaire office being sold for?*
- *What is the cost of buying and fitting out the new "Eason's" premises?*

- *There is no parking for Members outside new office.*

*Responded: Michael Byrne CEO*

*Comments: Tom McLoughlin – Salary is not excessive, CEO deserves to be remunerated properly.*

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*Questions: Jean O’Hara*

*A proposal was put to the floor that no changes to the insurances should go ahead until a members meeting was held to discuss the options available. This proposal was proposed by Jean O’Hara and seconded by Jaqueline Plunkett, it was carried by the floor.*

*Responded: Michael Byrne CEO and Brendan Kelly Risk Officer*

*Actions: Michael Byrne confirmed he accepted the proposal but will need to confirm the legality of it.*

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*Questions: Hugh McGuire as follows:*

- *He is concerned about the increasing costs but believes the Board are watching it.*
- *Is there any risk to the Credit Union with respect to Pensions?*
- *What is the breakdown of the Central Bank costs / levies?*
- *What is the reduction of insurances?*
- *Compared Core Credit Unions benefits to Capital Credit Unions, and Core Credit Union is much more beneficial to members.*

*Responded: Michael Byrne CEO and Denise O’Connell, Auditor*

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*Questions: Jean O’Hara as follows:*

- *The travel expenses have increased over the last 3 years.*
- *How much does the “Easons” building cost?*
- *How much does “Clara House” cost? When will staff move in?*
- *How many credit cards does the Credit Union have?*
- *How does SEARS law affect the Credit Union?*
- *Will the new insurance company be regulated by the Central Bank?*
- *When did the Board last review the staff contracts?*
- *Can it be explained clearly in the accounts if a heading is being re-classified?*
- *Can the CEO clarify what medium to long term means?*

*Responded: Michael Byrne, CEO, Brendan Kelly, Risk Officer, Denise O’Connell, Auditor.*

## **7. Board Oversight Committee Report (Annual Report P 13)**

Eamonn Delaney read the report and stated the Board Oversight Committee is satisfied that all duties and responsibilities were carried out in accordance with the rules and regulations as set down by the Act. We are satisfied that the Board of Directors has complied and operated in accordance with Part 4 and Part 4a of the Act.

## **8. Declaration of Dividend**

The Chair declared that there would be no dividend this year, and that the Board do not expect to declare a dividend in the next two to three years.

*Questions: Aoibhinn O’Toole – How do you know you don’t expect to declare a dividend in the next few years.*

*Responded: Elizabeth Harpur, Chair, It will be reviewed based on the revenues.*

## 9. Risk, Audit and Compliance Committee Report (Annual Report P 13)

Elaine Hughes presented the Risk, Audit and Compliance Report. In the past year the Committee:

- Oversaw the implementation of the Credit Union Risk and Compliance plans;
- Reviewed reports from risk, compliance and internal audit functions and oversaw the implementation of recommendations therein;
- Conducted a full review of the Risk Register and Risk Management system;
- Oversaw the implementation of risk and compliance requirements relating to the introduction and operation of the Member Personal Current Account Service;
- Reviewed the performance and effectiveness of the Internal Audit function; and
- Monitored and reviewed the likely impact of external factors on the Credit Union such as Brexit.
- Over the past year the Risk, Compliance and Audit Committee has continued the improvement of controls based on recommendations of the Central Bank of Ireland, our internal auditors Moore and our external auditors Grant Thornton.

## 10. Insurance Report

Alan Guerins presented the Insurance Report.

- During the year the following claims were processed:
  - 46 deceased members had loans to the value of €178,300 cleared, working out at an average of €3,876 per member;
  - The estates/nominees of 170 deceased members received €357,684 in Life Savings Insurance, working out at an average of €2,104 per member and;
  - The estates of 155 deceased members received €1,300 each of Death Benefit Insurance totalling €201,500.
- The total claims paid out to members during the year was €737,484. Premiums paid by the Credit Union for this insurance totalled €943,562. A rebate of €75,346 was received against our 2018 insurance premiums.
- We have resisted making changes for as long as possible to the insurances we provide Members. The easy option is to cut insurances, but as a Board we want to ensure that any changes introduced are done so in the fairest manner possible. We have undertaken a number of reviews. In October ECCU (the League owned insurance company) introduced alternatives which we will now consider.
- It is our intention to introduce a revised insurance regime from 01/July/2020.

## 11. Nominations Committee Report / Notice of Elections (Annual Report P 14 - 15)

Siobhan Hackett presented the Nominations Committee Report and Notice of Elections

Siobhan Hackett confirmed Grant Thornton was up for election as Auditors. There were four candidates for election to the Board of Directors: Wendy Crimmins, David Lyons, Deirdre Keane and Elaine Hughes. There were three candidates for Election to the Board Oversight Committee: Eamon Delaney, Mary Burnham and Lia Downer.

Siobhan Hackett called for volunteers to be appointed to act as tellers and to oversee the count of the vote. 6 tellers were appointed – Helen New, Leann McGovern, Stephanie Moraghan, Natasha Murphy, Darren Turner and Carmel Gough. Eamonn Delaney from the Board Oversight Committee supervised the count.

All four candidates were elected to the Board of Directors. Grant Thornton was elected as auditors and all three candidates were elected to the Board Oversight Committee.

*Questions: A Member from the floor asked why does there need to be a vote, when the number of positions available are the same as the number of people up for election?*

*Responded: Michael Byrne CEO – It is a legal requirement to hold a vote for the positions.*

*Questions: Hugh McGuire - How does someone become a director?*

*Responded: Siobhan Hackett, Nomination Committee, explained the nominations process.*

*Questions: Jean O'Hara – Where are the local member forums?*

*Responded: Michael Byrne, CEO, confirmed that the local member forums will be reactivated.*

## **12. Motions (Annual Report P 44 - 45)**

### **Motion 1**

“That this annual general meeting approves the deduction of an affiliation fee of €1.48 per adult member.”

*Proposed: Elizabeth Harpur, Chair*

*Seconded: Hugh McGuire*

Motion 1 was put, voted upon and carried.

### **Motion 2**

That this Annual General Meeting agrees to insert a new 84A into the Standard Rules for Credit Unions (Republic of Ireland), to read as follows:

#### Rule 84A. Membership Officer

- (1) The board of directors may approve the appointment of a person by the manager as a membership officer to assist the membership committee and work under its supervision and control.
- (2) A record of each application for membership which has or has not been approved shall be furnished by the membership officer to the membership committee no later than seven days of receipt of the application.

This motion is a rule amendment approved by the ILCU AGM which we are required to adopt.

*Proposed: Elizabeth Harpur, Chair*

*Seconded: Catherine Dunne*

Motion 2 was put, voted upon and carried.

### **Motion 3**

That this Annual General Meeting agrees to amend Rule 13(1)(ii) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of “or by a duly appointed and authorised Membership Officer”, to read as follows:

#### Rule 13. Qualifications for membership

- (1) An applicant shall be admitted to membership only when:
  - (i) it shall have been determined that he is eligible for membership in accordance with rule 11; and
  - (ii) his application for membership shall have been approved by the affirmative vote of a majority of the board of directors or by a duly appointed and authorised membership committee present at a meeting at which the application is considered, or by a duly appointed and authorised Membership Officer.

This motion is a rule amendment approved by the ILCU AGM which we are required to adopt.

*Proposed: Elizabeth Harpur, Chair*

*Seconded: Aoibhinn O'Toole*

Motion 3 was put, voted upon and carried.

#### **Motion 4**

That this Annual General Meeting agrees to amend Rule 83 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "and/or membership officer", to read as follows:

Rule 83. Duties of membership committee and/or membership officer

Subject to these rules and the Act, the membership committee and/or membership officer shall:.....

This motion is a rule amendment approved by the ILCU AGM which we are required to adopt.

*Proposed: Elizabeth Harpur, Chair*

*Seconded: Mary Burnham*

Motion 4 was put, voted upon and carried.

#### **Motion 5**

That this Annual General Meeting agrees to amend Rule 1(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "membership officer", to read as follows:

Rule 1. Interpretation

'officer' includes:

- (a) the chair, the secretary or any other member of the board of directors, a member of a principal committee, a member of the board oversight committee, risk management officer, compliance officer, credit officer, membership officer or credit control officer of the credit union,
  - (b) an employee of the credit union to whom paragraph (a) does not apply, and
  - (c) a voluntary assistant of the credit union,
- but does not include an auditor appointed by the credit union in accordance with the requirements of the Act;

This motion is a rule amendment approved by the ILCU AGM which we are required to adopt.

*Proposed: Elizabeth Harpur, Chair*

*Seconded: Paul Roche*

Motion 5 was put, voted upon and carried.

#### **Motion 6**

That this Annual General Meeting Amends Rule 34(4) to read as follows:

The credit union may make loans to persons ceasing to have the common bond required of members of the credit union provided the total amount outstanding in respect of all such loans shall not exceed thirty per cent., or such larger percentage as may be approved by the Bank, of the total amount outstanding in respect of all loans made by the credit union to its members.

*Proposed: Elizabeth Harpur, Chair*

*Seconded: Aoibhinn O'Toole*

*Comments: Jean O'Hara – Proposed an amendment to the motion that the loans outside the common bond be recorded separately. Seconded: Lou Hellet. Amendment carried. A Substantive Motion was then put to the floor, this was Seconded by Aoibhinn O'Toole, and carried.*

Motion 6 was put, voted upon and carried as a substantive motion.

**Motion 7:**

That this Annual General Meeting Amends Rule 7(1) to read as follows:

The registered office of the credit union shall be:

Clara House, 37 Glenageary Park, Glenageary, Co. Dublin, A96 E26.

Or such other place as May from time to time be determined by the Board of Directors.

*Proposed: Elizabeth Harpur, Chair*

*Seconded: Tom McLoughlin*

*Questions: Paul Roche – Why is there a need for the line “Or such other place as May from time to time be determined by the Board of Directors”.*

*Responded: Michael Byrne, CEO – This line is needed as per the Rule book*

Motion 7 was put, voted upon and carried.

**13. Second half of the attendees Prize Draw**

There were 15 tickets drawn for prizes such as bottles of wine and chocolates. Members attending the meeting each held one ticket.

**14. AOB**

*Questions: Mary Burnham asked the floor to confirm with a show of hands if they were happy with the venue and format of the AGM this year and would they like to repeat it next year. The suggestion was carried.*

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*Questions: Jean O'Hara asked how long it took for the Board to respond to letters.*

*Responded: Elizabeth Harper, Chair, confirmed letters were responded to in 7 days.*

*Comment: Maureen McCall, made a comment that she had no reply to a letter she sent to the Credit Union about a missing statement in 2018 and was this a data protection issue.*

*Responded: Michael Byrne, CEO, said he would follow up on this with her after the meeting.*

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*Comment: Aoibhinn O'Toole commented that in her opinion the costs of running Core Credit Union are 11% higher than the average in the sector. She feared the credit union is on the verge of insolvency. She feared the regulator will need to be fully relied on due to the costs of running Core Credit Union.*

*Responded: Michael Byrne, CEO, responded that if the costs of the insurances were taken out, our costs are like for like.*

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*Questions: Jean O'Hara are what happened to the Town Hall meeting?*

*Responded: Michael Byrne, CEO, confirmed it will happen in line with the Insurance meeting.*

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*Questions: Jean O'Hara who are the Clearing Bank?*

*Responded: Michael Byrne, CEO, confirmed BNP are currently, but we are moving to Intesa.*

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*Questions: Jean O'Hara When is the discontinuation of the disability insurance happening?*

*Responded: Michael Byrne, CEO, January 2019.*

*Action: Check if any members who got their confirmation of this insurance letter this week, are still entitled to it.*

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*Questions: Hugh McGuire – Who monitors bad debts?*

*Responded: Jean O'Hara – In her capacity as member of the Credit Control Committee, the Credit Control Committee monitor bad debts.*

The meeting was closed at 4.30pm and the Chair thanked everyone for their attendance.