

The Future of Facilities is Here

Gone are the days when a credit union facility was a spare office or even closet within a larger company (usually the credit union's sponsor). Today, credit union buildings are coming into their own, emulating retail environments and environmentally practices as well. Read on to find out what could be in store at your institution this year, next year and beyond

By Laura Gater

T Credit union facilities are no longer just “buildings.” More and more of them are being designed to be warm and inviting to both current and potential members. As a result, it's no longer unusual for people to walk into their neighborhood credit union and see amenities like coffee bars and plasma TV screens that display current news and marketing messages, says Scott Carter, SVP/design and construction at Consultants & Builders, Inc. (www.consultantsandbuilders.com), Duluth, Ga.

“We are seeing more specially designed facilities for credit unions and their members,” adds Mike Colvin, senior vice president and principal at Level5, LLC (www.level5online.com), Atlanta. “They are an environment that you wouldn't mind hanging around in. Members enjoy the environment, and want to come inside instead of driving through.”

The incentive to enter credit unions extends beyond free coffee and plasma TVs, however. Members also can conduct non-CU business there.

John Hyché, principal strategic consultant at Level5, adds that some credit unions are adding meeting rooms for members to use for non-credit union business, say to meet with a builder, while others are adding business rooms complete

with fax machines, copy machines and computers for members to use.

“We see credit unions creating a holistic retail delivery strategy that delivers a multi-sensory member experience across all member touch points, including physical branches, ATMs and the Internet,” explains Kevin Blair, president/COO at NewGround (www.newground.com), based in St. Louis.

Beyond the building and services, credit unions are aiming for a more subtle impact on members as well through branding.

Branding extends beyond exterior signage to the interior walls that display mission statements and values, the labeling on cups at the coffee bar and the labeling on the bottles of water that are free to members.

That's a trend credit unions can expect to continue for many years to come. “We see the long-term investments in credit union buildings continuing,” Hyché says. “Today's emphasis is on creating an environment that will help credit unions develop long-term relationships with members, which will underscore the value of services credit unions provide.”

A move toward services and sales is enabling credit unions to migrate away from the traditional transactions menu to the growth of dialog towers, or pods, for member transactions, with a “growing percentage of projects using non-traditional paying and receiving platforms,” adds Blair.

The trend toward services and sales is accompanied by a change in how business is transacted as well. Technology is enabling staff to step away from handling common cash transactions—and handling them in a traditional manner.

“This year’s biggest trend is ‘dialogue banking,’ which helps to create a retail environment that allows the staff to move throughout the space instead of being trapped behind a teller line. Staff is cross-trained on everything from basic transactions to loans so they can accommodate all the members’ needs, all while establishing a level of trust and a business relationship,” explains William Bily, design architect and director of design/development at DEI Corp. (www.dei-corp.com), Cincinnati, Ohio.

“Dialogue banking is also very efficient for the financial institution,” he adds. “Based on the level of the cash machine, it may balance the drawer at the end of the day and staff can even work out of the same drawer by logging in with a personalized login.

“Creating a trusting relationship encourages members to stop in more frequently or feel more comfortable asking ques-

tions about their accounts or how they should plan to accommodate future needs,” Bily says. “Becoming their trusted financial advisor means increased number of accounts per member. Creating this trust starts at the door, a welcoming, inviting interior where staff are easily accessible and can accommodate any request or answer most questions. This is where dialogue banking will make a significant impact.”

Blair expects these trends will continue into 2008 and beyond.

“We see a significant change coming in the next 12 to 24 months as it relates to the massive proliferation of new branches across the country,” he says. “We believe new branch construction will begin to decline and the renovation and upgrading of existing branches will increase. Many credit unions could experience significant lift in overall performance and member satisfaction by updating old, tired ‘legacy branches.’”

Going Green

Carter suggests CUs also will see an increased adoption of LEED-certified facilities as a benchmark for healthy and environmentally friendly facilities. Legacy branches will be replaced with branches that reflect dedication to energy savings and healthy environments.

During an average building’s lifetime, more than 80 percent of the energy for heating, cooling, ventilation, cooking, lighting, etc. is consumed during the time the building is in use. A new report from the United Nations Environment Program Sustainable Building and Construction Initiative (www.unepsbci.org), titled “Buildings and Climate Change: Status, Challenges and Opportunities,” states that the right mix of government regulation, greater use of energy saving technologies and behavioral change can “substantially reduce carbon dioxide emissions from the building sector, which accounts for 30 to 40 percent of global energy use.” The report urges greater use of existing technologies, such as solar shading, thermal insulation, more efficient lighting and electrical appliances, and the importance of awareness and educational campaigns.

Simple solutions to energy efficiency include sun shading and natural ventilation, improved insulation of the building, use of recycled building materials, low temperature heating



Kevin Blair, president/COO at NewGround

and cooling systems and intelligent lighting and ventilation systems, according to the report.

“Credit unions will take designing and building healthy buildings to the next level and realize that a sustainable building can provide long-term value and less maintenance costs,” Carter explains. “Designing and building a facility that is good for the environment can be good for a credit union’s bottom line.”

The move towards “green” credit unions will be a “slowly-building groundswell,” according to Hyche. It won’t happen overnight, but will happen slowly but surely, as credit unions note the advantages their environmentally-friendly peers are accumulating from their reputation as environmental stewards.

Of course, plenty of credit unions across the country already are taking advantage of opportunities to reduce energy usage and become better stewards of earth’s resources.

\$34 million Santa Barbara County Federal Credit Union (www.sbcreditunion.com) became the first financial institution in California to install an environmentally-friendly solar electric system on its building. The project was completed in January 2005. The 38-kilowatt solar electric system reduces carbon dioxide emissions into the air by 77,347 pounds every year and will reduce the credit union’s electricity costs enough to pay for itself in 10 to 15 years.

We were putting money into a CD with a 4 ½ percent return rate and we realized that solar power was economically feasible and could pay for itself at a higher rate of return,” explains Patrick McPherson, a board member at the 5,700-member CU. “The total cost of the solar electric system was \$239,612. The cost to the credit union after rebates was \$119,806. The 10-year investment rate of return is 7 percent. The panels have a 25-year warranty and over 20 years the system will pay for itself in electrical power savings, plus provide an additional \$69,611 in savings. In addition to these figures, environmentally, solar electricity was the right thing to do.”

The solar electricity project at Santa Barbara County FCU has set it apart from other credit unions and financial institutions in the community. California is often seen as a leader in environmental awareness, and Santa Barbara County FCU demonstrates this. The credit union now offers members loans to finance solar

electricity, the “No-Hassle Solar Power Loan.” Board members are considering other ways to improve energy savings, such as comprehensive recycling program or other things that tie in to the credit union’s dedication to reducing energy use and improving energy efficiency.

\$1.7 billion Kern Schools Federal Credit Union (www.ksfcu.org), Bakersfield, Calif., also felt a responsibility to set an example for the future growth of the community when it first discussed opening a new corporate office. The new 144,000-square-foot facility uses 35 percent less energy than a regular commercial project of its size. The steel and wood building materials were recycled, whenever possible, rather than sent to local landfills. The 171,000-member CU’s roof is white, reflective and “cool,” helping keep the building cooler during the hot summer months. The windows are coated in varying levels of ultraviolet light protection, enabling maximum levels of light to enter the building, and thus decreasing the need for artificial lighting. More than 75 percent of the permanently occupied workspace has direct views to natural sunlight.

The new credit union’s air conditioning units use fewer environmentally harmful chemicals and less energy. The units do not use harmful chlorofluorocarbons, so they run cleaner. The carpet, paint and adhesives used inside the building were chosen because they contained low emissions. The duct work was also sealed carefully to prevent wasted energy. The new vegetation and trees require little water, and the buildings have high-efficiency plumbing.

The U.S. Green Building Council’s LEED Green Building Rating System (www.usgbc.org) is the nationally accepted benchmark for the design, construction and operation of high performance green buildings. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health, according to Peter Levasseur, AIA, LEED, AP, director of sustainable design at EwingCole (www.ewingcole.com) in Washington, D.C. These five key areas of human and environmental health are sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

Site development refers to the need for a sustainable site, and to utilize an environmental approach to it. Water savings means the need to reduce the demand on public utilities and the impact of water usage, through energy-efficient toilets and/or an irrigation system or other means. Energy efficiency can be achieved in many ways, through solar power, solar

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electricity, renewable energy, etc. The use of recycled materials prevents waste from going to landfills and promotes better materials selection. Indoor environmental quality can be achieved through using building materials with fewer chemicals in them, using better ventilation systems, etc.

“Since most Americans spend about 80 percent of their life indoors, creating the healthiest air for them to breathe is important. People have become more sensitive to allergens in the air,” Levasseur says.

Innovation results from looking at these five key areas and finding a better way to construct buildings and create something special, according to Levasseur. Innovation comes from asking, “What can we do to make our daily lives more environmentally friendly?” and is answered by thinking outside the box, as was done on the Kern Schools FCU and Santa Barbara County FCU projects.

Another California financial institution, \$440 million Fresno County Federal Credit Union (www.fresnocfcu.org), with more than 43,000 members in the Fresno area, offers members a special low loan rate for the purchase of hybrid cars and offers a “Clean & Green” home improvement loan for

members to make energy-efficient changes, such as installing Energy Star certified appliances, solar panels, new windows, insulation or a full-house cooling system. Santa Barbara County FCU, meanwhile, became one of the first in the country to offer its members a loan for purchasing and installing a solar electric system.

Those leading credit unions such as Fresno County FCU hope that as their institutions (and others in the industry) become more aware of their impact on the environment, their members will think about their contributions to energy savings and efficient energy management as well.

Time and within scope,” says Rezin, “but you really know you’re doing well if nobody is surprised at the end of the project.”

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