

Minutes of the 53rd Annual Business Meeting

The 53rd Annual Business Meeting of the UMassFive College Federal Credit Union was held on Wednesday, March 18, 2020, at 6:15 p.m. at the Courtyard Marriott, 423 Russell St, Hadley, Massachusetts. This meeting was also live streamed via FaceBook on the Credit Union's FaceBook page.

1. **Call to Order:** The Business Meeting was called to order by Chair Robert Harrison at 6:15 PM.
2. **Board of Directors in Attendance:** Directors present included: Robert Harrison, Board Chair; Ruth Yanka, Board Secretary; Jacqui Watrous, Technology Planning Committee Chair; and Curt Shumway, Director.

Chair Harrison appointed Jacqui Watrous to serve as Alternate Secretary during this meeting as Board Secretary, Ruth Yanka is up for reelection. Chair Harrison and Alternate Secretary Watrous then determined a quorum of members were present.

3. **52nd Annual Meeting Minutes:** A motion was made and seconded to dispense with the reading of the Minutes of the 52nd Annual Meeting. So Voted. Chair Harrison announced that the meeting minutes from the 52nd Annual Meeting along with the 53rd Annual Meeting Agenda were printed and emailed to members. Copies of the Annual Report to the Membership are also available to members.
4. **Report of the Board Chair:** As the Credit Union closed books on 2019, Chair Robert Harrison reflected on some of the accomplishments. He encouraged attendees to read the annual report, themed "Celebrating Our Best Decade Yet!"

Chair Harrison reported on behalf of the entire Board that UMassFive had another successful and very busy year in 2019, ending the year financially sound and stable with assets of over \$518 million.

Chair Harrison reported that the Credit Union also had a good year operationally with continued growth in membership – now exceeding 42,000. He referenced an expansion of services in the commercial area and digital services, with a continued focus on data security. Chair Harrison also announced that a major core data processing conversion would take place in 2020, which will enhance our infrastructure and open the doors to further product and service development. All of this resulted in your Credit Union being safe, sound, efficient, and effective.

Chair Harrison reported that 2019 was highlighted by welcoming new members into the UMassFive community with the merger of the Northampton Veterans Affairs Employees Federal Credit Union and opening a new branch at the Northampton VA in October.

Chair Harrison looked back at the decade of 2010 thru 2019 and reviewed some of the significant advances: infrastructure upgrades; modernizing the Hadley and UMass Amherst Branches; building new branches at Mercy Medical Center in Springfield, King Street in Northampton, and the new VA branch; adding Video Teller machines and the creation of a department to manage them; instant issue of debit cards and branch self-check-in stations; digital services improvements, such as launching our mobile banking app, adding online membership applications and online loan applications, upgrading online banking features, mobile wallet for credit and debit cards, and a brand new UMassFive website. Chair Harrison then highlighted the give-back to the membership and community we serve, such as holding over 800 financial wellness workshops and providing more than \$105,000 in local business discounts through our Buzz Points program.

Chair Harrison then thanked all UMassFive and complimented the leadership of Rich and Lauren (CEO and COO, respectively), and the hard work of the “top-notch” senior management team, the dedicated mid-managers, the staff at all six branches, operations center, and corporate headquarters. He mentioned that our members are very fortunate to have such well-trained, professional, and caring staff who come to work well prepared to treat our members with respect and courtesy. He also mentioned the strong commitment to the local community, dedicating many volunteer hours and dollars on charitable efforts within the community.

Chair Harrison also thanked the Board of Directors, Board committee volunteers, and HR and Supervisory Committee volunteers for offering their time, vision, leadership, and wisdom to the Credit Union. Finally, and most importantly, he expressed his thanks to the 42,000 members for their continued support and trust in UMassFive.

Chair Harrison then introduced Rich Kump, President/ & CEO of UMassFive.

5. **Report of the President & CEO:** President & CEO Rich Kump was happy to announce that UMassFive closed out the decade on the rise. The decade finished with record assets, income, and members. Growth was strong and along the way, we became the 25th largest credit union in the Commonwealth (of 157), and the second largest in the Pioneer Valley.

President Kump went on to report that our financial success allowed us to invest back into the cooperative. The decade saw us create new jobs, new products, and open new Branches. Staffing went up by over 25% and our investment in training and professional development grew exponentially. That commitment to employees has paid off as 21 of 26 current managers have been promoted from within, including 5 of 8 senior managers.

Mr. Kump went on to say that as a financial cooperative, the “giveback” to members usually comes in the form of better rates, lower fees, and superior service. However, our giveback was quite literal last decade. We returned more than \$1.6 million in fees back to our members through our Co-op Points program, saved members over \$150,000 in local food & merchandise purchases via the Buzz Points program, nearly \$500,000 in charitable donations & contributions locally (mostly in support of our Sponsor Groups), and over \$100,000 in cash-back rewards on our Cash Back Signature VISA credit card, which debuted in 2018.

He indicated that the Cash Back card wasn’t the only new product in the twenty-tens. For the first time in our history, we opened our doors to businesses, both large and small. In 2017, a long-time member was our first commercial borrower, refinancing a higher-rate business loan from another lender. We have since originated over \$8 million in business loans and nearly 350 business deposit accounts, totaling another \$2.7 million, which includes deposits into our new, high-yield Money Market Plus account. The business community is opening their eyes to UMassFive!

One of the most impactful new services, as explained by President Kump, has been in residential solar lending. Since 2016, UMassFive financed over 2,000 residential solar installations, and in the process, has become the #1 solar lending bank or credit union in Massachusetts, originating \$64 million in residential solar loans. We are also very proud of our commitment to low and moderate income homeowners who represent 70% of all our solar financing. Partly because of this, UMassFive was recently awarded the *Sustainable Business of the Year* by the Sustainable Business Network of Massachusetts, in the western Mass, mid-sized business category.

Adding to our growth was the merger of two small credit unions. The merger of the Credit Union of the Providence Systems (CUPS) added an UMassFive branch at Mercy Hospital in 2015, and similarly, the merger of the Northampton VA Hospital Employees Credit Union in 2019 added a branch at the VA Hospital in Leeds. Both locations are thriving and contributing well to the co-op.

Growth for the sake of growth is not what UMassFive is about, continued President Kump. Scale matters, but we live a mission of service. In testament to that, we were voted *Best Credit Union* for the 13th consecutive year by the Valley Advocate and the 6th consecutive year by the Gazette Reader's Choice poll.

Mr. Kump concluded his report by looking forward to the twenty-twenties, as UMassFive is well positioned to continue the legacy of service and growth, and expressed his pride in how employees live that mission, every member and every day!

President Kump then called Jacqui Watrous to the podium to provide the Supervisory Committee report.

Supervisory Committee Report: Jacqui Watrous, Board Liaison for the Supervisory Committee, provided the following report. She started by advising that the purpose of the Committee is to protect the Credit Union's members' interests and ensuring that the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements. To meet this responsibility, the Supervisory Committee (drawn from our the membership) employs accounting and other qualified firms to perform necessary audits, account verifications, and risk assessments under its supervision.

Beginning in 2016, the Supervisory Committee contracted with CliftonLarsonAllen, Inc. (CLA), to begin a more comprehensive internal audit program. This work continued into 2019, with various reports presented throughout the year by CLA to the Supervisory Committee on the findings of their work, much of which centers on regulatory compliance and technology security. In 2019, CLA was contracted to conduct the annual financial audit and ongoing internal audit and compliance functions. The Credit Union's regulatory agency, the NCUA, also concluded one of their regular exams of the Credit Union during 2019, with good results, remaining a "well capitalized credit union." As a result of the most recent Annual Financial Audit, UMassFive College Federal Credit Union received an unmodified opinion that our financial statements conform to generally accepted accounting principles.

Committee Liaison Watrous then called Board Chair Harrison back to the podium.

6. **Unfinished Business:** Chair Harrison advised that there was no Unfinished Business to report.
7. **New Business:** Chair Harrison advised that there was no New Business to report. He then called Board Alternate Secretary, Jacqui Watrous, to the podium to report on election results.
8. **Election Results:** Board Alternate Secretary, Jacqui Watrous, reported that the Nominating Committee nominated the following individuals to serve on the Board of Directors: Curt Shumway, nominated to a 2-year term, Karl Kowitz, Amy Proietti, and Ruth Yanka, each nominated to serve 3-year terms. As there was only one nominee for each open position, and in accordance with the Bylaws of UMassFive, one vote was cast by Jacqui Watrous to elect the slate of candidates as presented.
9. **Introduction of Directors:** Chair Harrison introduced members of the Board of Directors. He then called President & CEO Rich Kump back to the podium.
10. **Closing:** President & CEO Kump thanked Director Curt Shumway for making the Courtyard Marriott available for the meeting on very short notice, allowing attendees adequate spacing as recommended by the CDC (due to the pandemic). He indicated that recent decisions made regarding employee and member safety were made, and it is management's intention to maintain clear and frequent communication with all members regarding essential banking services during the pandemic. He referred listeners to our public website where the most up-to-date information will be available. President Kump then thanked all staff who have been working tirelessly to ensure a continuation of essential services for the membership.

President Kump advised that the Credit Union is fully insured by the NCUA for all deposits up to at least \$250,000 per individual depositor. He also noted that the Credit Union invested heavily in digital technology over the last 5-7 years, including online lending and call center functionality. President Kump advised that many guidelines and protocols were put together to help members through what appears to be some difficult times ahead, and encouraged any members who may be feeling a financial pinch to call the Credit Union. He indicated that we are poised and eager to help.

President Kump thanked the directors, senior management, and employees for their hard work and dedication, noting he couldn't be more proud. Chair Harrison was then called back to the podium to close the meeting.

11. **Business Meeting Adjournment:** A motion was made and seconded to close the Annual Business Meeting. So Voted Unanimously.