

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, it's time to chat with SeaComm President and CEO, Scott Wilson.

Scott Wilson: Good morning, Jerry. As you know I always enjoy these conversations.

Scott Wilson: One of the things I like to start off with obviously is how we take care of our members. Member satisfaction is one of our metrics that we focus in on, and the bottom line is, is that our members are our bosses and we want to make sure we're taking good care of them.

Scott Wilson: This year we looked at our quality loop, those are the surveys that go out to our members. And how did we do overall toward our goal, our goal of 6.75 out of seven. Well, I'm happy to report that we did 6.81, which is very favorable. Obviously we're exceeding our members expectations in terms of service.

Scott Wilson: We also survey our support staff with an internal service survey. What really that does for us is that they're servicing the frontline staff, which ultimately takes care of the members. But we couldn't do that without our staff. And I know that this is a recap of last year, and I just want to reiterate that our staff is the greatest asset that we have, and one of the ways we are able to ensure that we're engaged with our staff on an ongoing basis is an engagement survey. And for 10 consecutive years we were a Best Companies to Work for in New York State. Because of our operations, not only in New York, now in Vermont, we had to go to a different survey and we went to the Great Place To Work survey process. And again, we did really well. We were certified last year, 89% of our staff said over overall SeaComm's a great place to work.

Jerry: Great employee engagement, member satisfaction, does that translate to great results?

Scott Wilson: Absolutely. There is no secret sauce, it really comes down to making sure we're taking care of people. If we take care of our staff they take care of our members and our members become trusted and loyal and obviously do business with us. And again, with that we get good results.

Scott Wilson: I'm happy to report the year end we had a 4.3% membership growth, which is pretty significant honestly, and we had budgeted probably for around three and a half percent, so again, we exceeded that.

Scott Wilson: We dispersed \$133 million worth of loans. Comparing that to \$121 million in 2020 we're pretty happy that we're able to get those loans out the door for our membership.

Scott Wilson: Our assets ended at \$759 million. If we look at year over year for '20 to '21 that's a hundred million dollar increase in asset size. So our members are continuing to do business with us and staying with us, and we're really happy to see those results as well.

Jerry: We looked at 2020 as being the COVID year, we were hopeful that 2021 would see the end of it. It wasn't over, but we were able to deal with it.

Scott Wilson: Yeah, I mean, I think we went into 2021 thinking we're going to get to some normalcy. I think this is the new normal, and unfortunately we have to work within those parameters, but overall we still have to serve our members. So when I talk about the new normal we're going to have our branches open, our drive-thrus are open, all of our electronic deliveries channels are available. We are going to have to work in that realm.

Scott Wilson: New York State made adjustments to mask wearing policy, so obviously we have to adhere to it as a business, but our members are understanding of that, as well as our staff. Hopefully yes, as we move through this year then we'll get away from some of that but at the end of the day I just want our members to know that we're going to do everything possible to keep our doors open and take good care of that.

Jerry: And the members are using the electronic channels?

Scott Wilson: Absolutely. It's very interesting to see the amount of usage in not only our ATMs, but our mobile and NetTeller. And obviously our call center, folks call into the call center. So overall we have varying avenues of delivery, and whether it's in person or by electronic we're going to meet those needs.

Scott Wilson: When we talk about year-end results one of the things that we look at is obviously were we financially successful? And yes, we actually exceeded our financial forecast this year of our budget that was approved by the board of directors. And even with increased shares we still were able to remain our profitability at \$7.3 million, which translates into a metric called return average asset, which is 1.02%. And our goal was 0.90%, so we really exceeded that.

Scott Wilson: One of the important pieces is our capital levels keeping pace with our shared growth of a hundred million dollars. And the answer is yes, we were able to keep our capital levels at 13.43%, or \$101 million. And now under our new regulations Jerry, we have to have what we call risk based capital. Tier one banks have been doing it for years, but because we're over \$500 million we have to do that. And we ended the year at 18.74% of RBC, that's compared to what they consider well capitalized of 10%.

Scott Wilson: So even with all the growth we've seen we're still able to maintain those metrics, which is important for us from our regulator, which is the National Credit Administration, which is one insurer of our shares.

Scott Wilson: Some of the other things that we accomplished in 2021, we had a successful merger with United Neighbors in Watertown, that went real well. We completed our second branch in Vermont, in Essex, that is doing well.

Scott Wilson: One of the other things that we do from a financial perspective is we look at what rating agencies are saying about us, Weiss Rating, which rates banks, thrifts, insurance companies, credit unions like us, independently has actually upgraded our rating from

an A minus to an A, and we've been maintaining those letters for a number of years. And what does that mean? It really means that we have the economic wherewithal to withstand some kind of a significant economic anomaly that might come along and be detrimental to us. And we do have the capital to be able to withstand that, and liquidity, et cetera, and we were able to get that upgrade.

Scott Wilson: We also are five star Bauer rated and even A Plus Deposit Accounts has given us their best rating, so overall it's not just one rating agency, it's a number, and we continue to do well there.

Scott Wilson: One of the things I think is important is looking at the future, not only with just what we did but what's happening next. And one of the things we're going to do is enhance our SmartLine, which is a delivery channel where you can actually punch in your account and transfer money. That's actually going to be enhanced to our call center operations, and we're going to call it Smartline Enhanced, and it's going to be voice recognized. And so you can call in and you can transfer money from one account to the other, you can get a balance inquiry, you can make a payment on your loans. You can do it by voice, you can do it by SMS, which is texting, or even chat. What's great about this Jerry, it's 24/7.

Scott Wilson: We're always looking, and I always mention this, we're always looking to enhance our variance for our members and looking for new ways to deliver service, and we really believe that this is going to be another great opportunity where you can self-serve. So Sunday night at 7:00 when our credit union is closed, although our electronic services are still open, if you wanted to make an inquiry on a balance or do a transfer you're able to do it once this is in place.

Jerry: It's great, all the new enhancements, and I have to tell you Scott, every time I travel I do take some money out somewhere fee free through the CO-OP network.

Scott Wilson: The CO-OP network you're mentioning is obviously on the ATM side and branch network, and if you find a branch that participates, you're able to go in and maybe do a wire, or withdraw some money, or make a loan payment just as if you were at one of our SeaComm locations.

Jerry: Anything else we have to look forward to in 2022?

Scott Wilson: I think the really important piece is we're going to continue to focus on our staff to make sure they're completely engaged in order obviously to continue to exceed, not just me, but exceed our members expectations. And frankly, if we know about it and we can improve upon it we're going to do it Jerry.

Jerry: Anything exciting happening in Jefferson County this year?

Scott Wilson: Well, we'll be hopefully opening, I say hopefully Jerry because we're in the due diligence phase of purchasing a property on Route 3 in the town of Watertown, which is up by the Target and Petco, in that area, we're hoping to break ground around the end of April,

early May, for our ninth retail location. Although we have a branch in Watertown it's a small location and Leslie and her staff do a great job, but we really can't meet all the needs in that particular area, so with this enhancement that will be really good.

Scott Wilson: So the town of Watertown earlier this month actually passed and approved our site plans and we're just waiting for some additional things from the New York State DOT and we should be good to go.

Jerry: Anything else you want to add?

Scott Wilson: Again, I think that we have to make sure that we're staying open, even during COVID, and it's been challenging Jerry. I will tell you that I don't think that there's a family in St. Lawrence, Jefferson, or any of our field of memberships that haven't had someone they know, or maybe themselves, who've had COVID related issues, or maybe just a child thing. A child gets sent home, we all are working to get through that, but at the end of the day always is the member, making sure the member is getting served and making sure we're open.

Jerry: Scott, thank you very much as always. Congratulations on the great past year we had, and hey, we're looking forward to the future.

Scott Wilson: And the thanks goes to all of our staff and obviously our members. Thank you, Jerry.

Jerry: SeaComm President and CEO, Scott Wilson.

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