

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

Jerry: Once again, we have the opportunity to talk with SeaComm President and CEO, Scott Wilson.

Scott Wilson: Well, first of all Jerry, thank you for this opportunity. I always enjoy these chats.

Jerry: Scott, we're going to look back at the year 2020 and an interesting year it was.

Scott Wilson: Yes, Jerry, obviously 2020 was a very interesting year. It started off with high expectations for all of us I think as you crest any new year and around mid-March, we had this U.S. pandemic that hit us and really stopped us in our tracks. And we've talked in previous podcasts about some of our operational changes and things, but I got to tell you, I'm really pleased with how we ended the year. We had expectations of specific financial performance, which we met. Even with all of the challenges we had, we were very pleased with that.

Jerry: Did it happened differently than you expected? Were there certain things that were better, certain things that were not as good?

Scott Wilson: Yes, I think one of the things I'd like to mention is we were featured in one of our trade publications, Credit Union Info Today, and the featured article was credit union planning pays off. We have spent a lot of time to ensure that when things like this happen, although we didn't expect a pandemic, more of an economic crisis like we saw in 2008, we were preparing for that. And our balance sheet is structured so that we're able to meet those challenges head on. So yes, we did see a softening of our non-interest income, our loan interest income, obviously with lower rate changes for us. We made some adjustments in our budget for 2020, but at the end of the year, we hit our financial performance of what we expected from our budget forecast of just over \$6 million net income. Our net operating expenses, which really helped us were well below our 3% goal at 1.90%, but our capital reserves continue to be above well capitalized and at \$99 million to date or 14.26% of our assets.

Jerry: I'm guessing that a lot of financial institutions would love to have those numbers.

Scott Wilson: I think so. We're very proud of the fact is were generally above our peers, but that doesn't come without making sure that our members are still taken care of. I want to emphasize that even though we made some budgetary adjustments, we ensure that we still did the things we always do for our members. We didn't charge any more fees. We didn't turn services off. We did have to make an adjustment to our share rates. As you know, if the federal reserves' paying us a certain rate, prime goes down, that does make a difference. But conversely, if you're getting a new mortgage, you're enjoying maybe a lower rate if you refinanced or got one for the first time.

Jerry: And the other thing, the member service, person to person didn't change that much even though we did close the lobbies briefly. In the end, we do what it takes to help our members.

Scott Wilson: Yeah. One of the things I do get from folks is that, "I'm glad you're still open. I still can come into the lobby." Obviously, under New York state guidance, we have to minimize the number of people in the branch and they're social distancing. We wear a mask and we have some what we call sneeze guards around, but we're going to meet the needs of our members. I work for the members and this is what they'd like to see. They like to come in and be able to do business with us. And as you mentioned, Jerry, if they choose not to, and they want to do curbside or call in or use the drive-thru or any of our plethora of electronic delivery channels, which we have lots of, they're more than welcome to do that.

Jerry: So the bottom line is making sure the members' financial needs are taken care of.

Scott Wilson: Absolutely, Jerry.

Jerry: And we've been able to do that. And now as we move ahead, it's different. I mean, we're still operating under similar conditions. In fact, you and I are sitting quite a ways apart a lot further than we normally would to do this, but we're still looking to move into continue this wonderful member service.

Scott Wilson: Yeah. And I think that's our strength. The fact is, is that when we see an issue like what we're dealing with today, everybody uses that, unprecedented times. I think I used that in 2008 as well. We certainly want to meet the needs of our members and as an essential business, under New York State Governor Cuomo, we have been open since day one and ensuring that all of the products and services and everything that our members expect from us are being met with exceptional member service by the way. Our quality loop, our average surveys were well above where we expect them to be because some people had to go out to the drive-through for a temporary time, weren't able to come in and absolutely, they still say, "You did a great job under those current circumstances."

Jerry: And of course, the bottom line is our employees and you never miss a chance in your internal communications to let us know how happy you are with the way we're taking care of the members.

Scott Wilson: Absolutely. I've always said that the number one thing we have to do is focus on our members and our staff does a fantastic job at that Jerry. I can't ask any more. In fact, I'm very proud of our staff in how they're meeting other members' needs every day.

Jerry: And on the other side of that, the management takes care of the staff, so the staff can take care of the members. It works pretty well actually.

Scott Wilson: Absolutely. And for a 10th consecutive year in 2020, we were named best medium-sized company to work for. In fact, on the question, I'm sure you took the survey, 96% of those employees who took the survey said they're extremely satisfied with SeaComm as an employer. And overall, that's really, really high and we're very proud of that. It's a strategic goal for us to ensure that our employees are taken care of. On the other side, I just wanted to mention that we still got favor ratings by Bauer Financial, five stars, and Weiss Rating gave us an A-. And what does that mean? It means that we have the wherewithal to withstand any economic anomaly we're dealing with. They look at your asset quality, your liquidity, your capital ratios. At the end of the day, that really matters in order for us to be able to offer those services that we do today like bill pay. That's free of charge to our members. That's an expense to us, but we absorb those through those earnings that we have. And getting a rating from Weiss is important for us because it shows the strength of the credit union going into the future.

Jerry: And we're going to need that strength aren't we? It's going to be a challenging year.

Scott Wilson: Absolutely. Just looking forward today, we have just shy of 50,000 members, Jerry. In fact, I think probably by February, we'll go over the 50,000 mark. Membership continues to grow and I know the new markets we're going into. Plattsburgh has been a really good market for us. We're very proud to be there. We are obviously just entered the one-year anniversary of South Burlington, and we're now almost finished construction on a second location, Vermont and Essex and we're very pleased to be able to offer two retail branches in our new market in Vermont.

Scott Wilson: Looking forward, I wanted to mention that as you know, we have a new field of membership in Jefferson and Lewis counties that our regulator of The National Credit Administration approved for us in December, so we'll be offering some of the excellent product services we have specifically in terms of member business lending and indirect to the auto dealers down there. So we're excited about that. We're now able to offer instant issue credit. So if you come in and open an account and you are approved for a credit card, we're able to print it right there and give it to you and you can go out and start using it. Conversely, if you have a problem like maybe a compromise, which sometimes that happens, or you've lost your credit card and you're like going on a trip and I need it, you can come in and we'll be able to print you one and take care of that immediately for your needs.

Jerry: Well, we've had that for the debit cards for a while and it's a very popular feature. So this I know is going to be welcomed by the membership.

Scott Wilson: We're very, very pleased to be able to offer that. Even with everything that's going on, and we've talked a lot about money and things, at the end of the day, we're here also to assist our communities in which we do business. And we did our normal things that we did, although requests were a lot less last year because obviously like sporting teams and things were not happening. But our board of directors at the end of the year made a significant gift to the hospitals in the North country and gave a total of \$150,000 away. Those dollars just got disseminated.

Scott Wilson: I'm very proud of that and the fact is, is that the board of directors and this organization understands that it's a partnership. When we're in business, it's a partnership to assist our members in our community, but also those organizations which serve the needs and nothing more is important right today than our healthcare needs.

Jerry: We continue to support our communities because that's where our members live.

Scott Wilson: And on that note, Jerry, I look forward to 2021 and as always, if someone needs anything, they can reach out to me directly. But thank you for the opportunity.

Jerry: It's been my pleasure, Scott, and we'll talk again at the end of the first quarter.

Scott Wilson: Thank you, Jerry.

Jerry: That's SeaComm President and CEO, Scott Wilson.

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