



*Serving the Financial Needs of our City's Best*

ANNUAL REPORT | 2016

*City & Police*  
FEDERAL CREDIT UNION



## Agenda | 82nd Annual Meeting

Tuesday, March 28, 2017 | 11:00 AM

|  |                       |
|--|-----------------------|
| <b>Call To Order</b>                             | Richard L. Townsend   |
| <b>Invocation</b>                                | Darryl R. Daniels     |
| <b>Determination of a Quorum</b>                 | Gregory H. Strickland |
| <b>Roll Call of Officials</b>                    | Gregory H. Strickland |
| <b>Reading of March 22, 2016 Minutes</b>         | Gregory H. Strickland |
| <b>Chairman's Report</b>                         | Richard L. Townsend   |
| <b>Supervisory Committee Report</b>              | Darryl R. Daniels     |
| <b>Treasurer's Report</b>                        | Jimmy A. Holderfield  |
| <b>President's Message</b>                       | Aaron L. Logue        |
| <b>Old Business</b>                              | Richard L. Townsend   |
| <b>New Business</b>                              | Richard L. Townsend   |
| <b>Election Results</b>                          | Thomas J. McGivney    |
| <b>Organizational Meeting of New Officials</b>   | Board of Directors    |
| <b>Announcement of 2017 Officials</b>            | Richard L. Townsend   |
| <b>Incoming Chairman</b>                         | 2017 BOD Chairman     |
| <b>Appointment of 2017 Supervisory Committee</b> | 2017 SC Chairman      |
| <b>Adjourn Meeting</b>                           |                       |



# Minutes | 81st Annual Meeting

Tuesday, March 22, 2016 | 11:00 AM

**Social:** Members were given an annual meeting packet as they entered the building. All members 18 years of age and older were given a door prize ticket for the two door prize drawings.

**Call to Order:** Chairman Dan Principe called the meeting to order at 11:00 a.m.

**Invocation:** Supervisory Committee Member Darryl Daniels gave the invocation.

**Determination of a Quorum:** Secretary Jimmy Holderfield stated approximately 24 members were in attendance, constituting a quorum.

**Roll Call of Officials:** Secretary Holderfield took the roll call. All Board of Directors and Supervisory Committee members were present.

**Reading of March 24, 2015 Minutes:** Motion by Charles Ford, 2nd by Richard Townsend to dispense with reading of the Minutes. Motion carried.

**Chairman's Report:** Chairman Principe thanked everyone for their membership with City & Police. He stated it is an honor serving them and their family members. Principe encouraged everyone to continue supporting City & Police and suggested for them to invite their grandchildren to join the Credit Union as well. He reviewed the report noting that the Board of Directors work to ensure that the Credit Union operates in a safe and sound manner. Principe thanked everyone for attending and also recognized Director Emeritus, Thomas McGivney, noting his 39 years of Credit Union service. Principe ended by stating the Credit Union continues to grow and strengthen year after year. That trend is expected to continue in 2016 and beyond.

**Supervisory Committee:** Supervisory Committee Chairman Lawrence Schmitt stated the Committee is honored to serve the membership of City & Police. The Committee acts on behalf of the membership by monitoring the Credit Union operations. They retained the professional services of Nearman, Maynard, Vallez, CPAs, an independent public

accounting firm, to assist in meeting the Committee's audit requirements and conduct a verification of member accounts. The Credit Union received a clean report with no significant concerns. Schmitt stated it is the opinion of the Committee that the financial statements published in this report fairly and accurately represent City & Police Federal Credit Union's financial condition and that the Credit Union is managed soundly and in accordance with all state and federal regulations.

**Treasurer's Report:** Treasurer Charles H. Ford reviewed the 2015 financials report. The report included: Assets, Liabilities, Savings & Equity, Statement of Income and Expense. Motion by Jimmy Holderfield, 2nd by Richard Townsend to accept the report as presented. Motion carried.

**President's Message:** President Aaron Logue opened by thanking everyone for attending the meeting and thanked the Board of Directors and Supervisory Committee for their volunteer service. He also acknowledged and thanked the Management Team. Logue began his presentation by saying there is a principal that we understand and embrace here at the Credit Union: "If you are not actively moving forward, you're slowly sliding backwards". It's a concept that Logue has always accepted on a personal and professional level. And one that needs to be acknowledged at a corporate level. He expressed the need to attract new members and stated retaining existing relationships is a top priority for City & Police. We focus on the value of membership. Logue highlighted some of the ways that City & Police were actively moving forward in 2015, such as:

- added a First Time Auto Buyer Program
- launched City & Police Home Financing
- added a Youth Checking Account product
- started issuing EMV chip credit cards
- raised our deposit rates while keeping loan rates low
- added a couple small groups to our field of membership
- upgraded various technology pieces to help improve efficiency and security.

Logue stated those advancements in-part led to our successful performance in 2015. He then reviewed some

continued

# Minutes | 81st Annual Meeting

Tuesday, March 22, 2016 | 11:00 AM

continued

of the numbers which support that statement, such as:

- 4.27% increase of our Capital ratio
- 11.50% growth of our loan portfolio, making it the second consecutive year with double digit growth.

Using 2012 as a basis and comparing it to 2015: Our average monthly loan volume in 2012 was \$256,238, and in 2015 our average was \$892,156. Our total new dollars in 2012 was \$3,074,854, and in 2015 was \$10,705,872. Total # of loans in 2012 was 419, whereas 2015 had 965. Our delinquency ratio as of December 31, 2012 was at 3.27%, compared to December 31, 2015 at 0.60%.

- delinquencies continue to decrease
- 6.90% asset growth
- slight membership growth
- we received Bauer Financials 5-Star rating for our financial strength.

Finally, Logue reviewed a sample of what the Credit Union is currently working on in 2016, such as:

- adding an enhancement of a funds transfer option to and from external accounts to online and mobile banking
- developing a remote membership account application
- debit EMV chip cards
- increase deposit rates for the second consecutive year
- continue providing extremely low loan rates while offering great promotions
- looking to add lobby hours on Saturdays.

We are moving forward. Logue ended with again thanking the work of our volunteers and employees, but most of all he thanked the members for their loyalty and membership.

**Old Business:** Chairman Principe called for any old business. No old business to confer.

**New Business:** Chairman Principe called for any new business. No new business to confer.

**Election Results:** Nominating Committee Chairman Thomas J. McGivney reviewed the report. He informed the membership that the Committee nominated Incumbents Gregory H. Strickland and Charles H. Ford for the two available 3-year term seats. No additional requests for nomination by petition were received. Holderfield cast the unanimous

ballot re-electing Gregory H. Strickland and Charles H. Ford on the Board of Directors. Motion by Townsend, 2nd by Schmitt to accept the Nominating Committee's nominations for the available Board seat terms. Motion carried.

**Organizational Meeting of the New Officials:** Chairman Principe stated the Board of Directors discussed the 2016 Board positions.

**Announcement of 2016 Officials:** Chairman Principe announced the 2016 positions.

*Board of Directors*

|               |                       |
|---------------|-----------------------|
| Chairman      | Richard L. Townsend   |
| Vice Chairman | Charles H. Ford       |
| Treasurer     | Jimmy A. Holderfield  |
| Secretary     | Gregory H. Strickland |
| Membership    | A. Dan Principe       |

**Incoming Chairman:** 2016 Chairman Richard L. Townsend thanked Dan Principe for his volunteer service as Chairman. He thanked the Board of Directors, Supervisory Committee and Management for their support. He stated we intend to move forward with the President's projects list of 2016. Townsend stated he is excited to see how City & Police will prosper in 2016.

**Appointment of 2016 Supervisory Committee:** The Committee was re-appointed for 2016.

*Supervisory Committee*

|                  |                     |
|------------------|---------------------|
| Chairman         | Darryl R. Daniels   |
| Committee Member | Lynette F. Clinch   |
| Committee Member | Lawrence V. Schmitt |

**Door Prizes:** After Logue guaranteed that all in attendance had a ticket, he began the drawing for two \$50 gift card door prizes. He asked Patrick Miles and Thomas McGivney to draw the winning tickets. The drawing concluded with members: Walt Knighten and Patrick Miles as the winners.

**Adjourn Meeting:** Townsend thanked everyone for their membership and for attending the meeting. Motion by Ford, 2nd by Strickland to adjourn the meeting. The meeting adjourned at 11:35 a.m.

*A. Dan Principe, Chairman Jimmy A. Holderfield, Secretary*

## *Chairman's Report*

Richard L. Townsend  
*Chairman*

On behalf of your Board of Directors and Supervisory Committee, I want to thank you for your membership and entrusting your financial assets with the Credit Union. Your Board continues to ensure the Credit Union operates in a safe and sound manner. We continue to look for opportunities to increase the value of your membership in the Credit Union.

It is an honor to serve the men and women, both active and retired, working in law enforcement throughout Clay, Duval, Saint Johns and Nassau counties. We are also proud to serve the many individuals who work for the City of Jacksonville and keep this wonderful city up and running. It's an honor to serve not only these individuals but their family members as well. No other financial institution in Jacksonville is focused on the delivery of quality financial products and services to this unique membership base.

The Credit Union performed well in 2016 and we look forward to the challenge of continuing that success in 2017 and beyond. We are committed in our mission to serve the financial needs of our city's best.

## *Supervisory Committee Report*

Darryl R. Daniels  
*Chairman*

Lynette F. Clinch  
Lawrence V. Schmitt

The Supervisory Committee is honored to serve the membership of City & Police Federal Credit Union.

The Committee acts on behalf of the membership by monitoring the Credit Union operations, ensuring that it is operating in a fiscally sound and compliant manner.

The Committee retained the professional services of Nearman, Maynard, Vallez, CPAs, an independent public accounting firm, to assist in meeting the Committee's annual audit requirements and with conducting a verification of member accounts. The Credit Union received a clean report reflecting no significant concerns as of September 30, 2016.

It is the opinion of the Committee that the financial statements published in this report fairly and accurately represent City & Police Federal Credit Union's financial condition and that the Credit Union is managed soundly and in accordance with all state and federal regulations.

If you have any questions or concerns, please do not hesitate to contact your Supervisory Committee.

## Treasurer's Report | 82nd Annual Meeting

Jimmy A. Holderfield, *Treasurer*

### Statement of Financial Condition

Year Ending December 31, 2016

#### Assets

|                                       |                     |
|---------------------------------------|---------------------|
| Net Loans to Members                  | \$33,165,494        |
| Cash on Hand & on Deposit             | \$1,262,637         |
| Investments                           | \$31,857,999        |
| Buildings, Land, Furniture & Fixtures | \$2,796,720         |
| Other Assets                          | \$686,992           |
| <b>Total Assets</b>                   | <b>\$69,769,842</b> |

#### Liabilities, Savings & Equity

|                                       |                     |
|---------------------------------------|---------------------|
| Shares / Deposits                     | \$63,027,437        |
| Other Liabilities                     | \$816,740           |
| Reserves & Undivided Earnings         | \$5,925,665         |
| <b>Total Liabilities &amp; Equity</b> | <b>\$69,769,842</b> |

### Statement of Income and Expense

Year Ending December 31, 2016

|                                   |                  |
|-----------------------------------|------------------|
| Interest Income                   | \$2,257,337      |
| Interest Expense                  | (\$79,116)       |
| Provision for Loan & Lease Losses | (\$194,000)      |
| Non-Interest Income               | \$927,940        |
| Non-Interest Expense              | (\$2,645,973)    |
| <b>NET Income</b>                 | <b>\$266,188</b> |

financial  
summary

## *State of the Credit Union*

Aaron L. Logue  
*President/CEO*

I would like to thank our membership, board volunteers and staff for a great 2016. As in recent years, the Credit Union continued to see strong performance across all sectors in 2016. Our capital ratio improved to 9.30% leaving us well-capitalized under federal guidelines. The loan portfolio grew by 13% as we granted over \$13 million in new loans. Our assets grew over 4% to \$69,769,842, and our membership remained strong at 6,068 members. Just a small picture of the success we had in 2016.

There were many product and service enhancements completed in 2016 both visible to the member and internally to our core banking systems. A few of the member facing projects include: EMV debit card mass reissue, added external funds transfer option through our online banking platform, the launching of City & Police Investment Services, share deposit rate increase and opening our lobbies on Saturdays. Internally we upgraded our core banking system, security cameras and employee training materials to name a few of the enhancements.

We have accomplished a lot over the last few years and have received many compliments. I'm reminded though that compliments are nice but criticism/recommendations are necessary. We welcome all feedback as we strive to increase the value of membership for our members. We look forward to 2017 and the years ahead as we continue to strengthen and grow.

## *Election Results*

Thomas J. McGivney  
*Chairman*

Anthony V. O'Quinn  
Clinton W. Clifton

In Compliance with the Credit Union Bylaws, the Board of Directors notified the membership of the upcoming Annual Meeting and Elections. The Nominating Committee notified the membership of their nomination of Incumbents Jimmy A. Holderfield and Richard L. Townsend for the two available 3-year term seats. They further requested other members interested in becoming candidates to complete an Elections Biographical Information form and a Petition form to be submitted within 30 days.

Annual Meeting and Election notifications were posted in each office lobby for a period of not less than 30 days.

The Committee received no additional requests for nomination by petition. Therefore, the nominations were closed and no mail-out ballot was required.



### *Downtown Branch*

501 E. Bay Street, Suite 205 | Jacksonville, FL 32202  
Mon - Thu 7:30 AM - 2:30 PM, Fri 7:30 AM-3:30 PM

### *Mandarin Branch (Operations Center)*

4675 Sunbeam Road | Jacksonville, FL 32257  
Mon - Thu 8:00 AM - 4:00 PM, Fri 8:00 AM-5:00 PM

### *Northside Branch*

2409 Dunn Avenue | Jacksonville, FL 32218  
Mon - Thu 8:00 AM - 4:00 PM, Fri 8:00 AM-5:00 PM  
Sat 9:00 AM - 1:00 PM

### *Southside Branch*

5546 Beach Boulevard | Jacksonville, FL 32207  
Mon - Thu 8:00 AM - 4:00 PM, Fri 8:00 AM-5:00 PM  
Sat 9:00 AM - 1:00 PM

### *Westside Branch*

4830 Waller Street | Jacksonville, FL 32254  
Mon - Thu 8:00 AM - 4:00 PM, Fri 8:00 AM-5:00 PM



CityFCU.com | (904) 353.2240



### *Board of Directors*

Richard L. Townsend | *Chairman*  
Charles H. Ford | *Vice Chairman*  
Jimmy A. Holderfield | *Treasurer*  
Gregory H. Strickland | *Secretary*  
A. Dan Principe | *Membership*

### *Director Emeritus*

Thomas J. McGivney

### *Supervisory Committee*

Darryl R. Daniels | *Chairman*  
Lynette F. Clinch  
Lawrence V. Schmitt

### *Management*

Aaron Logue | *President, CEO*  
Ricky Joshi | *CFO*  
Deborah Graham | *Operations Manager*  
Leisa Hogan | *Administrative Manager*  
Kristin Madole | *Marketing Manager*  
Nicholas Tsoutsos | *Collections Manager*

### *Staff*

Kristen Barrage | *Loan Processor*  
Yolanda Davis | *Loan Officer/Branch Manager*  
Paige Edwards | *Teller/Member Services*  
Sharmonique Everett | *Teller/Member Services*  
Dena Flood | *Senior Loan Officer*  
Kimable George | *Teller/Member Services*  
Nikki Goolsby | *Teller/Member Services*  
Alex Harrah | *Accountant/Research*  
Mindy Laird | *Teller/Member Services*  
Mackenzie Law | *Teller/Member Services*  
Princess Levy | *Teller/Member Services*  
Shannon LoGiudice | *Teller/Member Services*  
Kathryn McCall | *Card Services/Branch Leader*  
Joshua McCrandall | *Branch Leader/Loan Officer*  
Shelley Moore | *Teller/Member Services*  
Maria Piccione | *Senior Loan Officer*  
Phelanda Sadler | *Teller/Member Services*  
Danielle Smith | *Teller/Member Services*