

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 have the pleasure of speaking with Scott Wilson, the President and CEO here at SeaComm. And Scott, welcome!

Scott Wilson: Jerry, it's always my pleasure. I love these conversations.

Jerry Manor: Recently, we had our annual meeting. That's something required, but something important, too, I think.

Scott Wilson: Yes, it was our 54th annual meeting and it is an opportunity for us to really highlight the things that SeaComm has done the year prior.

Jerry Manor: Right, and we had some highlights, no question about that.

Scott Wilson: Absolutely. One of the things I'd like to talk a little bit about is our financial performance. Obviously, that's important. We exceeded our own targeted forecast for this year and we're talking about '17, obviously. Our net earnings were more than \$5 million ending December 31st. Membership growth, which is very positive Jerry, 4.43% growth last year. That's a lot of new members.

Jerry Manor: Of course, we have started to move into new markets and I think that's a pretty nice offshoot of that.

Scott Wilson: Absolutely. Every time that a member opens an account in Plattsburgh, that's a new member, so some of our growth is coming there, but also in our current market we continually see new members for a variety of reasons. We're happy to have them in the SeaComm family. Capital continues to stay in line with our strategic growth targets. We have, to date, \$75 million in equity. That's a lot of capital, Jerry, but the reason we have that is to ensure that we have the resources necessary. As we make our growth plans such as going forward into Clinton County as we did a couple of years ago. By the way, it's the one year anniversary today of our opening of our Plattsburgh branch.

Jerry Manor: Well, congratulations to all of us!

Scott Wilson: Yeah, so it's a great-

Jerry Manor: Not only the employees, but the membership.

Scott Wilson: Absolutely. Interestingly enough, we have members that actually are members and currently when they're traveling up to Plattsburgh, they say, "Hey, I love coming here because now I can use the ATM, I don't have to pay a fee and if I want to come in and do some business on a Saturday morning because I'm up here doing some shopping, it's a great opportunity."

Jerry Manor: But you know, Scott, I think before you go further with numbers, we need to mention that you can do that in a lot of places now.

Scott Wilson: Yes, and I was going to highlight that about our shared branching. We have 5,538 branches available to our membership across the country as well as nearly 30,000 ATM's in our co-op ATM network, surcharge free, download the app, go on our website, call us, whatever way to find out where an ATM or a branch is located at any state in the union and we'll be able to help you. And you can walk into one of those shared branches as if you were walking into SeaComm, make a payment, take a withdrawal, send a wire. Again, the highlight for me is that surcharge-free ATM.

Jerry Manor: Correct.

Scott Wilson: When you're traveling and you need a little cash, you can go to one of those and not pay any fees.

Jerry Manor: Well, you know, we always say you shouldn't carry a lot of cash because if you lose it, chances are it's not going to be replaced. Now you don't have to. If you do need some cash for whatever reason, you just get on the app, "Oh! Here's a credit union branch that has an ATM we can use just down the street" and there you go.

Scott Wilson: Again, it's returning value to our membership, Jerry. These are costs to SeaComm and we want to make sure we're providing every opportunity to our members to have access to their money. Going on, I think it's important that Weiss Rating gave us an A minus rating for four consecutive quarters. They're an independent rating agency for obviously credit unions, banks, savings and loans. As well as Bauer Financial gave us five star ratings all four quarters again, so financially, SeaComm is on very strong footing and very sound. One of the things that I like to talk about is what we gave back to the members. We gave back dividends, \$3,749,000 last year, as well as we refunded nearly \$175,000 in fees back to our members for a variety of reasons. I made an error on my checking account. I got inappropriately charged for this and we're happy to give those fees back. We have a very liberal refund policy.

Jerry Manor: Yes.

Scott Wilson: And again, it's a concrete way we can give return value to our membership. Another thing that warms my heart is the Spin-The-Wave here at SeaComm. Every quarter, students can bring in their report cards and spin for cash and prizes. 2,091 students last year came in and spun the wave and we gave over \$30,000 worth of cash and candy bars and gift cards to students for academic excellence and that's a great way to reward hard work for our young members.

Jerry Manor: I absolutely love walking through the lobby, Scott, and the various branches hearing the click, click, click, click, click of the wheel spinning and seeing the faces of the kids. It makes it worthwhile.

Scott Wilson: Yes, one of the things that I really think is important is that we are solidifying that relationship with our young members. We want them to know there is a benefit to being part of SeaComm and we start at a young age, but the other part of it is, is that it's a great way to reward that academic excellence and say, "Hey, look! SeaComm recognized that." Not only do we give away 10 scholarships every year to high school graduates going to college, we do this throughout their academic career from kindergarten on up and it's a great way to return to the member.

Jerry Manor: Now speaking of giving away, is there any cause we don't support?

Scott Wilson: It's hard to find one, Jerry. I will tell you that we gave \$130,000 in direct support and contributions last year in the communities in which we do business. There isn't a little league or a golf tee box that doesn't have our name on it somewhere along the line or a fire department or a hospital or school that doesn't get some kind of recognition or contribution from SeaComm. And on top of that, Jerry, what really is remarkable is the amount of hours our employees give back to the community in a variety of ways. Whether it's Relay For Life or hospice or whether it's a hospital board or it's on the Salvation Army board, they're giving over 2,000 hours of personal time in conjunction with our Do Some Good Program. I know you did some Do Some Good and were the emcee for the Massena Memorial Hospital Foundation Telethon?

Jerry Manor: Right.

Scott Wilson: And that's the kind of stuff that we really like giving back to the community and making sure it's not just one day of the year. This is all year long that we do this.

Jerry Manor: It's a great way for us to participate in our local communities and we have branches all over the place and our employees are working in all these different things. You know, it's great the credit union allows us to do that, so thank you for that!

Scott Wilson: Yeah, it's a great opportunity for all said and I think that the most important piece is that we absolutely recognize that the cornerstones of our communities are those types of organizations and we have to be a part of that.

Jerry Manor: Right.

Scott Wilson: And sometimes it isn't just about direct money, it's about giving of your time and talent.

Jerry Manor: Right.

Scott Wilson: Jerry, obviously, our personal financial advisor services, if you haven't come in and spoken with Matt Hastings, our advisor, we have over \$21 million worth of assets under management today. That's a lot of 401K rollovers that we've helped individuals to really build some wealth for themselves for a variety of reasons. You might have a goal of "I want to put my kids through college."

Jerry Manor: Right.

Scott Wilson: Or, "I want to buy that second vacation home when I retire," whatever the goal is, Matt can help you attain that and so we're very pleased that we have those services available at SeaComm.

Jerry Manor: So, that's just another way we're growing to meet our membership needs.

Scott Wilson: Absolutely. We do whatever the membership demands for the future and we have to make sure we're offering these variety of services as well.

Jerry Manor: So, there are plans for the future, I assume. We have some more things coming up?

Scott Wilson: We announced earlier this year that we received a charter expansion into Essex County in New York, bordering on Clinton, but the big piece is the move into Vermont, Grand Isle, Franklin and Chittenden Counties. As we speak, we're out searching for properties to begin our first few branches. The Board of Directors approved that and we're really excited about moving across Lake Champlain and serving members in the great state of Vermont. And on top of that, Jerry, we're going to be launching our SeaComm app to pay for goods and services at your local retailers. Tap and go, so to speak, which is very exciting for us and it'll be brand new with a SeaComm logo and that's coming this year to an iPhone near you.

Jerry Manor: I know that people have been asking me about it. When are you going to get something like Apple Pay? I said, "It's coming, it's coming" and that is very exciting.

Scott Wilson: Yeah, I think the one thing that we want to make sure that our membership knows ... whatever way you want to be served, whether it's walking into one of our branches, calling into our call center or using one of our plethora of electronic services, we are going to meet your needs. It isn't just one thing, it's everything that we feel, including the shared branching and co-op ATM network, that we're making sure that there's value in being a member of SeaComm. That's extremely important to us.

Scott Wilson: You know, we're going to focus on a few areas this year. Are we staying true to our mission? When those 10 men signed that charter on June 6, 1963, are we maintaining that vision today? We're embarking on our 55th anniversary this year and 5-1/2 decades later, I believe we are still maintaining that ever important taking care of people mission that those 10 General Motors employees expected, actually. And the one thing I always like to refer to is our iconic tool boxes that are in our lobby. It is just a reminder that we never forget where we've come from.

Jerry Manor: Well, every move we make is with a vision toward providing our membership with continued excellent services because you have to do things to continue to be viable. We're not doing any of this without an eye toward that.

Scott Wilson: Absolutely. And you know the reality, Jerry, is our members expect us to serve them a certain way and we have to meet that expectation and we will always do that. Are we 100% perfect, no, but when we hear about it, we make corrections.

Jerry Manor: That's right.

Scott Wilson: The other thing we're focused on ... are we making it easy to do business with us? I think the SeaComm Pay App is one of those things. We cannot look towards the future without making sure we're meeting the demands of our members today. One of the things that we recognize, that we didn't do international waters, for example. Now we have that ability. We are looking for any avenue that we can improve to make sure that members who come in to do business with us can get something that they need done.

Jerry Manor: Well, I know at the meeting, Scott, you mentioned the fact that yes, we have this great membership growth but our tele-transactions went down, but that just shows you things are shifting. Even though people still love to come in and do their business in person, a lot of people don't.

Scott Wilson: Yeah.

Jerry Manor: They want to be able to do it on their phone, online, you know on the telephone.

Scott Wilson: Yeah, I think that's an important point. We recognize that the member that comes in and wants to cash a check or deposit a check or whatever they want to do at the teller line is always going to be available. At the same time, if you choose to use the electronic delivery channel, we're going to make sure that's available, too. Always with the expectation of a high level of service. The reality is, if somebody has a problem and they use our electronic services, they can call our call center and those folks do a great job making sure that we're adhering to whatever needs they have, but always making sure that we're keeping in mind that we have an expectation of the highest level of service. That will not change with our expansion into Vermont, with our expansion anywhere. We will always make sure of that. As the CEO, as the Board of Directors, as management, and our staff, they all know we're all rolling in that direction to make sure that we're meeting that expectation.

Jerry Manor: Absolutely.

Scott Wilson: The growth we're seeing is responsible growth, in line with our capital, our equity that we have, I mentioned that. And delivering that increased member value through those new products and services that I mentioned, co-op ATM, the shared branching, the SeaComm App, the international waters ... whatever it is, we're always going to be looking to do that and that's extremely important.

Scott Wilson: Just one more thing, three directors were reelected to the Board of Directors, Wayne Duso, Gary Fuller and Robert Santamoor were each elected to a three year term and they continue to provide a gauge for the vision of the credit union and making sure that we're adhering to that very mission we talked about, founded on June 6, 1963.

Jerry Manor: Scott, as always, a pleasure. Great annual meeting and let's continue to go forward.

Scott Wilson: Thank you Jerry, and thank you to our 45,000 plus members who continue to trust in our financial services and products and SeaComm will continue to meet your ever needs.

Jerry Manor: SeaComm President and CEO, Scott Wilson.

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