



2019 ANNUAL REPORT

Shell  Federal
CREDIT UNION

BOARD OF DIRECTORS



Mike Kolb
CHAIRMAN



Chester Servance
VICE-CHAIRMAN



Ben Esquivel
TREASURER



Royce Parker
ASST. TREASURER



Donald Booth
SECRETARY



William White
ASST. SECRETARY



Salma Hartley



Kurt Hoefler



Mark Sapp

EXECUTIVE TEAM



Jose Rodriguez
PRESIDENT/CEO



Kristi Garner
CHIEF FINANCIAL OFFICER



Nicole Hernandez
CHIEF ADMINISTRATION OFFICER



Sam James
CHIEF INFORMATION OFFICER



Nancy Johnson
CHIEF OPERATIONS OFFICER



Natalie May
CHIEF HUMAN RESOURCES OFFICER



Darrick Duke
CHAIRMAN



Pam Mills



Carla Nettles



Martin Vasquez



Cindy Williams

SUPERVISORY COMMITTEE



CHAIRMAN REPORT

Mike Kolb

Through exceptional service, Shell FCU has grown to over 109,000 family members strong. The benefits of credit union membership at Shell FCU are much more than lower rates and fees. Being a part of the Shell FCU family means receiving 5.5 service, having your interests genuinely cared for and always knowing that something to benefit you is on the horizon. Without the combined power of the Shell FCU members, Board of Directors, executives and team members, this would all not be possible.

Shell FCU lent out 23,516 loans in 2019 for \$958 million and offered Skip-A-Pay in July and December. Dividends of \$9.27 million were paid out and members received more than \$2 million in cash back when funding their auto loan in 2019 or a mortgage loan from October through December. Total assets exceeded \$1.18 billion and more than \$20k in prizes were disbursed to members through marketing campaigns and promotions.

Please tell your family, friends, coworkers and neighbors who live, work, worship, attend school or regularly conduct business in Harris County about your credit union family. You, our member, will always be the top priority. Each time you walk into Shell FCU or call by phone, we hope you always feel like family!

We have the people that have the talent. – Mike Kolb



PRESIDENT/CEO REPORT

Jose Rodriguez



Each year at Shell FCU is challenging and rewarding at the same time. Ensuring systems are running smoothly, meeting project deadlines and offering the membership solutions when natural disasters strike create some of the challenges we face head-on. The entire Shell FCU team strives to always do what is best for the membership, as well as looking into your future needs and wants.

In 2019, we introduced a new auto loan option; Payment Power, exceeded 100k members, continued auto cash back, updated the online loan application, added an online membership application and online appointment scheduling tool, set up major enhancements for the next few years, made a long-term corporate building plan and much more. Rest assured, we are working diligently to continuously provide you with competitive products, services and the tools you deserve.

Service to you, our member, is always our top priority. The members of Shell FCU are our family and, at Shell FCU, you are always 'Welcome Home'. If at any time you do not feel at home, please let me know. I stand by my commitment to ensure each of you receives the personal and quality service you deserve with every Shell FCU interaction. Please contact me directly at jose.rodriguez@shellfcu.org if we are not meeting your expectations.

Thank you for the opportunity to serve you!

SUPERVISORY COMMITTEE REPORT

Darrick Duke

Your Supervisory Committee focuses on ensuring that the Board of Directors and Management of the credit union meet required financial reporting objectives and establish sound practices and procedures sufficient to safeguard our members' assets.

In 2019, the committee contracted with CliftonLarsonAllen to perform quarterly compliance assessments and engaged Warren Averett, CPAs and Advisors to perform the annual financial audit. Excellent reports were presented, without any material discrepancies noted.

Thank you for your continued confidence in Shell Federal Credit Union. We invite you to communicate with us by mail at P.O. Box 237, Deer Park, TX 77536 or visit the Supervisory Committee link on the 'About' page at www.ShellFCU.org. All communications are reviewed by this committee.



DIRECTORS SEEKING RE-ELECTION

After serving on the Supervisory Committee for four years, Salma Hartley recently moved to the Board of Directors. Salma especially enjoys collaborating with the rest of the Board for the benefit of its members. She is a dedicated volunteer and is committed to the responsibility of being a Shell FCU Board Member.

Salma and her husband, Andy, live in La Porte and have four adult children. Salma is in her 20th year of teaching, and her 18th year of teaching at Dabbs Elementary in Deer Park. In her spare time, Salma likes to spend time with her family, read, and watch classic movies.



**Salma
Hartley**

In 1991, Chester Servance joined the Board of Directors for Shell FCU. Chester's focus has always been our mission statement of "not for profit, not for charity, but for service to our members while staying financially sound." This has always helped him with the challenges he faces as a Board Member. He loves making members' dreams come true with a service experience he feels is unequalled in the financial services industry.

Chester has lived in Baytown for 35 years and has a son, daughter and a 13 year old grandson. He retired from Shell Refinery Company in June 2001 after 25 years of service. Serving in the US Army, Chester fought in the Vietnam War in 1968 and was honorably discharged in 1971. These days, he enjoys golf and browsing at his favorite toy stores, Lowe's and Home Depot.



**Chester
Servance**

Since 1974, William "Bill" White has been serving on the Board of Directors as a Shell Federal Credit Union volunteer. Bill values it as rewarding as serving as a deacon of his church – both duties are "people helping people." Government regulations, continuing education and other obstacles make being a Board Member challenging; however, Bill feels the greatest reward is having a Board that truly makes decisions that serve and protect "members' assets" as their prime objective.

Bill worked for Shell Chemical Company for 30 years and retired in June 1996. He and his wife, Josephine, have 6 children, 15 grandchildren and 6 great-grandchildren. For 35 years, Bill has been on the same bowling league and is still striving for that perfect 300 game. Josephine and Bill attend the Mt. Zion Missionary BC in NE Houston where Bill serves on the Deacon Board & Finance Committee.



**William
White**



STATEMENTS OF FINANCIAL CONDITION

Assets

	2017	2018	2019
Loans	\$798,563,809	\$924,646,086	\$958,026,479
Cash	42,295,986	35,722,202	105,776,305
Investments	95,260,438	41,199,642	49,366,839
Fixed Assets	25,663,937	28,481,177	29,407,839
Other Assets	27,086,936	28,478,461	38,666,339
Total Assets	\$988,871,106	\$1,058,527,568	\$1,181,243,801

Liabilities & Equity

Member Shares	\$848,914,367	\$886,492,757	\$1,012,111,107
Liabilities	49,472,673	66,661,691	54,416,093
Regular Reserve	3,282,855	3,282,855	3,282,855
Undivided Earnings	92,032,358	107,552,710	119,410,766
Unrealized Gains and (Losses)	(4,831,146)	(5,462,445)	(7,977,021)
Total Liabilities & Equity	\$988,871,106	\$1,058,527,568	\$1,181,243,801

OPERATING STATEMENTS

Income

	2017	2018	2019
Interest on Loans	\$36,287,887	\$43,189,217	\$49,454,264
Income from Investments	2,585,132	3,109,418	4,288,735
Other Income	18,787,371	22,978,090	23,321,186
Total Income	\$57,660,390	\$69,276,725	\$77,064,185

Expenses

Operating Expenses	\$42,376,853	\$48,340,298	\$55,943,731
Other Expenses	(261,443)	(390,516)	(3,309)
Dividends	4,292,288	5,806,591	9,265,707
Total Expenses	\$46,407,697	\$53,756,373	\$65,206,130

Net Income

	\$11,252,693	\$15,520,352	\$11,858,055
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MEMBERSHIP STATISTICS

Membership

	2017	2018	2019
Total Members	89,094	98,660	109,174

FIGURES ROUNDED TO THE NEAREST DOLLAR

MISSION STATEMENT

The purpose of Shell Federal Credit Union, chartered in 1937, is not profit, not charity, but service to members through leadership that is committed to keeping the credit union strong, aggressive and financially sound.



DEER PARK

301 E 13th St
Deer Park, TX 77536

BAY AREA

1600 W Bay Area Blvd
Houston, TX 77058

LA PORTE

11526 Spencer Hwy
La Porte, TX 77571

SPRING

6232 FM 2920
Spring, TX 77379

FAIRMONT

5133 Fairmont Pkwy
Pasadena, TX 77505

PEARLAND

11391 Monroe Rd
Houston, TX 77075

SOUTHMORE

401 E Southmore Ave
Pasadena, TX 77502

KATY

23125 Morton Ranch Rd
Katy, TX 77449

WOODFOREST

5544 E Sam Houston Pkwy N
Houston, TX 77015

WILSON

4787 Wilson Rd
Humble, TX 77396

BAYTOWN BRANCH COMING SOON!

(JOHN MARTIN RD & I-10)



Lobby Hours

Monday, Tuesday, Wednesday, Friday

9:00AM – 5:00PM

Thursday

9:00AM – 5:30PM

Saturday

9:00AM – 12:30PM

Drive-Thru

Monday, Tuesday, Wednesday

7:30AM – 6:00PM

Thursday & Friday

7:30AM – 7:00PM

Saturday

8:00AM – 12:30PM

Call Center

**Our Call Center
Is Available 24/7
For Your Convenience!**

Main Number

713-844-1100

Toll Free

800-388-5542

Corporate Website

www.ShellFCU.org

FCU Team

www.GoVolunteerToday.org

Youth Website

www.SFCUiLife.org



2019 ANNUAL MEETING MINUTES

The 82nd Annual Membership Meeting of the Shell Federal Credit Union was held Friday, March 29, 2019, at 7:00 PM in the Performing Arts Center at the Deer Park High School, in Deer Park, Texas with an estimated attendance of 607 members. Of this total, there were 289 retirees and 89 children under the age of 15.

Welcome – Chairman Amy Carlson welcomed everyone to the Annual Meeting and thanked the Deer Park High School for allowing us to use the beautiful Performing Arts Center.

Call to Order – The meeting was called to order at 7:04 PM. with Amy Carlson presiding and Sonya Speck recording.

Recognition of Military and Families of Military – Chairman Carlson asked for all military that have served or currently serving to stand and be recognized.

Pledge of Allegiance and National Anthem – Chairman Carlson introduced the DPHS ROTC and everyone stood for the Pledge of Allegiance. Chairman Carlson sang the National Anthem a capella.

Invocation – Mark Reat gave the invocation.

Establish Quorum – Chairman Carlson declared that, by a show of hands, a quorum (15 members) had been established.

Introduction – At the Head Table, the Board Members, Supervisory Committee and CEO were introduced. She also spoke about the duties and responsibilities of these volunteers. Chairman Carlson asked the Shell FCU staff to stand and be recognized.

Minutes of the last Annual Meeting – It was announced that the minutes from the last Annual Meeting were included in the Annual Report. A motion was made by John Patterson, seconded by others to approve the minutes of the 81st Annual Membership Meeting, held on March 23, 2018. Motion carried unanimously.

Introduction of Nominating Committee – Chairman Carlson introduced John Patterson, Galen Davis, and Steve Alexander and called for their report. Mr. Alexander presented the Committee's recommendations as follows:

<u>Board Members</u>	Royce Parker	3-year term re-election
	Donald Booth	3-year term re-election
	Mark Sapp	3-year term re-election

Chairman Carlson called for nominations from the floor and no nominations were offered. A motion was made by Mark Reat, seconded by several that the nominees submitted by the Nominating Committee be elected by acclamation. Motion carried unanimously.

Grand Prize Drawing – The Grand Prize Drawing ticket was drawn and attached to the Grand Prize envelope, to be revealed at the end of the meeting.

Special Retiree Drawing – Chairman Carlson recognized all retirees and asked them to stand. Chairman Carlson and the Board presented 6 - \$100 cash awards to 6 retirees.

Report of the Chairman – Amy Carlson gave the Chairman's report. She said she was thankful to belong to a Credit Union that serves family by consistently providing every member with 5.5 service. She said her report was included in the Annual Report, and asked the membership to please read the Annual Report.

Report of the President – Jose Rodriguez welcomed everyone and thanked the members for spending the evening at the Annual Meeting. He thanked God for today's gift and also reported that it was the credit union's 82nd birthday. He shouted "We are.....Shell."

I wake up each day and know it's a great day to be alive! For 25 years, I have been honored to come to work and do what's best for my Shell FCU family. The tough decisions, meetings and long days are worth it when I see the progress we've made to better the lives of our members and the communities around us. Each and every decision is made in the best interest of the membership and is never taken lightly.

2018 was an exciting year for your credit union! We reached \$1 billion in assets, awarded over \$2 million in cash-back rewards, launched our 24/7 call center, opened the 10th branch, in Katy, the Houston Chronicle named Shell FCU the #1 top workplace in mid-sized companies and much more. We are working diligently to implement products and services that will positively impact the convenience and quality of service you have come to know from Shell FCU. Look for details coming soon about appointment tools, two-way text messaging, and additional Shell FCU branches!

He reported that we are a safe and strong credit union. Jose reported that, last year, our loans grew over 15%, assets grew over 7%, deposits grew over 4%, membership grew over 10% with strong earnings and ROA, strong capital and the best NCUA ratings across all categories. He explained to those in attendance what a Shell FCU Game Changer is and how each of us is committed to being a Shell FCU Game Changer.

Together We're Family – You, the staff, Board, and communities make up the Shell FCU family. Each day we work hard to exceed your expectations, improve technology, positively impact your finances and create memorable experiences. I stand by my commitment to ensure each of you receives the personal and quality service you deserve with every Shell FCU interaction. Please contact me directly at jose.rodriquez@shellfcu.org if we are not meeting your expectations. Thank you for the opportunity to serve you! "We are.....SHELL!"

Special Retiree Drawing – Chairman Carlson and the Board presented 6 - \$100 cash awards to 6 additional retirees.

John E. Garrison Scholarship Recipients – The 10 recipients of this year's scholarship were asked to stand if they were present. Eight of the recipients were in attendance.

Report of the Supervisory Committee – Darrick Duke gave the report of the Supervisory Committee. He welcomed the membership and said your Supervisory Committee focuses on ensuring that the Board of Directors and Management of the credit union meet required financial reporting objectives and establish sound practices and procedures sufficient to safeguard our members' assets. He said his report was included in the Annual Report and asked the membership to please read the Annual Report. Darrick thanked the membership for their continued confidence in Shell Federal Credit Union.

A motion was made by John Patterson, seconded by others to approve the reports of the Chairman, President and Supervisory Committee. Motion carried unanimously.

Cash Awards to the Youngest and Oldest Members Present – The Board presented \$100 cash awards to the oldest member, 94 years, and youngest baby, 3 months, who were present.

Old Business – None

New Business – None

Cash Prizes for Children age 15 and under – All children 15 years old and younger were given a \$5 bill.

Door Prize Drawings – The cash prizes were awarded plus the Grand Prize at the end of the meeting.

Adjournment – Chairman Carlson declared the Annual Membership Meeting adjourned at 8:08 PM.