



**Houston Police**  
CREDIT UNION

20

ANNUAL

20

REPORT



February 9, 2021

# ANNUAL MEETING

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## MEETING AGENDA

- Meeting Called to Order
- Invocation
- Welcome by Board Chairman
- Verification of a Quorum
- Meeting Minutes: February 11, 2020
- Chairman's Report
- Treasurer's Report
- Supervisory Committee's Report
- Election of Officials
  - Nominating Committee's Report
  - Nominations from the Floor
  - Vote / Collect and Count Ballots
- Old Business
- New Business
- Adjournment

## OUR HISTORY

Originally founded on October 21, 1937, towards the end of the Great Depression, Houston Police Credit Union was created by Houston police officers as a means to establish a financial institution that was owned and operated by the local police force—a financial cooperative. Their mission was to provide reasonably-priced loans and a safe place for life savings for Houston Police Department employees and their families.

The credit union had 14 charter members and in the beginning was a meager operation. When a member wanted to apply for a loan, an appointed officer would take the paperwork in his squad car to the member and then return the forms to the credit union, which was originally a small office in HPD's Property Room. Alex Laux was the first approved loan. The loan limit was \$25.00.

In 1966, with over 2,150 members and \$2.5 million in total assets, the credit union grew large enough to warrant moving out of HPD headquarters and into a separate building. Located at 1600 Memorial Drive, it is still in use as the main branch today.

Membership, assets, and product and service offerings has continued to increase over the years. With a board of directors comprised of HPD executives and officers, the credit union has continued to remain relevant to the lives of its members, even adapting the drive-up at the main branch to accommodate various official vehicles including SWAT trucks and helicopters.

As our membership has grown, so has the credit union. As of 2021, the credit union serves HPD staff, employees, and their families in three locations. Membership has grown to over 31,000 and assets have reached \$890 million. From serving academy recruits with equipment loans to retirement savings and planning, our credit union has become a vital part of our members' lives through every stage of their career.





February 11, 2020

# MEETING MINUTES

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Chairman, Dennis Storemski, called the meeting to order at 7:00pm.

The following members of the board of directors were present: Dennis Storemski, Bobby Camp, Renita Ferguson, Mattie Provost, Richard Retz and Milton "Wyatt" Martin.

The following members of the supervisory committee were present: Mark Smith. Monty Montgomery, Houston Police Department's Chaplain, gave the invocation.

Mr. Storemski began by welcoming everyone to the annual meeting. He introduced the members of the board of directors, supervisory committee and executive staff. Mr. Storemski thanked the volunteers and the entire HPCU staff for their hard work and the achievement of another successful year.

Mr. Storemski reported that the credit union had another successful year in 2019, with assets of over \$757 million and memberships over 29,000. The credit union finished the year with a 14.26% net worth ratio, doubling the well-capitalized standard of 7.00%.

Mr. Storemski reported that the credit union finished 2019 with a loan-to-asset ratio of 60.26%, with total loans of \$452 million, being the highest loan ratio experienced in many years.

Mr. Storemski reported that since the credit union exceeded its net worth ratio target threshold in 2019, the membership was given an 11.39% rebate on any interest they paid on loans and a 11.39% bonus on dividends earned. He reported that over \$3.5 million of the credit union's earnings were returned to the membership in early January.

Mr. Storemski reported that the credit union received the 2020 Credit Union National Association's Member Benefits Top Performance Award for providing the best direct benefits to its members through lower loan rates, higher than average dividends on savings and fewer or lower fees. This is the 5th time HPCU has received this award.

Mr. Storemski reported that the credit union has been in the process of upgrading its core system processor. He explained the new system will improve operations and allow the staff to provide more efficient service to the membership. It will also enhance home banking, mobile banking, automatic bill pay and other banking services.

Mr. Storemski reported the conversion to the new system will begin on Friday, February 28th through Monday, March 2nd. He explained that information was sent to the membership listing the services that will be interrupted during the conversion period.

Mr. Storemski thanked everyone with the Houston Police Department and their families for attending the annual meeting. He reported that the success and future of the credit union is a direct result of member loyalty and participation for the past 82 years and many years to come.

Mark Smith, Supervisory Committee Member, verified a quorum was present.

As everyone had been presented with the 2019 Annual Report, a motion was made to dispense with the reading of the minutes of the previous meeting and accept the minutes as presented. The motion was seconded and passed.

A motion was made to dispense with the reading of the Chairman's Report, the Treasurer's Report, and the Supervisory Committee's Report and to accept them as presented. The motion was seconded and passed.

At this time, Mrs. Ferguson reviewed the election procedures and introduced Tom Edwards, Committee Chairman of the Nominating Committee. Mr. Edwards reported that the following were the nominations from the committee:

Board of Directors – 3 Year Term

Dennis Storemski

Bobby Camp

Milton "Wyatt" Martin

Mrs. Ferguson then asked for nominations from the floor. A second call was made for nominations from the floor. After a third call for nominations from the floor, a motion was made to cease nominations and elect the nominees by acclamation. The motion was seconded and passed.

Mr. Storemski then asked for any old business that needed to come before the membership. There was none.

Mr. Storemski followed with a request for any new business. There was none reported.

The next item on the agenda was a barbecue dinner. After the dinner was served, cash drawings totaling \$5,000.00 were held.

A motion was then made to adjourn. The motion was seconded, and it passed.

D. J. Storemski, Chairman

R. L. Ferguson, Secretary-Treasurer



## Report from the BOARD CHAIRMAN

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DENNIS STOREMSKI  
Chairman

Over the past 83 years, we have learned a great deal about how to best serve our members. So much that we recognized it was time to upgrade our core processing system to something more technologically advanced. And thus 2020 began with hope, hard work and a dedication to our membership that these changes would provide our members with the best services possible. But even as 2020 began to unfold with the unprecedented event of the coronavirus (COVID-19), our members were still our priority right next to safety, and we overcame numerous obstacles together.

The U.S. government took several steps in 2020 to help minimize the impact of COVID-19. In response, the federal reserve acted by significantly lowering the federal funds rate. This ultimately drove financial institutions nationwide to adjust their rates. Although Houston Police Credit Union's deposit rates were lowered during the year, we remain committed to ensuring our rates—both deposit and loan—are competitive and desirable compared to other credit unions and banks. During these uncertain times, I take comfort in the ability, safety and soundness of the credit union to meet whatever the future holds.

With a net worth ratio of 12.81 percent, HPCU is considered well capitalized and in the unique fiscal position to face uncertain economic times. This means we can return more to our members by investing back into the resources that have the greatest impact on our members' lives such as improved digital services and good rates. We can also meet the loan needs of our members at a time when our

members may need access to credit like never before. Our prudent and diligent fiscal management of the credit union has afforded us advantages to look towards the economic storms with the utmost confidence.

HPCU did not lose focus on financial strength or stability and sustained growth in 2020. Membership increased to over 31,000 members and our assets increased to \$890 million. Collectively our members have saved over \$575 million with HPCU savings accounts. The credit union's percentage of assets invested in loans ended 2020 with a loan-to-asset ratio of 48.31 percent. In 2021, we hope to offer competitive rates and offerings to be our members first choice when they have borrowing needs.

As we look to the future, our priority remains the same: to address the in-person and virtual needs of all of our membership while maintaining everyone's safety during these unprecedented times. We continue to strive to be the primary financial institution *For Those Who Serve™* and those who support them. We are excited to see what 2021 will bring us at HPCU, and we look forward to continuously serving our members. Thank you for making HPCU your financial institution of choice. We look forward to serving you in 2021.

Respectfully submitted,

Dennis Storemski,  
Chairman

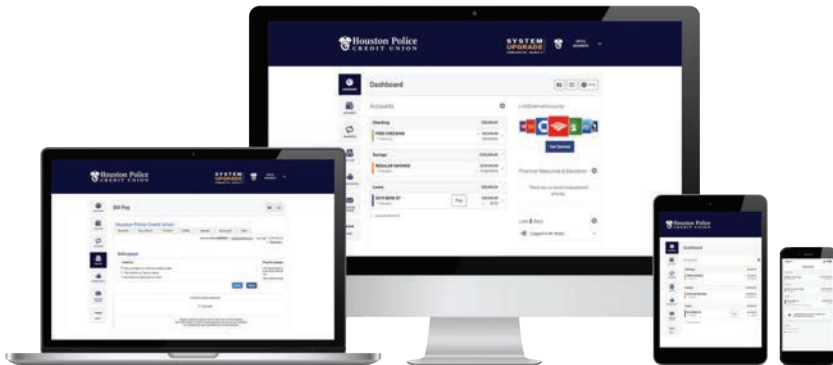


# Moving up with SYSTEM UPGRADE

SYSTEM UPGRADE WAS A HUGE SUCCESS IN 2020!

## THE UPGRADES

- Manage all your accounts in one place
- Personalize your banking experience
- Stronger security
- Custom alerts
- Snapshot instant access
- Smarter budgeting tools
- Enhanced money transfer options
- Easily accessible eDocuments
- Innovative mobile app
- More control with bill pay
- Updated telephone banking services
- Easy-to-read statements





# Report from the SUPERVISORY COMMITTEE

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MARK SMITH  
*Chairman*

Houston Police Credit Union's supervisory committee has the sole responsibility of protecting the financial health and well-being of the credit union. Our goal is to provide assurance to the membership that their investment in the credit union remains secure.

The role of the supervisory committee is to ensure that credit union policies and procedures adequately protect our members' interests, providing reasonable assurance that the regulations, policies and procedures that govern HPCU are properly followed, and providing an annual audit report of the credit union's financial condition and the results of its operations.

To help with this process, the supervisory committee engaged the services of examiners from federal agencies including the National Credit Union Administration (NCUA), along with the independent services of an external auditing firm, to help HPCU maintain compliance with all mandated laws, regulations and financial management policies.

The supervisory committee retained Doeren Mayhew CPAs and Advisors in 2019 to audit the credit union's financial statements as of and until year-end 2019. Doeren Mayhew CPAs and Advisors awarded HPCU an unqualified opinion that the prior year records, audited in 2020, fairly represent the financial condition of the credit union.

In 2020, the supervisory committee retained the services of Doeren Mayhew CPAs and Advisors to perform an audit of HPCU's financial statements as of and for the year ended December 31, 2020. The supervisory committee is pleased to report that HPCU is in good financial condition and in compliance with all state and federal regulatory directives.

Respectfully submitted,

Mark Smith,  
Chairman



# Report from the BOARD TREASURER

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RICHARD RETZ  
*Secretary-Treasurer*

Despite the pandemic, I am happy to report that Houston Police Credit Union has had another successful year of strong financial stability and growth. HPCU's assets totaled \$890 million. During these trying times, we were able to offer our membership financial relief and assistance while keeping our membership and employees safe.

During 2020, HPCU members saved more during the uncertain times. In combination with the economic impact (stimulus) payments, the credit union's assets increased by \$135 million. Membership also increased in 2020 to over 31,000 members. This pattern of stability indicates that we are meeting the financial needs of our membership with competitive products and services, higher than average savings rates and some of the lowest loan rates found anywhere. In 2020, we opened over 1,300 net new memberships. Additionally, we funded over 5,500 new loans to help members during the pandemic.

The HPCU board of directors and management team maintained careful practices to ensure that the credit union

remained healthy and well-capitalized throughout 2020. Our 12.81 percent net worth is very well regarded by our regulators, the National Credit Union Administration (NCUA). The NCUA receives detailed information from HPCU on a quarterly basis to measure our financial strength and net worth. Together, with our independent auditing firm and the credit union's management team, we continue building a prosperous future for both our members and the credit union.

As we look forward, our commitment to providing quality products and services focused on helping our members achieve financial success remains our priority. Given our strong and stable operational, financial and membership performance in 2020, our credit union is well positioned for future growth.

Respectfully submitted,

Richard Retz,  
Secretary-Treasurer

## BOARD OF DIRECTORS



**DENNIS STOREMSKI**  
*Chairman*



**BOBBY CAMP**  
*1st Vice Chairman*



**MATTIE PROVOST**  
*2nd Vice Chairman*



**RICHARD RETZ**  
*Secretary-Treasurer*



**MILTON "WYATT" MARTIN**  
*Membership Officer*



**WENDY BAIMBRIDGE**  
*Member*



**SCOTT SIMMONS**  
*Member*

## SUPERVISORY COMMITTEE



**MARK SMITH**  
*Chairman*



**JENNIFER BALDWIN**  
*Member*



**TERESA CURRY**  
*Member*



**STEVEN JOLIVETTE**  
*Member*





# Report from the CREDIT UNION PRESIDENT

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AYN TALLEY  
*President*

2020 marked the year that we successfully upgraded to our new processing system to provide better member service. With our new system, we are now able to offer many new features, functions and capabilities as well as quicker branch transactions, speedier account openings and more online convenience than ever before. At Houston Police Credit Union, we continually strive to improve your banking experience, whether you are connecting with us through our branches, call center, online or mobile services.

Looking back on 2020, I am proud of the way the credit union handled the coronavirus (COVID-19). We were amongst the first wave of businesses to close our lobbies, implement appointment protocol and enable remote member services where possible. Many of our members faced hardships we have never seen before, and I am thankful that we were able to offer financial relief through the skip-a-payment program, fee waivers and other assistance wherever we could. Keeping our members and employees safe while giving our members the best service was and still is our priority.

2020 also marked the year that I announced my retirement. After 30 wonderful years at the credit union, I

am ready to pass the torch to Kimberly Foster who has been the Executive Vice President since 2003. Through various roles, continuous education and over three decades of experience at HPCU, Kim is thoroughly prepared to lead the credit union as CEO and President. I am confident that Kim will carry on the credit union legacy and guide us all into a very bright future.

As we move forward into this next decade, we remain rooted in the commitment that a group of police officers made in 1937: to provide reasonably-priced loans and a safe place for life savings for Houston Police Department employees and their families. By continuing our pattern of success in the years to come, our members can count on HPCU being a solid financial partner. Thank you for your support and membership.

Respectfully submitted,

Ayn Talley,  
President



## Our response to COVID-19

### We provided financial relief\* by:

- Implementing a 60-day skip-a-payment program on eligible MasterCard credit cards
- Implementing a 90-day skip-a-payment program on eligible consumer loans
- Increasing VISA debit card limit to \$1,020.00 daily for ATM withdrawals and \$2,500.00 daily point-of-sale (POS)
- Waiving late fees on consumer loans, early withdrawal fees on CDs, and the \$1.50 fee for using another financial institution's ATM
- Processing mobile deposits on weekends and deposits received before 3:00pm the same day

\* Excluding the increase to debit card limits and processing of mobile deposits, the financial relief listed was only provided during limited periods in 2020 and is no longer available.

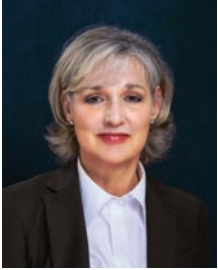


### We've kept it safe by:

- Closing all branch lobbies to help reduce the risk of employees and members being exposed
- Restricting visits to our Memorial lobby, and implementing an appointment protocol for members that require in-person assistance
- Implementing social distancing guidelines including enabling remote member services where possible
- Setting safety guidelines across all branches including a mandatory mask protocol
- Installing plexiglass barriers to member-facing stations
- Adhering to Centers for Disease Control and Prevention's (CDC) guidelines
- Rigorously sanitizing and disinfecting hard surfaces and office equipment every day
- Setting up hand sanitizer stations for members
- Donating face masks to HPD



**MANAGEMENT TEAM**



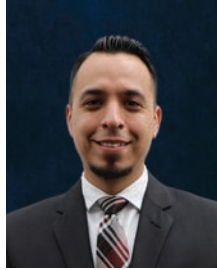
**AYN TALLEY**  
*President*



**KIMBERLY FOSTER**  
*Executive Vice President*



**DARLENE DAVIS**  
*Senior Vice President*



**MICHAEL BOTELLO**  
*Vice President*



**LEDETRI JENKINS**  
*Vice President*



**RACHEL MIRANDA**  
*Vice President*



**WAYNE STAFFORD**  
*Vice President*



**STANLEY BRETADO**  
*Assistant Vice President*



**MARY DODSON**  
*Assistant Vice President*



**WILLIE PORTER**  
*Assistant Vice President*

**OUR MISSION**

Houston Police Credit Union exists to promote the financial well-being of its members. We will maintain the financial strength of the credit union through a broad range of innovative financial products, prudent management of our members' resources and the excellent service provided by a dedicated, well-trained staff.



2020

# FINANCIAL SUMMARY

## INCOME & EXPENSE

Total Operating Income	\$32,748,783.03
Total Expenses	\$17,652,419.48
Non-Operating Gain	\$618,751.92
<b>Total Income Before Dividend Distribution</b>	<b>\$15,715,115.47</b>
Dividends to Members	\$8,899,677.29
<b>Net Income</b>	<b>\$6,815,438.18</b>

## ASSETS

Loans to Members	\$429,964,938.53
Investments	\$340,987,942.96
Daily Investments	\$10,621,814.80
Other Assets	\$108,365,605.27
<b>Total Assets</b>	<b>\$889,940,301.56</b>

## LIABILITIES & EQUITY

Regular Savings	\$575,609,739.49
IRA Savings	\$47,873,458.49
Savings Certificates	\$38,276,900.51
Checking Accounts	\$104,175,416.72
Accounts Payable and Accrued Expenses	\$5,436,313.50
Regular Reserve	\$6,331,969.89
Undivided Earnings	\$112,236,502.96
<b>Total Liabilities and Equity</b>	<b>\$889,940,301.56</b>



- Office Operating Expense 52.90%
- Dividends to Members 26.67%
- Reserve 20.43%



# Five-Year SUMMARIES

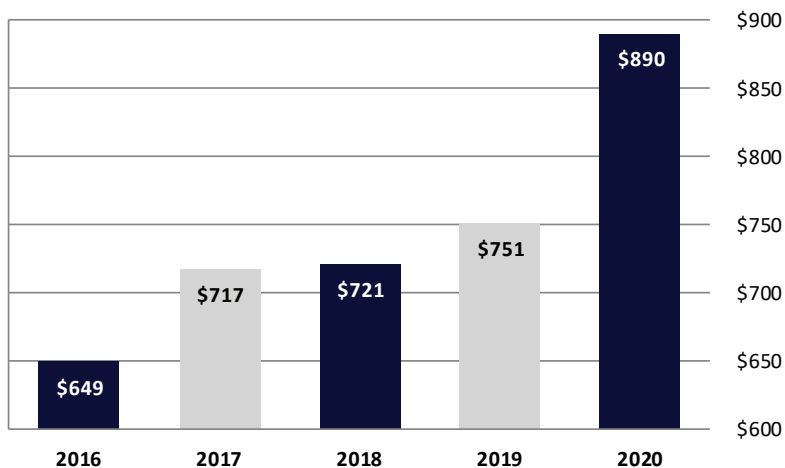
## SUMMARY OF OPERATIONS

*Dollar amounts in thousands*

	2016	2017	2018	2019	2020
Total Assets	\$649,264	\$716,696	\$721,169	\$751,409	\$889,940
Loans to Members	\$370,403	\$409,176	\$433,555	\$452,809	\$429,965
Members' Savings	\$553,700	\$611,569	\$612,578	\$631,360	\$765,936
Total Reserves	\$86,769	\$93,326	\$96,388	\$107,816	\$118,568
Total Income Before Interest Refund	\$30,234	\$30,843	\$33,609	\$35,400	\$32,749
Total Expenses	\$13,887	\$15,762	\$16,472	\$17,345	\$17,652
Interest Refunds to Members	\$0	\$0	\$2,223	\$2,344	\$0
Total Income Before Dividend Distribution	\$16,347	\$15,081	\$14,914	\$15,711	\$15,715
Dividends to Members	\$7,084	\$8,227	\$8,743	\$9,377	\$8,900
Bonus Dividends to Members	\$0	\$0	\$975	\$1,088	\$0
Net Operating Expense Ratio	0.56%	0.78%	0.71%	0.79%	0.89%

## SUMMARY OF ASSET GROWTH

*Dollar amounts in millions*





2021

# FEBRUARY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	1	2	3	4	5	6
7	8	9	10	11	12	13
		Annual Meeting			HPD Payday	
14	15	16	17	18	19	20
21	22	23	24	25	26	27
					HPD Payday	
28	1	2	3	4	5	6



2021

# MARCH

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	HPD Payday 19	20
21	22	23	24	25	26	27
28	29	30	31	1	HPD Payday 2	3



2021

APRIL

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	HPD Payday 16	17
18	19	20	21	22	23	24
25	26	27	28	29	HPD Payday 30	1





2021  
MAY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
25	26	27	28	29	30	1
2	3	4	5	6	7 HPD Payday	8
9	10	11	12	13	14	15
16	17	18	19	20	21 HPD Payday	22
23	24	25	26	27	28	29
30	31 Memorial Day HPCU Closed					HPCU Closed



2021

JUNE

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31	1	2	3	4	5
					HPD Payday	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
					HPD Payday	
20	21	22	23	24	25	26
27	28	29	30	1	2	3



2021

JULY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	1	2	3
					HPD Payday	HPCU Closed
4	5	6	7	8	9	10
Independence Day	HPCU Closed					
11	12	13	14	15	16	17
					HPD Payday	
18	19	20	21	22	23	24
25	26	27	28	29	30	31
					HPD Payday	



2021

AUGUST

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
8	9	10	11	12	13	14
					HPD Payday	
15	16	17	18	19	20	21
22	23	24	25	26	27	28
					HPD Payday	
29	30	31	1	2	3	4



2021

# SEPTEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29	30	31	1	2	3	4 HPCU Closed
5	6 Labor Day HPCU Closed	7	8	9	10 HPD Payday	11
12	13	14	15	16	17	18
19	20	21	22	23	24 HPD Payday	25
26	27	28	29	30	1	2



2021

# OCTOBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28	29	30	1	2
3	4	5	6	7	8	9
					HPD Payday	
10	11	12	13	14	15	16
17	18	19	20	21	22	23
					HPD Payday	
24	25	26	27	28	29	30
31						



2021

# NOVEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	1	2	3	4	5 HPD Payday	6
7	8	9	10	11 Veterans Day HPCU Closed	12	13
14	15	16	17	18	19 HPD Payday	20
21	22	23	24	25 Thanksgiving Day HPCU Closed	26 HPCU Closed	27 HPCU Closed
28	29	30	1	2	3	4



2021

# DECEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	29	30	1	2	3 HPD Payday	4
5	6	7	8	9	10	11
12	13	14	15	16	17 HPD Payday	18
19	20	21	22	23	24	25
					HPCU Closed	Christmas Day HPCU Closed
26	27 HPCU Closed	28	29	30	31 HPD Payday	1





2022

# JANUARY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28	29	30	31	1 New Year's Day HPCU Closed
2	3 HPCU Closed	4	5	6	7	8
9	10	11	12	13	14	15
16	17 MLK Day HPCU Closed	18	19	20	21 HPD Payday	22 HPCU Closed
23	24	25	26	27	28	29
30	31				HPD Payday	



# Personal NOTES

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## **Locations**

Memorial Branch—Main: 1600 Memorial Drive, Houston, TX 77007

Travis Branch: 1200 Travis Street, Floor 20, Houston, TX 77002\*

Willowbrook Branch: 17314 State Highway 249, Suite 107, Houston, TX 77064

713.986.0200 • 800.927.8707 • [HPCU.coop](http://HPCU.coop)

*\* Restricted access. Branch is available to members with security access to Houston Police Department only.*