



## Annual membership meeting set for February 19



The 2007 annual membership meeting of the Education Credit Union Council, Inc., will be called to order at 1:00 p.m. on Monday, February 19, at the Sawgrass Marriott Resort & Spa in Ponte Vedra Beach, FL.

Credentials forms to participate in the annual meeting have been included with confirmation materials sent to credit unions registered for the annual conference. Those forms should be returned to the Council's office by February 12.

There's still time to register for the conference. Contact Executive Director Lorraine Zervas at (251) 626-3399 or register online at [www.ecuc.org](http://www.ecuc.org).

We look forward to seeing you there!



**FROM THE  
EXPERTS**

### Mergers: done right

*Darrick Weeks, Chief Business Development Officer, Westerra Credit Union, Denver, CO, will present a session on mergers at our 34th Annual ECUC Conference in February.*

*The credit union industry is consolidating, making mergers a way of life. This session will delve into mergers from the ground up, providing direction and real-life examples. Attendees will explore the "big picture" of the merger decision and learn a proven process that will make the job easier as credit unions navigate through the steps to complete a merger.*

When Safeway Rocky Mountain Federal Credit Union (SRMFCU) merged with DPS Credit Union (DPSCU and formerly Denver Public Schools CU) in October, 2005, we did it for the members.

One year later, I am happy to report members are experiencing many benefits of a larger credit union including access to expanded products and services, more convenient locations, added technology enhance-

**continued on page 2**

### In This Issue:

Annual membership meeting set for February 19	<b>Page 1</b>
From the Experts— Mergers: Done Right	<b>Page 1</b>
Watch for new announcements!	<b>Page 1</b>
"Books for Children"—2007	<b>Page 3</b>
Executive Notebook	<b>Page 4</b>

## From the experts

continued from page 1

ments and future staying power. A third credit union, Gateway Credit Union (GCU), also recently merged with our new organization, now known as Westerra Credit Union.

It was evident to the management



team and board of directors of SRMFCU (\$145 million, 20,000 members, serving Colorado Safeway Stores employees, their families, and 200 SEGs) that being larger would enable us to better serve our members. We were facing the market reality that size and skill make a difference in our ability to compete and would position us to be a viable organization into the future.

At DPSCU (\$565 million, 35,000 members serving Denver Public School employees, retirees, students, graduates and their families, four community areas defined by ZIP codes, and 80 SEGs), CEO C. Alan Peppers and the board of directors were assessing the same economies of scale. As a former employee at DPSCU, I, along with Alan and our boards, began to discuss the exciting enhancements we could make by working cooperatively.

When the GCU board began a search for a new CEO last year, the former chairman of SRMFCU suggested to the GCU chairman that they consider joining forces with the other two credit unions as part of the new Westerra Credit Union. They, too, looked at the trends and realized

mergers are the new reality for credit unions.

On October 1, 2006, the merger with GCU, a \$180 million credit union serving 20,000 members, became final. GCU was originally chartered to serve employees and families at Lowry Air Force Base,

which is now closed. The credit union charter was expanded to serve those living or working in the city of Aurora, CO, and two other community areas defined by ZIP codes with a total population of 350,000.

The world of credit unions, nationally and in Colorado, is in a state of consolidation. Being large in size permits a credit union like Westerra to meet the high expectations of members. We're operating in a very competitive environment. Being larger provides us the opportunity to acquire better technologies and reduces the perceived size of the roadblocks we face.

We proactively leverage partnership opportunities, working cooperatively with other credit unions, to serve members better. We acknowledge the fact credit unions need to pursue partnerships or mergers to become stronger.

The key components of a successful

merger are communication, communication, communication and cultural alignment. Information shared prior to the vote of members is critical with all audiences—volunteers, members, management, employees and sponsors.

Gateway members voted overwhelmingly to merge with Westerra. The 92 percent vote of approval even exceeded the SRMFCU members' positive vote of 89 percent. We did not assume members would approve the merger. We worked diligently to ensure they, as well as employees, were aware of the many benefits prior to asking for their vote of approval.

It was also imperative that we have similar cultures and that each credit union shares the same passion for serving the members. Everything we do at Westerra is for the members.

These proactive mergers were not regulator-driven but propelled by the many potential benefits for all involved. Each credit union conducted extensive due diligence review of all key operational and financial areas to assess the viability of mergers. We developed detailed merger plans for board and regulator approval.

The three combined credit unions benefit through:

- Diversification of field of



- membership
- Expanded geographical reach (10 branches)
- Staff continuity
- Economies of skill and scale
- Enhanced products and services (i.e., business services, mortgage lending, indirect lending, etc.)
- Financial strength with \$100 million in capital
- Technology enhancements including a system conversion/upgrade completed in August, 2006
- Much bigger competitor – third largest credit union in Colorado

In a larger organization, employees gain the opportunity to grow. There were no layoffs, providing all employees stability and continuity. Every employee retained salary and benefits. We have found this to be a key to our success.

Loyalty to the sponsors of each merging credit union is an integral aspect of in our branding strategy. For example, we co-brand promotions to Denver Public School employees by promoting ourselves as

Westerra Credit Union at DPS. Our sponsors are the strength behind us—and provide us our vision for the future. We continue to thank them for the support that led us to where we are today.

With the mergers and a new name, we are operating within a window of opportunity to build a solid relationship between each member and the new Westerra Credit Union. It is extremely important we continue to deliver high quality service to show members that they did indeed receive a better value as a result of the merger



## Watch for new announcements!

Introduced at our San Francisco conference last year, “FoolProof,” the turnkey program that credit unions provide to over-worked school systems and teachers and help for parents who are concerned about their kids’ financial education, has taken off with tremendous success.

Now, a year after FoolProof’s introduction, we will be unveiling the next FoolProof module at

our Florida conference, providing updates from current participants on how FoolProof can help your credit union attract more young members, and introducing a working version of “FoolProof for Parents,” designed for credit unions that don’t have direct involvement with school systems.

Watch for new announcements soon or contact Will de Hoo at [will@isthatso.info](mailto:will@isthatso.info).



## “Books for Children”—2007

Our 2006 “Books for Children” program reached a new record with three huge boxes of beautiful books, gift certificates to Borders and more than \$2,250 donated to the UCSF Children’s Hospital in San Francisco.

Continuing this special program for 2007, conference attendees are encouraged to bring books appropriate for children with them to Florida (or send them if you are unable to attend), where they will be collected and presented to representatives of Wolfson Children’s Hospital. Our very successful on-site ticket sales will be continued this year as well.

We hope you will support this unique program of your idea-exchange association. See enclosed flyer for details.

# **E**xecutive Notebook

*Your ECUC membership provides you with the unique opportunity to network with your peers serving "educational communities" (teachers, administrators, support staff and students) who are outstanding in so many areas of credit union service. Our on-line "Directory of Education Credit Unions" at [www.ecuc.org](http://www.ecuc.org) provides you easy accessibility to contact them for information, assistance and idea-exchange.*

Congratulations to **Virginia Beach Schools FCU (VA)** and **Apple FCU (VA)** for receiving national recognition as winner and honorable mention in the Desjardins award program.

**St. Vrain Valley CU (CO)** has been named Business Partner of the Year from the Longmont Chamber and School District.

**Steven Cobb** has been named president/CEO of Michigan's **EECU CU**, succeeding Tom Curtis.

Based on its tremendous support of the local schools, **CFE FCU (FL)** received public recognition from the Orange County School Board at its quarterly Recognition Meeting. This special acknowledgement was based on the credit union's outstanding efforts to promote public education in the community through its generous support of the students, staff and schools.

CFE donated \$11,800 and 28,000 school supply items to A Gift for Teaching (AGFT), an organization that benefits more than 110,000 students in Central Florida who face overwhelming learning obstacles. For the fourth consecutive year, CFE members and employees contributed to the Push for Pencils Supply Drive.

"We're proud to be such strong supporters of an organization that does so much to improve the quality of education in our schools," says Joseph A. Melbourne, president and CEO of CFE. "Students are more eager to learn simply by having the basic school supplies they need."

With CFE leading the way as a Class President Sponsor, AGFT wrapped up their 2006 Push For Pencils campaign by collecting \$363,000 worth of school supplies and financial donations from 211 businesses and individuals in the community—\$135,000 over their goal.

**Mark Hawkins**, president/CEO of **Altura CU (CA)** has been elected to a three-year term on the CUES board of directors.

Altura recently helped promote fitness among area high school students by offering \$1,000 to the local high school that enrolled the most students in Governor Schwarzenegger's fitness effort. The winning high school recruited more than 400 students to participate in the pro-



gram, called the Governor's Fitness Challenge, and will use the funds to purchase fitness equipment for the school.

Employees of **North Jersey FCU (NJ)** and family members raised \$1,000 in the March of Dimes WalkAmerica program. After the six mile walk, walkers were treated to lunch, music, prizes and various family activities. In addition, the credit union is collecting donations for the March of Dimes through all of its branches.

**Evansville Teachers FCU (IN)** sponsored employee Brook Howard in her running of the Rock 'N Roll Marathon in San Diego to raise money for charity. As a sponsored runner she was required to raise \$4,000 for the Leukemia and Lymphoma Society.

Based on the marathon theme the credit union's lending department set a goal of \$500,000 in recaptured member loans from other financial institutions. It experienced its best month in recaptured loans and exceeded its goal by over \$108,000—and runner Howard raised over \$6,500 for her cause.

The Friday before the July 4 weekend has been a perfect time for the \$27 million **Eaton Family CU (OH)** to tell its members how much they are appreciated. A beach-inspired event was featured in 2005, and this year the credit union's community-wide event used a baseball theme complete with hot dogs, Cracker Jacks and ticket giveaways to the Cleveland Indians and Lake County Captain baseball games.

Through its Catholic Community Charitable Fund, established following a merger with **Greater Atlanta Catholic FCU**, **Georgia Federal CU (GA)** awarded a \$1,000 grant to the St. Vincent de Paul Society. The Renaissance Program of the St. Vincent De Paul Council Office was selected for its contribution to providing financial assistance to legal immigrants who are highly skilled or educated in their selected professions to become recertified to assume the same professions in the U.S.

"Chalktalk" is published on a bimonthly basis by the Education Credit Union Council. The published issue, as well as "off-month" updates, may be accessed on [www.ecuc.org](http://www.ecuc.org).

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