

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, we have the opportunity to speak with SeaComm President and CEO, Scott Wilson. Hi Scott.

Scott Wilson: Hi Jerry. It's always my pleasure to have these chats with you.

Jerry Manor: I appreciate that and it's a good opportunity to talk about something that recently happened as we held our annual meeting at SeaComm. We had some nice reports.

Scott Wilson: Absolutely Jerry. So I'm going to give a recap on what happened. Obviously the Chairman of the Board gave the report. I do, as the CEO, we get a financial report from a Nomination Committee and Supervisory Committee. But I thought what I'd do is just give you the highlights of what happened that evening. First of all, we had another strong year financially. We ended our year with \$5.6 million net income. That equates to a return on average assets, that's metrics that we use in the industry, how well we do profitability-wise, and we were at a 1.03% compared to our peer average of 0.61%.

Scott Wilson: Capital is very strong. We're at \$80 million, well above our peer average. Assets are today at \$558 million. Membership growth was at 4% last year, so we're really happy with that, as steady as she goes. Obviously our new market in Clinton County continues to bring in new members and we're very excited about that.

Scott Wilson: We also had a report by the Supervisory Committee. They're responsible for the external auditing being performed on the credit union, and we, again, received a clean audit performed by Nearman Maynard Vallez CPAs, and we continue to be financially strong, and operationally efficient. So again, Jerry, a clean audit, we're very pleased with that. We also had an excellent four quarters in our terms of our Weiss rating. That's a rating by an independent reading agency, Weiss, who does credit unions, banks, thrifts, savings and loans and insurance companies. And all four quarters we had an A- or an A rating.

Scott Wilson: And really what that means is that you have the economic wherewithal to withstand any economic anomaly that might come along. In essence, Jerry, we have sufficient capital, lots of liquidity and really manage the credit union really well.

Jerry Manor: So if something bad were to happen to the economy locally or nationally, we would have a little extra to be able to weather the storm basically.

Scott Wilson: Yeah. That's really what our capital is for, Jerry it's the rainy day fund, so to speak, and to ensure that if we do have some downturn in the economy and maybe our net income isn't where it needs to be, we can draw on that. It's also

available to us for growing our business and obviously we've had some strong years and we've been able to build that capital up and those reserve dollars over the last decade.

Scott Wilson: We also had five star ratings by Bauer financial. They're a rating agency as well. And we paid \$3.7 million back to our members in form of dividends. So we're really happy about that. We refunded \$221,000 of fees back to our members.

Jerry Manor: That's pretty amazing.

Scott Wilson: The reality, Jerry, is that we always say that people make mistakes. And so if you overdraw your account or you didn't intend to have a fee attached to it, we're pretty liberal in giving those fees back and our staff does a great job doing that. We had 2,152 students who brought their report cards in for our spin the wave program, \$46,000 in cash and prizes given out last year.

Jerry Manor: Well that's incredible. And it's amazing during the marking periods to go down in the lobbies, and I don't care which branch you're at and watch the kids come in, the eyes light up, and they're learning not only in that it's good to get good grades, it's good to save money.

Scott Wilson: And really one of the focuses for us was to really encourage academic excellence and what better partnership can we do than bringing a kid in, let them spin when they get good grades and give them some candy, maybe an iTunes card or Amazon gift card.

Scott Wilson: We also had a some growth in our mobile platforms, 28% growth in the use of our mobile platform this past year, 24% growth in our mobile deposit checks. That's pretty interesting because when I looked at the statistics about how many checks we were actually transacting on the teller line, we remained about flat from '17 to '18. But yeah, we've seen those growth in the mobile platform. I'm not surprised at that.

Jerry Manor: I am not either, and I have to say I use it. I don't receive checks often, but occasionally somebody will write me a check and I work here and I use the mobile app.

Scott Wilson: Absolutely agree, Jerry. It's as easy as a few clicks and you've got the check deposited.

Jerry Manor: It's pretty amazing.

Scott Wilson: More than \$46,000 was given away in our Pay-It-Forward program. That was unique last year. And really what that enabled us to do is go out in the community, give away maybe some gas, buy some groceries, paid for somebody's lunch, all of those things in the communities in which we do business. And we're really excited about that. In fact, Jerry, we won a couple of

awards, the Dora Maxwell Social Responsibility Award by the Credit Union Association of New York last year, and also an award by the Marketing Association of Credit Unions for the category of Pay-It-Forward. So that's really exciting for us.

Scott Wilson: Other things that we did last year, we gave \$143,000 away in direct donations and sponsorships last year. That means that there are a lot of little league teams out there, fire departments, school activities, and SeaComm has given some sort of money to the graduation parties and the all-night prom parties ...

Jerry Manor: Scholarships at Camp Overlook, yeah.

Scott Wilson: We can go on and on.

Jerry Manor: On and on.

Scott Wilson: Speaking of scholarships, we gave away 10 of our own.

Jerry Manor: That's right.

Scott Wilson: In fact, it's that time of the year, but we gave away 10 last year, \$500 and we also endowed with scholarships at some of our local colleges, universities, including Plattsburgh State, Clinton Community College, North Country Community College, Potsdam State, and Canton University. So it's another way we give back to the youth in our community.

Jerry Manor: That's right.

Scott Wilson: One of the things that we did launch last year was our SeaComm Pay app, helping our members obviously connect to real time. I don't know about you Jerry, but I love the alerts, but I really love the tap and go.

Jerry Manor: Yes, yes.

Scott Wilson: My wife likes to shop at Kohls, and you go in there and you just open your phone app, you tap it and you move on.

Jerry Manor: You know, it's being becoming available at more and more retailers. But I do love the alerts too, so I can keep track of when my cards are being used.

Scott Wilson: And you could turn those cards off.

Jerry Manor: Right.

Scott Wilson: So if you feel that you're traveling and you want to protect your cards, you can turn them off and turn them on when you need to.

Jerry Manor: That's right.

Scott Wilson: It's a great feature. So what else has happened? We were selected as a Best Company to Work For, again, as a midsize company in New York State this year. Again, we were selected, so it's nine consecutive years as the Best Companies to Work For. I mentioned some of the awards, that community engagement award that was given by the Marketing Association of Credit Unions. It's just another testament that it's not just about what we think we're doing right, but even outside groups where we've been given these awards for our Pay-It-Forward program is really awesome. I think one of the proudest things we do is the Pay-It Forward program here at the Credit Union. So really what's next for us, Jerry, we talked a lot about 2018. Obviously the big news is we're expanding into Vermont.

Jerry Manor: That's correct.

Scott Wilson: Recently we just talked about it, that we're going to be on Shelburne road, route seven in south Burlington. That'll be our first location. If you don't know where that is, it's next to Racine Jeep and across from Shearer Chevrolet and it's a great location. We're excited to be there and we'll be breaking ground sometime in late June, early July.

Jerry Manor: That's extremely exciting. Well, I remember what it felt like when we went to Plattsburgh. I mean it was just almost a rush of exhilaration. This is amazing. We're going into a different state, Scott.

Scott Wilson: And on top of that location, we're going to be going into two other locations, Jerry and we're working on those today. There'll be a lot more excitement coming down the pipe for us.

Jerry Manor: I think it's just exciting to be a part of it and every single member out there is a part of this.

Scott Wilson: Absolutely. It strengthens us. The more diversified we are, the better we will be in the future, and we'll be able to deliver those exceptional products and services to our members that they deserve and need from us.

Jerry Manor: That's right, but we still remember where we came from, don't we?

Scott Wilson: We never forget our roots, Jerry. In fact, I'm always reminded by the iconic toolbox that sits in our lobbies, why we're here today and we never forget that. In fact, that's interesting because the board room last year, as one of the highlights, we named it after our longest serving volunteer Gary B. Fuller, who has been with us since day one. Last year we celebrated our 55th anniversary and we named the board room after him as he sat on the board for all those years. And he is our guiding light for me. And I mentioned that at the annual meeting, I mentioned at the dedication that there was really one thing that was

important for the men and women at General Motors at the time was taking care of each other.

Scott Wilson: And that's exactly what we do today.

Jerry Manor: And you know, it's very, very exciting to be part of it. Very proud to be here and I know our staff is proud to be here.

Scott Wilson: Absolutely. And they take great care of our membership.

Jerry Manor: They do indeed. I hear it every day.

Scott Wilson: So, what else is going on? One of the new exciting things that's going to happen this year is loan engine where you'll be able to log into your NetTeller account and you'll be offered some loans.

Jerry Manor: Okay.

Scott Wilson: Maybe your wife Sally will be interested in maybe a new pool and there's an option ...

Jerry Manor: Here we go again!

Scott Wilson: ... there's an option for maybe a signature loan, right? Or maybe an ATV or whatever, maybe a new auto. You'll be able to click on it and get that loan and all the other ones will disappear until you requalify.

Scott Wilson: But again, you're going to be able to make those choices. We're really excited about this new feature.

Jerry Manor: And again it's all about making it easy for the members.

Scott Wilson: Absolutely. We already launched Benefits Plus[®], but I think it's a really good thing to mention that it's our rewards checking product. If you haven't tried it, I don't know about you Jerry ...

Jerry Manor: I have.

Scott Wilson: ... but it is awesome. All kinds of savings, money back. So if you don't have it, check with one of our FSRs or call the call center and we'll get you to started.

Jerry Manor: Absolutely. It's great.

Scott Wilson: One of the most things I'm excited about coming forward and starts July 1 is our home buyer dream program with the Federal Home Loan Bank of New York. They are going to partner with us and we will have members who are eligible for their first time home, a down payment up to \$14,500.

Scott Wilson: So if you're interested in that, come in and see our mortgage representatives and they'll talk you through how you may be eligible for that. It's on a grant application, first come first serve. But it is an awesome, awesome way to give back to the community and also help our members get their first home.

Jerry Manor: Well, that's right. And of course that's the American dream is to own a home and this makes it affordable for some people that may not have been before.

Scott Wilson: Absolutely. What else happened during the meeting? Two directors were up for election. They were both elected to three-year terms. That's Patricia Dodge and Keith Edwards. And last I want to just talk about what we're looking forward to in the rest of this year and forward. Obviously Jerry, consistent strategy for 10 years. We're always looking to the future, but we're going to do it with responsible, strategic growth.

Scott Wilson: Nothing that's really outrageous, but really on target with what the board of directors has set, and we're going to continue to deliver that increased member value through those new products and service offerings. Some of which I just mentioned. That's going to be an exciting time here.

Jerry Manor: It's been an exciting time here at SeaComm, Scott, and will continue to be so.

Scott Wilson: Absolutely, and I just want to thank our 47,186 members for the continued trust they have in us taking care of their financial lives.

Jerry Manor: Thank you, Scott.

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

Jerry Manor: SeaComm President and Chief Executive Officer, Scott Wilson.

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