



Florida Credit Union League
NEWS RELEASE

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FCUL BOARD ADOPTS NEW GOVERNANCE MODEL

Tallahassee—The Florida Credit Union League Board of Directors has adopted a proposal that will ask the membership to approve a new model of selecting board members in the future. The proposed plan would eventually have an FCUL Board composed of directors chosen based on membership size rather than geographic location of the credit union.

The proposal is the result of a six-month review by the League Governance Task Force that was given the assignment to study the League's governing structure by the FCUL Board of Directors. The chairman of the task force was John Hirabayashi, President/CEO of Community First CU of Florida.

Currently, the member credit unions of the Florida Credit Union League elect members of the Board of Directors two ways. First, seven members are elected from seven different geographic regions. Second, six additional board members are elected at-large statewide. Under the new plan, twelve members of the board will be elected from four membership categories based upon the membership of the candidate's qualifying credit union. A thirteenth member will continue to be elected on a statewide, at-large basis.

Under this new governance model, the membership categories would be divided along the following criteria:

Class A will consist of credit unions with fewer than 5,000 members.

Class B will consist of credit unions with not less than 5,000 members, but not more than 30,000 members.

Class C will consist of credit unions with not less than 30,000 members but not more than 75,000 members.

Class D will consist of credit unions that have more than 75,000 members.

Three board directors would be elected from each membership class. If approved, no currently serving director shall be removed from office to accomplish the transition to membership size category director elections. Beginning in elections prior to the 2007 annual meeting, elections shall be held for all four director membership size categories and the at large position. Directors that are in office at that time will have the option of continuing to serve the remainder of their current term and then go off the board, or resign their seats to run for election within the appropriate membership category. To accomplish this transition, the total number of directors may be increased to allow for the expiration of a term of a board member in office.

Chairman Hirabayashi said the task force was asked to study if all segments of Florida credit unions were being adequately represented.

“The idea was that we had to examine a proposal that would ensure that the make-up of the board’s governing structure represented the varying sizes of credit unions within the League,” said Hirabayashi.

Hirabayashi said that surveys conducted by the League showed credit unions of different sizes place a different value on the services they receive from the League. For example, he said, larger credit unions listed political advocacy as their number one need, while smaller credit unions place a higher value on programs focused on training, compliance and operations.

“After much healthy discussion we concluded that an effective way to address these varying expectations,” said Hirabayashi, “would be to design a governing structure that would ensure representation from all sizes of credit unions, which is the cornerstone of this recommendation.”

Hirabayashi said a series of webinars and chapter presentations will be scheduled early in 2006 to allow every credit union to hear an explanation of the changes, participate in discussions and provide feedback on the proposal.

The proposed governance plan will come in the form of a By-Laws amendment at the next annual meeting. The meeting will take place on June 14, 2006 at the League’s Annual Convention which will be held at the JW Marriott Grande Lakes in Orlando.