



**Magnolia Federal Credit Unions' 85<sup>th</sup> Annual Meeting Tuesday, January 28, 2020**  
**Clyde Muse Center Hinds Community College**  
**Rankin Campus, Pearl, MS**

**Attending**

Board of Directors, Chief Executive Officer, employees, and members of the Credit Union.

**Call to Order**

The 85th Annual Meeting of Magnolia Federal Credit Union was called to order at 6:35 p.m. at the Clyde Muse Center of Hinds Community College Rankin Campus by Mary Barrett, Chairman of the Board of Directors. Supervisory Committee Member and Chaplin at the VA Medical Center, David Allen, gave the invocation, and Kimble Funchess's jazz band performed the National Anthem. Chairman Barrett thanked Angie Myles, Director of the Muse Center, for her hospitality. She also recognized Charlie Elliot, the CEO of the Mississippi Credit Union Association, for attending and for being a member of Magnolia Federal Credit Union. She also thanked Chuck Way, from Full of Flava Photography, for taking photographs of the meeting and Penn's Fish House for providing dinner.

**Reading of the Minutes**

Chairman Barrett invited a motion to review the minutes of the 84th Annual Meeting that was held on January 29, 2019. Chairman Barrett noted that copies of the minutes have been made available to the membership within their program book. The minutes were reviewed. A motion was made by member Gary Wilson to accept the minutes as printed. The motion was then seconded, and the motion carried without objection.

**Board of Director's Report**

Chairman Barrett delivered the Board of Director's Report. She stated that members of the Board of Directors, as well as members of the Supervisory Committee, are all members of Magnolia and volunteers. These volunteers give their time, attention, expertise, interest, and energy, all unpaid for the benefit of Magnolia members. Chairman Barrett introduced the Board of Directors, who served in 2019 who are Vice Chairman Keith Buchanan, Secretary Linda Watson, Barrie Carpenter, Robert Stringer, Charles Mullins, and Grayland Fredericks. Keith Buchanan serves as the Director of Physician Relations at St. Dominic's Hospital. Linda Watson is retired from the VA regional office after a career in the fiscal services as a Management Analyst. Barrie Carpenter works as a Public Affairs Specialist for the Social Security Administration, and she is a veteran of the United States Navy. Robert Stringer retired from the VA Medical Center as EEO Manager. He was formerly the Chairman of the Supervisory Committee at Magnolia for 11 years before he was elected to the Board of Directors in 2012. Charles Mullins has served in the financial management institution industry for 48 years as a Certified Public Accountant and as a Certified Internal Auditor. Grayland Fredericks retired from the VA Medical Center, where he worked as the Chief of Logistics and he is a veteran of the United States Army. Chairman Barrett is an attorney and has retired from the VA Medical Center where she worked as the Regional Council.



As mentioned last year, we are living in an interesting time. The Board must keep abreast almost daily of changes in the economy, employment, climate, global events, crimes, politics, prison issues, healthcare, mental healthcare, and they must comply with applicable changing federal laws and regulations. The Board must be able to make decisions with the best interest of you, Magnolia Federal Credit Union members, and your Credit Union. Board members meet monthly, or more often if necessary, attend professional credit union education conferences and participate in community events. The Board works to look out for, and is responsible for, the safety, security, and stability of Magnolia, our Credit Union. Whether you are a borrower or a saver, you own the Credit Union. Banks are owned by stockholders, not by bank customers. Credit unions are owned by the members of the credit union; those who do business with the Credit Union.

The Supervisory Committee members, just like the board, are volunteers appointed to serve by the Board. They attend our monthly board meetings, meet regularly with our external auditors, and report the auditor's findings to the Board. The Supervisory Committee is responsible for oversight of the Credit Union. The committee will present its report shortly.

This past year we recognized some outstanding scholars with the Dave Bergstrom Educational Scholarship. Dave Bergstrom was a former CEO that had a strong dedication to education. Two \$1,000 scholarships were set-up for graduating seniors who plan to attend college after graduating. The \$2,000 Oliver King Scholarship for Veterans wanting to finish school or technical school was also set up but not awarded in 2019 due to not having any applicants. Magnolia opted to award three Dave Bergstrom scholarships instead. Mr. King was a long time Magnolia employee and board member. These scholarships are to assist in the students' post-education. Jirah Jerdine, a graduate of Clinton High School, Alyssa Harcharik, a graduate of Brandon High School, and Chevalier Dorris Jr., a graduate of Raymond High School each were awarded the scholarships this year.

Chairman Barrett recognized the staff of Magnolia for the financial literacy program that they held in conjunction with Bolton Elementary School. The program involved having the students practice budgeting. Magnolia also partnered with Jackson State University in the fall of 2019. Magnolia provided \$10,000 for the support of student programs and scholarships. Magnolia was recognized on the field at the Jackson State University homecoming game for that partnership.

Chairman Barrett introduced CEO Michael Waylett.

### **President's Report**

Magnolia's CEO, Michael Waylett, recognized the management team and entire staff. Mr. Waylett stated that 2019 was a record year for Magnolia and is proud to announce historic earnings, among other accomplishments made possible by the staff.

Mr. Waylett discussed the 2019 financial highlights, starting with 2,533 New Accounts opened, \$21,945,518 in new loans approved, \$474,339 in dividends paid to members, a net worth ratio of 16.63%, and we were recently approved for a Community Development Financial Institution (CDFI) Grant in the amount of \$714,000. CDFI grants are awarded to financial institutions that serve the under-



served. Mr. Waylett shared that the CDFI grant will allow lending to expand their high-risk lending. Mr. Waylett discussed the Financial Performance representing the comparison from 2018 to 2019.

- Membership has lowered slightly to 20,358 members
- Asset size decreased to \$128 million
- Loans decreased to \$82 million due to removal of the indirect lending program
- Loan to Share Ratio decreased to 78%
- Delinquency Ratio decreased to 1.51%
- Charge-off Ratio decreased to 2.17%
- Return-on-Average-Assets was at 1.04%

Mr. Waylett stated that 2019 was a historic year and was our strongest financial year ever, with net income at \$1,347,436. Mr. Waylett stated that our net worth is up to 16.63% this year, and by NCUA standards, any ratio above 7% is well-capitalized.

Mr. Waylett spoke about Magnolia in the community. Mr. Waylett shared the extensive list of donations and partnerships Magnolia contributed to during 2019. Mr. Waylett reiterated that Magnolia partnered with Jackson State University to provide scholarships through a \$10,000 donation. Total donations in 2019 were \$48,550. By supporting Magnolia through membership, you are supporting the community since part of the income from the credit union is distributed back into the greater Jackson community. Mr. Waylett thanked everyone for their membership which helped Magnolia give back to the community.

Mr. Waylett invited everyone to visit our new branch in Flowood on Lakeland Drive, which opened in October 2019. Mr. Waylett recognized the staff of the Flowood branch.

Mr. Waylett also shared that in 2019 we introduced a new centralized lending model which is completely online and over the phone. The change has allowed Magnolia to improve customer service by lowering wait times in branches and providing quicker loan application responses.

Mr. Waylett shared that we remain in good standing with our regulators, and this year was by far the most complimentary exam we have ever had.

Coming soon, Mr. Waylett announced that we have a financial education app, Zogo, in the works. Zogo will teach financial literacy to anyone who uses it. We will also soon convert our online platform from NetTeller to Banno which is expected to offer an enhanced experience. Magnolia has recently started offering Business Accounts which will expand our services provided. There will also be many exciting loan promotions coming in 2020.

Mr. Waylett noted that we have been voted best credit union year after year and he thanked all the members who have taken the time to vote for us.



Lastly, he thanked the members for their loyalty and membership to Magnolia.

### **Supervisory Committee Report**

Chairman Barrett thanked Mr. Waylett for his leadership and attention to detail. Chairman Barrett thanked all staff on behalf of the board. Chairman Barrett then introduced Bob Metzger, Chairman of the Supervisory Committee. Mr. Metzger stated that the Credit Union is in as good of shape as it has ever been since his tenure here. Mr. Metzger shared that the Supervisory Committee is responsible for the financial oversight of the Credit Union. Mr. Metzger introduced the other Supervisory Committee members, Barry McNair, and David Allen. The Supervisory Committee engages an outside auditor that conducts thorough quarterly and yearly audits of the credit union records. The Supervisory Committee recommends actions to the board and the staff and they both do a wonderful job of seeing that the concerns are addressed. The Supervisory Committee also works closely with the NCUA to ensure that the credit union operates in a financially sound manner. Mr. Metzger is proud of Magnolia and looks forward to 2020.

### **Nominating Committee Report**

Chairman Barrett introduced Grayland Fredericks, Chairman of the Nominating Committee. Mr. Fredericks stated that the Nominating Committee is responsible for ensuring the board has suitable candidates. Mr. Fredericks stated that the selection committee this year consisted of three members: Linda Watson, Charles Mullins, and Mr. Fredericks. The committee presented Mary Barrett, Robert Stringer and Barrie Carpenter for election to the board for three-year terms. The bios of the nominated individuals are included in the program for members to review.

Chairman Barrett turned over the election to Keith Buchanan since she is up for re-election. Mr. Buchanan thanked the Nominating Committee for their work. He invited nominations from the floor to the Board of Directors. This was stated three times. Hearing none, Mr. Buchanan called for a motion from the floor to accept the nominees as presented to serve a three-year term on the Board of Directors. A motion was made from the floor by Scott Watson and seconded by many that nominees be elected by acclamation. All were in favor.

### **Unfinished Business**

There was no unfinished business discussed.

### **New Business**

There was no new business to be discussed at this meeting.

### **Results of the Election**

The results of the election are known at this time and stated in the Report of the Nominating Committee. Chairman Barrett congratulated Ms. Carpenter and Mr. Mullins on their re-election to the board and thanked everyone for attending.

There being no further business, the meeting adjourned.

Awarding of door prizes and fellowship followed the meeting.