



# PERMACULTURE CREDIT UNION

Established: May 18, 2000

July 2006

**6th**  
Year

## *2006 Annual Meeting*

On Saturday, May 20, 2006, the Permaculture Credit Union held its 6<sup>th</sup> Annual Meeting. At this meeting we received some helpful feedback from our members and would like to share these questions and concerns with the rest of our membership.

The first item of concern was our website and its need to be updated. We discussed the fact that over the past three years, we have had to push that issue aside while we worked on the increased loan demand, upgrades to our programs, and staff training. Over the next two years we will be making the website a priority. To begin with, we are observing how we want our website to work and what it can do for us. The three main goals we would like it to accomplish are: 1) tell the story of our credit union, 2) be a useful tool for both staff and members, and 3) be informative.

We will need to shift more operational funds to make this happen. In an effort to stack functions and use less resources, we would like to create a website you can use as a tool in making financial decisions, as a resource on the internet to and from links to our credit union, and as an easy way to make transactions. We also hope it will become a focal point of communication so we can relay information without a negative impact on the environment. Incidentally, we would like to thank those who spent countless hours creating and updating our current website without which we would not have grown so much already.

The next issue that was brought up concerned the introduction of checking accounts. I have worked in the credit union industry for approximately 16 years and it is my experience that members would prefer to deal

exclusively with one financial institution that is most closely aligned to their values. Currently, our members have to go elsewhere for their checking accounts. We certainly appreciate the desire and need to have those accounts here at PCU, and we intend to offer that service and others just as soon as we can. But first we need to make sure we can meet the cost of implementing those services. Once we are operating at a sustainable level of income, we can begin to allocate funds for new services. Our goal is to allow members to shift their resources away from the current financial system. To that end, we are constantly looking at the cost and impact to our operations and how changes will affect our membership in the long run rather than the short term.

Finally, we had an in-depth discussion on why the credit union has been funded by donations and what we need to do to become independent of them. It's important to remember that our credit union started with zero funding. Like any other credit union, we started with a common vision of people with the same values pooling their resources to help one another. When we received our charter, we set up a business plan that outlines the amount of growth we should have in shares, loans and retained earnings. (Retained earnings are what is left over after operating expenses). It is normal for a business to have to wait several years before it has an income. In just the past year we nearly reached break-even. At the end of 2005 we were only \$2400 short of break-even. Donations from individuals and foundations made up the balance.

Over the past five years, we have become less and less dependent on donations. The surplus of donated funds has made up our retained earnings account. Once we attain an operating net income, our credit union will be able to make more decisions on how we utilize our net income, whether we use it for growth of the credit union, to reinvest in more services or to increase member dividends.

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## **Your New Board of Directors for 2006-2007 are:**

**Chairperson – Nora Haskins**

**Vice Chairperson – Hugh Roberts**

**Treasurer – Barbara Mueller**

**Secretary – Susan Coulter**

**Director – Jake Ingram**

**Director – John McAndrew**

**Director – Wesley Roe**

## *Permaculture Credit Union CEO Attends A Permaculture Design Course.*

*By Donald J. Sarich*

It was on June 18, 2006, that I made my journey from my home in Santa Fe to a familiar place, the land of the Hoosiers. It has been a few years since I was back in Indiana but I felt it was appropriate to take this journey to complete my Permaculture Design Course. One factor in my decision to take this course was to support a class that was being offered to students at Indiana University where I am an Alumni. Soon after I was dropped off on the IU Bloomington campus, I stood with several others, all of us huddling around his or her belongings. A few of us started introducing ourselves. Before long, David Haberman announced that the bus would be arriving to take us to the Lazy Black Bear in Paoli. When we got there, we were greeted by a horse drawn wagon to take our belongings to the farm. Later, we gathered for introductions. In all we had thirty students - twenty-two from Indiana University, the other eight from the surrounding communities and other states. At this point I began to feel, as everyone told me I would, that this would be a life changing experience. Everyone's heart began opening as Peter Bane explained that we were all drawn here for a reason we might not realize until later in the course, or even later in life.

During this two-week period, we experienced our surrounding environment on a deeper level than most. By being able to live on site we were able to observe many patterns in nature that are normally taken for granted. We learned by doing some of the many concepts talked about in Permaculture. We worked together on a swale-building project to catch water for a pond. We worked in groups on a presentation that allowed us to make our own observations and interpretations of the Permaculture concepts that we learned. It was an intense two weeks that many of us will probably never forget.

Our graduation was filled with emotion. We had our closing circle and shared our experience with each other, knowing that our tribe was about to part ways. At this point I realized why the concept of convergence is so important. It's about people who have lived through this experience meeting again to rejuvenate and recharge our Permaculture spirit. I think it helps us to keep our focus and teach other people how to live in tune with the Earth and practice the ethics of Permaculture - respect for earth, respect for people and sharing of our surplus.

This course taught us to believe that, if we continue to take steps to live our lives a little more sustainably each day, that change will happen. It also taught us that we can open up to people and talk about issues that face all of us in this world. For me it reinforced the truth that together we can make a difference. When we built the swale we cut the earth open. Then we helped to heal it with straw and seed. When we were leaving we saw new life on our swale just like we saw on the road ahead of us.



Permaculture Design Course instructor Peter Bane gives students directions on finishing touches to swale construction.



Permaculture Credit Union President/CEO, Donald J. Sarich receives his Permaculture Design Course certification on July, 2, 2006. Standing from left to right: Scott Horton, *Permaculture Activist* editor and teacher; Peter Bane, *Permaculture Activist* publisher and teacher; Donald Sarich; and Andy Mahler, Lazy Black Bear co-owner and forest activist.

**2006 Annual Meeting – continued...**

We added to our Financial Section (below) so you can be more aware of our progress. The top portion shows loans, assets and retained earnings as year-to-date totals. The financial goals take into consideration our current year budget. To better explain this, let's focus on our year-to-date figures for June '06 and compare them with our Financial Goals column for June 30, 2006. We ended June \$12,116 higher than budget, which is good because we would rather have our surplus funds benefiting our members in the form of a loan. The next three numbers – Assets, Retained Earnings, and Capital Ratio – are important numbers. They determine how much in deposits we can accept from our members at any given time. The Federal and State agencies that gave us our charter review these numbers quarterly against our approved business plan. The key number is the capital ratio. We get this percentage by dividing Retained Earnings by Total Assets.

The list under Financial Goals includes both the business plan requirement and our goal. When we achieve a higher goal, we have more flexibility to accept funds from members. If we just meet the required ratio, we are seriously limited in the amount of deposits we can accept. That is how donations have helped us in the past, by allowing us to grow our retained earnings even without a net income. Without donations we would not have been able to grow the total assets to our current amount.

The next three numbers (after Membership) are Total Income, Total Expense, and Net Income or Loss. These are year-to-date totals of income and expenses attained by office operations. You can look at the amounts under Financial Goals to see if we are on track. These numbers have major impacts on our retained earnings or losses. We hope that by the use of this chart, our members can better understand the financial state of the credit union and know when we need to increase or slow down deposits in order to meet the required capital ratio.

We will continue to increase our communication through the newsletter in order to help members be better informed about the direction the credit union needs to take to continue to operate in a safe, sound and sustainable operating pattern.

***Board of Directors Election Results***

This was the first election held by the Permaculture Credit Union since being chartered where we had more nominees than positions available. Ballots were counted by our Supervisory committee as required by our by-laws and results were certified on the same day, May 9, 2006, by Eliot Stenzel, an independent auditor.

We appreciate all candidates who ran and we also want to thank our members who voted. Once again our credit union has exceeded credit union national averages. The national average for Board Elections is approximately 6% returned mail votes, which would have resulted in less than 50 returned ballots. The Permaculture Credit Union had a return rate of over 30%.

Once again, a sincere thank you to the four members who ran for Permaculture Credit Union's Board of Directors and to all members who voted. Finally, a thank you to our Supervisory Committee, and to the staff for assembling all the materials for the election.

**Report submitted by the Supervisory Committee.**

***A Dozen Easy Steps to a Better Environment***

- ❖ Buy Reusable shopping bags.
- ❖ Shop for the environment – cut down on packaging.
- ❖ Buy goods and packaging that are made from recycled materials or are recyclable.
- ❖ Do the right thing – Recycle.
- ❖ Compost your waste and get growing.
- ❖ Don't litter and don't tolerate people who do.
- ❖ Water is life. Think about it and conserve.
- ❖ Dispose of old paint and waste liquids properly. Don't pour them down the drain.
- ❖ Leave the car at home from time to time.
- ❖ Save energy. Use it sparingly.
- ❖ Choose energy efficient rating labels.
- ❖ Educate and encourage children.

**FINANCIALS:**

	<u>April '06</u>	<u>May '06</u>	<u>June '06</u>	<u>Financial Goals June 30, 2006</u>
LOANS	\$1,901,577.23	\$2,041,976.66	\$2,172,308.16	\$2,160,192.00
TOTAL ASSETS	\$2,780,721.94	\$2,751,285.64	\$2,704,805.30	\$2,699,044.00
RETAINED EARNINGS	\$95,406.22	\$91,427.05	\$95,283.26	\$100,184.00
CAPITAL RATIO (Retained Earnings/Assets)	3.43%	3.32%	3.52%	<b>3.52% (Required) 3.71% (Goal)</b>
MEMBERSHIP	826	836	841	840
TOTAL INCOME (Loans, Investments, Fees & Donations)	\$55,633.35	\$68,245.42	\$84,346.01	\$85,542.50
TOTAL EXPENSE (Operation & Dividend Expenses)	\$58,845.20	\$75,436.44	\$87,680.82	\$81,455.00
NET INCOME OR LOSS	(\$3,211.85)	(\$7,191.02)	(\$3,334.81)	\$4,087.50



# Permaculture Credit Union

Office Location: 4250 Cerrillos Rd., 2<sup>nd</sup> Floor,  
Santa Fe, NM 87507

Mailing Address: PO Box 29300,  
Santa Fe, NM 87592-9300

Toll Free: 1-866-954-3479

Phone: (505) 954-3479

Fax: (505) 424-1624

Web Site: [WWW.PCUONLINE.ORG](http://WWW.PCUONLINE.ORG)

Email: [PERMA@PCUONLINE.ORG](mailto:PERMA@PCUONLINE.ORG)

## Office Hours

Monday – Friday 10:00am – 2:00pm

## Loan Request

Monday – Friday 9:00am – 5:00pm

Or by appointment for member convenience.

## Management & Staff

Donald J. Sarich

*President/CEO*

Eileen Banashek

*Bookkeeper*

Willina M. Martinez

*Member Services Representative*

## Board of Directors

Nora Haskins – Chair

Hugh Roberts – Vice Chair

Susan Coulter – Secretary

Barbara Mueller – Treasurer

Jake Ingram – Director

Wesley Roe – Director

John J. McAndrew – Director

## Supervisory Committee

Carolyn Agard – Chair

Joseph Ellis – Member

Elizabeth Martin – Member

Phil Vergamini – Member

Your savings insured to \$100,000

**NCUA**

National Credit Union  
Administration  
a U.S. Government Agency



EQUAL HOUSING  
OPPORTUNITY

**Newsletter Printed on:**

100% Recycled Paper

## Privacy Policy:

**We do not disclose any non- public information about our members to anyone except as permitted by law.**

## Permaculture Credit Union Mission Statement

**(Revised July 2006)**

The Permaculture Credit Union pools the financial resources of people who believe in the Ethics of Permaculture -- care of the earth, care of people, and reinvestment of surplus for the betterment of both. We apply those resources to earth-friendly and socially responsible loans and investments.

## What is Permaculture?

“Permaculture provides a new design language for observation and action that empowers people to co-design homes, neighborhoods, and communities full of truly abundant food, energy habitat, water income, and yields enough to share.”

*Keith Johnson, editor/writer Permaculture Activist*

## MEMBER SERVICES

*We are currently financing up to \$95,000.00 in loans per household. All rates are subject to change without notice.*

### NEW & USED VEHICLE LOANS

### MORTGAGE LOANS (Land & Home Equity)

### BICYCLE LOAN DISCOUNT

### SIGNATURE LOANS

### SHARE & CERTIFICATE SECURED LOANS

### CREDIT CARDS

### STUDENT LOANS

### SUSTAINABILITY DISCOUNTS

We provide sustainability discounts for projects that are earth-friendly. The usual discount is .75% off our current loan rates. Call our office staff for details.

### DIRECT DEPOSIT

Have funds directly deposited into the PCU from your paycheck or other financial institution. Pay your bills by having funds directly transferred from your PCU account.

Pay your PCU credit card with ease online.

## Holiday Closings:

### **Independence Day**

Tuesday, July 4, 2006

### **Labor Day**

Monday, September 4, 2006

### **Veteran's Day**

Friday, November 10, 2006

### **Thanksgiving Holiday's**

Thursday, November 23, 2006

Friday, November 24, 2006

## Just a Reminder from the Supervisory Committee:

PLEASE notify the Credit Union of any changes to your address or phone number. We want you to receive your statements and information about our services.