

Intro: Welcome to the SeaComm Federal Credit Union podcast, your guide to financial information and what's going on at your credit union.

Jerry Manor: Once again, I'm happy to welcome Scott Wilson, the President and Chief Executive Officer here at SeaComm to our podcast. Scott, as always, a pleasure.

Scott Wilson: It's always my pleasure, Jerry.

Jerry Manor: We're going to be talking about 2018, a lot of good news in 2018 for SeaComm.

Scott Wilson: One of the things that I'm always most proud of is, the members we're being able to help throughout the year. Obviously, that's our mission, putting people before profit, and certainly SeaComm continues that mission. And we're working with individuals who walk through our door, call our call center or use any of our plethora of electronic delivery channels. It's always about making sure they're getting taken care of.

Jerry Manor: That's our mission, that's our bottom line, is to take care of our members. And let's digress just a little bit. We've been able to take care of some members who are in hardship right now.

Scott Wilson: Yeah, I think one of the things that SeaComm has recognized that this, the government shutdown, the dispute between the President and Congress obviously hasn't gone well, and so SeaComm has decided that if anyone who is furloughed or an essential service employee is not getting a paycheck, we're going to work with them, Jerry. Whether it's extending a line of credit to them or helping them modify a loan, maybe skip some payments, some extensions on their loans, whatever it is, we're going to work with them.

Jerry Manor: That's what we do.

Scott Wilson: Absolutely.

Jerry Manor: This is nothing new. We help people whenever we can.

Scott Wilson: Yeah, I think that this mirrors what we do in any circumstance.

Jerry Manor: Let's look back at 2018, very good year for SeaComm, no question about that.

Scott Wilson: Obviously, Jerry, that we can serve people because we're making some money. SeaComm did very well fiscally. At the end of 2018 we made \$5.6 million, and what that equates to is a metrics on return of average asset, 1.03%, which is above our peer average. Capital remains high at 14.94%, and we turn that into dollars it's about \$78 million in capital. I look at that as a rainy day fund, Jerry.

Jerry Manor: Right, so if the economy doesn't, or has some bumps and some lows, we can withstand that.

Scott Wilson: Absolutely. That's what that capital's about. It's also there to help us grow our footprint, and while we're growing our footprint, because, when you open a new branch, it's not automatically profitable. It takes about five years to get a branch profitable, so you have some money to play with if your earnings aren't keeping pace.

We've been very fortunate that we've had a very active balance sheet management process, and have been able to keep the retained earnings, the net income that we get every year back into capital. And it's been very positive.

Jerry Manor: You talk about new branches, the new branch, of course, is Plattsburgh. How is it going over in Clinton County?

Scott Wilson: We're very pleased, actually. We've been in business a little bit over a year and-a-half, and in that time we're doing better than we forecasted, actually. One of the things we like about Clinton County is there's some economic growth over there, new businesses, and that has obviously helped us to grow a little faster paced than what we expected to do.

Jerry Manor: Well, it's important to continue to grow, so we can serve our membership, and that's the whole reason for it. We're not just doing this. We want to continue to be economically viable so we can continue to serve our membership.

Scott Wilson: Yeah, I think, Jerry, that's the point that, when we sat down with the Board of Directors at a strategic planning session and talked about moving into Vermont, for example.

Jerry Manor: Right.

Scott Wilson: It isn't about getting bigger, it is about being able to diversify your markets, so that when one area may not be doing as well as another, we can offset that, and still able to serve our members in a particular area.

For example, if St. Lawrence County has some kind of an economic issue that's going on, we're hoping at that, then Clinton County and Vermont can offset that, and vice versa over time. It's always about diversifying our markets.

Jerry Manor: And of course, we have to serve the members, that's the bottom line, and the members want things. And those things are expensive but we've had some new things that came on board this year.

Scott Wilson: An upgrade on Mobile 4.0 for example, Jerry, is one of our nice enhancements we did this past year. SeaComm Pay. If you haven't used SeaComm Pay, it's a great way to tap and go. You can go over to Rite Aid, you can go to Kohl's. You just bring your phone near the proximity of the reader and pay for your purchases, that easy. But those things are cost to us, Jerry.

Jerry Manor: Exactly.

Scott Wilson: They're expensive technologies that we know are important to our members, and so when we make money, we reinvest that money into products and services which our members want and need. And so we've been very pleased with that. We also added international wires this past year. That was really a demand for our members who wanted to send money to Canada, and this gives them that opportunity.

Jerry Manor: That's a great service that SeaComm's now offering. We also upgraded our website, and it's beautiful.

Scott Wilson: It is fresh, it's easy to navigate, and as all of our marketing and social media, it just really represents us well. And, as you know, Jerry, it's always good to have things new and fresh. Absolutely www.seacomm.org is fresh.

Jerry Manor: It's very fresh and very, very user friendly, as you mentioned. And, of course, the social media, the weekly wave blog and all the other things out there, podcasts, like we're doing right now. Those are all ways that we can really be close to our membership.

Scott Wilson: Yeah, and I think that's important, Jerry. I work for the membership as the CEO of SeaComm.

Jerry Manor: We all do.

Scott Wilson: Yes, but in particular, that if somebody needs something or wants something and they're not getting it, give me a call, drop me an email, I'm happy to listen. I'm in the branches once a quarter. Those meetings are scheduled so that you can talk directly to me, beyond just the podcast or maybe my advisor messages.

Jerry Manor: We've got all these electronic touchpoints, but there's no substitute ...

Scott Wilson: For service.

Jerry Manor: ... face-to-face in service, that's right.

Scott Wilson: In service.

Jerry, I did want to touch upon the fact is we enhanced our member loyalty rewards this past year.

Jerry Manor: Yes.

Scott Wilson: At the end of last year, we enhanced our loan rewards so you can get up to a point off your best rate, based on the amount of business you do with us. And we've also had stackable rewards for our CDs and Fixed IRA accounts, so if you

have a certificate of deposit and you want to get a little bit better rate, make sure you talk to the FSR and we can look at the business that you do with us and actually stack up rates. And you can actually add almost more than a point and-a-half if you qualify to your best CD rate.

Jerry Manor: Well, the one I really loved, and I've gotten a lot of feedback on this one is, the veterans, where veterans can get a .15 basis point.

Scott Wilson: That was an enhancement we felt this year that we should reward and thank our veterans.

Jerry Manor: Absolutely.

Scott Wilson: Obviously, this was a concrete way to do that.

Jerry Manor: It's been noticed.

Scott Wilson: Good, I'm glad to hear that.

Jerry Manor: Yes, yes, people are very happy about that.

Scott Wilson: The reason we went with enhanced member loyalty rewards is we want to reward our members who do business with us. The more business you do with us, the better your rates are going to be. The veteran, as you mentioned, was just an opportunity for us to say thank you.

I also want to talk about our personal financial advisor services. We now have a second advisor that's located in Plattsburgh, so we have Mat Hastings here that covers St. Lawrence and Franklin County, and David Brown is going to cover Plattsburgh and Clinton County when we open up in Vermont. And we're nearly \$25 million of assets under management, but what does that really mean is, it gives our members another opportunity to retain their money here and get better return on their investments that they're looking for, for long-term.

Jerry Manor: It's just another way to serve the membership.

Scott Wilson: Absolutely.

Jerry Manor: Anything more about last year you want to touch on?

Scott Wilson: No, I just want to mention that, again, SeaComm's fiscally sound once again. We had an A-rating from Weiss Rating. Weiss Rating is an independent rating agency of banks, savings and loans, and credit unions. Bauer gave us five stars this past year, so we continue to do really well that way from terms of financial strength and service.

I just want to mention about Vermont, we are obviously moving into Vermont as we mentioned, probably in the last podcast, and those projects are moving forward and we're hoping to make some sort of announcement towards the end of the first quarter, to let our members know where we're going.

Jerry Manor: That's going to be exciting. Any time you expand, it's exciting. Plattsburgh was exciting and continues to be. I know Vermont will be, too.

Going forward into the year, anything else you can tell us about plans SeaComm? Anything new coming up?

Scott Wilson: Yes, so some of the new products and services we're going to be offering this year, obviously, Jerry, is our instant issue credit card. As you know, you can come into our branch and get an instant issue debit. If you open an account and you want to add a debit, we can do that immediately, or if you had lost or maybe had some fraud on your debit, we're able to reissue, so you're not without it.

Jerry Manor: Right.

Scott Wilson: Well, in 2019 we're going to be able to do the same thing with our credit cards, so when you get approved for a credit card, we'll be able to instantly issue one to you. But also the fact is, is if that you had some fraud or you may have lost it, you won't have to be without it so we'll be able to take care of that immediately. And our rewards checking account this year is going to be an enhancement to our basic checking account, and will give lots of rewards to members who participate in it.

The reality for us is that we're focusing on Vermont and expansion, and always enhancing our service experience here at the credit union, and that will continue to be the focus in 2019.

Jerry Manor: All right, let's just, one more thing. Do you see any problems moving forward? What do you think our biggest threat is this coming year?

Scott Wilson: I think the economy is always a challenge, Jerry, and I'm not talking just about the north country, I'm talking about globally. We hear all of these discussions about tariffs and trade wars, and what does that mean to SeaComm? Well, there's always a trickle-down effect. And so we have to be aware that there is economic challenges, and everybody knows that in the north country, that we really never have any boons, but we're kind of a flat economy. But we can't afford to lose any more jobs, and so that's always a concern for us.

For SeaComm, that's why we diversify and we're going into new markets, so that when one market isn't doing as well as another, we can offset that. And that's good for the members because then we can continue to earn the money

in order to put back into the right services and products and give those enhanced member rewards.

Jerry Manor: Scott Wilson, President and CEO here at SeaComm.

Outro: That's it for this edition of the SeaComm Federal Credit Union podcast. Thanks for joining us.