

Joe Bergeron: This is Vermont Credit Unions on Air, a service of the association of Vermont Credit Unions. I'm Joe Bergeron, President of the association and with me is Scott Wilson, CEO of SeaComm Federal Credit Union based in Massena, New York. SeaComm is the newest associate member of our association and last year expanded field of membership across upstate New York and into the northeastern part of Vermont. Thanks for joining us, Scott.

Scott Wilson: It's my pleasure Joe. Obviously it's a beautiful day here in Chester.

Joe Bergeron: Well thank you for spending your beautiful day inside here in this dark little room that we've got. Build a membership across upstate New York from Massena and across the lake into northwestern Vermont. And we thought it'd be an opportune time, so I asked you here to help people learn a little bit about SeaComm Federal Credit Union and about you. And who our new financial institution in Vermont is. So, what can you tell us about SeaComm to kind of set the beginning?

Scott Wilson: I always think it's good to start from where we began. Obviously, SeaComm, people ask us, "What does SeaComm mean?" We live on the seaway and community chartered. So we once were in 1963, when we were chartered, we were General Motors, then Central Foundry Credit Union. Over time, a number of other credit unions came in. The New York Power Authority. There was a postal credit union. And so was changed to really accommodate the fact as we were seaway credit community credit union, just shortened it up to SeaComm.

Joe Bergeron: Cool.

Scott Wilson: I always loved to talk about where we began. We obviously still have, I think it's important, a board member who's been with us for 55 years.

Joe Bergeron: Wow.

Scott Wilson: And I talk about Gary because Gary is the beacon of where we came from and why we should still focus on the right things that we were chartered for. Obviously that these folks got together and started this credit union from a toolbox. The union folks. And really it was about taking care of each other. The banks weren't doing the things they needed. They needed to borrow small amounts of money and were just not big enough so they decided to form this cooperative and become a credit union.

Scott Wilson: And Gary always talked about those early days and it really wasn't about a big balance sheet or lots of buildings. It really was just to take care of each other. And although SeaComm has grown over the years, we really take that seriously. In fact, we still make small loans to people and our members. Really, it isn't about so much making money on it as to make sure we're doing what we're supposed to do.

Scott Wilson: I always like to talk to my staff about the credit union act and what does that mean? We have to be there for people because if we're not, as a credit union, then who else is going to take care of them?

Scott Wilson: And much of those are family, friends, neighbors, if you're in any community. And I think it's an awesome responsibility. So our roots have come from that and we have not lost sight of what our mission is intended for.

Joe Bergeron: So what are some of the basics about SeaComm like number of locations, assets, employees, so on and so forth.

Scott Wilson: We have six current locations. We're located in St. Lawrence and Franklin and Clinton County today. Our main headquarters is in Massena, New York. And we have branch offices in Potsdam, Canton, Ogdensburg, Malone and Plattsburgh.

Joe Bergeron: Wow.

Scott Wilson: And we're just over 550 million dollars in assets. And around 140 plus employees. Full time.

Joe Bergeron: So what brought about the interest in expand your field membership expansion across upstate New York and eventually cross the lake into Vermont?

Scott Wilson: Well, Joe, the reality for us is that St. Lawrence County has been a pretty flat economy for us for a number of years. In 2008, at the beginning of the crisis, General Motors made a decision to close our plant in Massena. Obviously, that's where our roots began and that was a big change for us. And subsequently, Alcoa purchased Reynold's Metals and obviously closed the smelter there. And now we have our own 600 employees between Alcoa and Arconic. Couple of years ago, Alcoa split their company and now we have two plants in Massena. We were really concerned and my board understood the fact is that we couldn't continue to focus just on one particular area and we needed to diversify ourselves.

Scott Wilson: So, the first expansion went into Clinton County. Obviously, Plattsburgh and the greater surrounding areas have done a really good job of putting in small manufacturing and focused on education and healthcare, and we felt that that was a good move for us. But again, continuing to diversify ourselves, we felt long term, we had to look at how are we going to be sustainable for the next 50 or 100 years? And if we depend on a market like St. Lawrence County that has a shrinking population, that's not good for the long term.

Scott Wilson: And we've done really well there and we'll still continue to focus on our communities in those markets. Moving into Vermont really was twofold. First of all, we think that there's a lot of positive and great things that are happening in this state. In addition is that we feel that we are better suited as a small rural

credit union in a market like Vermont. And felt that we could be competitive against our local banks that we focus in on today in our current markets.

Joe Bergeron: Mm-hmm (affirmative). Cool. What's the change you've seen over the years. I didn't catch or maybe you, I didn't perceive in your comments at what point your credit union went to more of like a community kind of based field of membership. Was that way back?

Scott Wilson: Yes. Way back.

Joe Bergeron: Far back. Yeah. Way back. Okay. So, it's been focused on the general population since then so you've expanded that footprint. And some credit unions try to focus their service in a particular past sort of. Maybe they're very technology oriented. Maybe they're very remote focused and what not. Others, want to have their focus on personal service over the counter or particular type of lending and what not. So where does SeaComm fall in that range? What's its image in the marketplace as far as service?

Scott Wilson: Well, first of all, I think it's important for us as SeaComm to look at, we need to continue to be relevant to our current membership and future membership. So therefore, we never know what that's going to be because it always changes. Technology has obviously done that job. So we have to be aware that our members and current members, but also our future members want certain ways to be delivered service. Whether it be electronic or in branch, use of our call center, wherever that is, we really focus on making sure we make those available. So we've spent a lot of money and resources in putting into technology whether it's mobile or even in the branches with electronic services that speed up efficiencies and help members get in and get out quicker.

Scott Wilson: Obviously the service aspect is not only in the branch and when you walk in, it's also the technology, making sure our technology's available and is secure and all of those things that are important to people. So, we focus on service as far as not just "Hello, how are you today? What can we do for you?" But making sure that they have access to us 24/7 and can rely on us.

Joe Bergeron: So, you talked for a bit about your board member that's been with you for a very long time it sounds like. And has connections back to the roots of the credit union. But what about you? How did you get involved with SeaComm and what's your background?

Scott Wilson: I come from a little bit different way of getting into this seat. I started as a volunteer. I actually served five years as a supervisory committee member and then I actually ran for a board seat after the five years and was elected. The first lecture we ever held by the way-

Joe Bergeron: So wait, how did that work? How did you have a board before you had elections?

Scott Wilson: Well we had aboard, but there was a contested seat and that hadn't happened in the past.

Joe Bergeron: Oh I see, okay.

Scott Wilson: and so I ran for a board seat and won. In the first year I was pretty active as a board member and then I was asked by the board to be their chair. And I chaired the board for the next three years and we had some transition in the C-suite and actually, interest enough, that our regulator, my principal examiner at the time, we were going through some things. Said, "Have you ever considered putting in your name in for maybe, potentially the new CEO." And I'm like, "I never gave that any consideration." And so, after I gave some thought to it, I thought, "Gee, I could do this. And so, in 2007, I became CEO of SeaComm.

Joe Bergeron: Wow. That's interesting.

Scott Wilson: And we've had a great trajectory of growth obviously like most credit unions we feel that if we take care of the people and do the right thing every day, that things are going to go well for us.

Scott Wilson: We have also, we focus on our employees. Employees are the most important people in my credit. I'm not, Joe, honestly. I really feel that if it weren't for my employees, I wouldn't be here where I am today. We've been very proud that we've been for nine consecutive years a mid-size best companies to work for in New York.

Joe Bergeron: Great.

Scott Wilson: And I truly believe that we're in the people business. And not in the financial services business. And if we do the right thing for our people whether it's staff or members or community, there only can be great things ahead for credit unions.

Joe Bergeron: So your staff, is that first image that your members gets, or at least the members that are dealing with you in person anyway. so that brings up another point. And I ask this of credit union CEOs, your peers, frequently. How is it that you've been doing this for 15 years you said.

Scott Wilson: Twelve years as CEO.

Joe Bergeron: Twelve years as CEO. Okay. But on the board before that, so you'd say exposure to this [inaudible] before that too. So how have you seen things change for a credit union like yours at your credit union size, dealing with the general public a lot since 12 or 15 years ago, credit unions have prided themselves for eons on personal service and so no and so forth. Yet today, to accommodate a lot of consumers, you have to have the conveniences of doing everything on a phone or a computer screen or an ATM machine or something like that. So how have

your balanced or how do you see it's different today than it was say 12 or 15 years ago in terms of meeting both ends of those types of members that want to, the in-person connection, but balance against those that hardly ever go in a branch?

Scott Wilson: That's a great question. I've been privileged to be on two panel discussions with the Federal Home Loan Bank of New York in our association in New York at their annual conference. And the title was "It's Not Business as Usual." And it's still not business as usual, the follow up 10 years later. And part of that discussion is that we've had to change the way we do business. It was a 10 year, pretty much a flat interest rate economy. A lot of money came into the credit unions. Obviously flight to safety during that time. And so we had to make sure that we're doing the best we can to obviously earn money in order to put it into things like technology like you mentioned, and into branches.

Scott Wilson: We understand that we have a current membership base and future members that will obviously still want to come into a branch for a variety of reasons. But they want to know that when they have a problem, they have somebody local to deal with. The technology side is a little bit different because you think about when I came on in 2007, Check 21 was just coming on board. Remember everybody is federal expressing or they would send it through a courier to have them ship all your checks. And we were doing about a million checks a year. And we were much smaller then and we do about 600,000 checks today. But our mobile platform has picked up a significant portion of that where people can just take a picture from their phone and deposit a check.

Scott Wilson: The member today wants it all.

Joe Bergeron: Right.

Scott Wilson: And they want it yesterday, not tomorrow. So we have to figure out how do we do that. Credit unions were open from, I don't know, 8:00 to 5:00 and a little bit on Saturday maybe. But really, we've had to focus on a 24/7 operation to make sure that our technology is reliable and has redundancy. And it's not just the mobile or the ATMs, it's the debit and credit card side.

Scott Wilson: We've had to obviously, like other financial institutions, have to make sure that our members' data's safe and have had to put a lot of money and resources into risk management and compliance and IT, which are direct costs.

Scott Wilson: So, we've had to balance all that stuff and I love this question I get from members every so often. "I remember when I could come in the credit union, get a mortgage and I could have it the next day." We've had to evolve as a credit union based on regulation for example. So, it's all those things, Joe, that we've had to pay attention to. It's not one particular piece, it's all of it. And I don't think that there will ever be a place where you won't have an in-branch experience.

Scott Wilson: The branches have shrunk over the years. I have branches that are 4500 square feet and they've shrunk to 3500. And we just don't need that space on the transactional portion. But we still have members that like to come in and talk to a mortgage representative or maybe a personal financial advisor, so those types of services are more of what they're coming in for today. And obviously going online and applying for loans is as easy as it was when you came into a branch. All that stuff is impacting us.

Joe Bergeron: It's just different now.

Scott Wilson: It is.

Joe Bergeron: Yeah. So you mentioned about regulation and with all of that modernization and more technology and everything comes more regulation or greater regulation to cover all the bases of safety and soundness for consumers and their finances and what not. So it seems like a lot of your peers are of the belief that regulation has been the undoing of some credit unions. Been at the root of some of the consolidation of the credit union industry. Would you agree with that?

Scott Wilson: I can't speak for individual credit unions and how they've had to focus. I have a different view with our regulator the NCUA. I look at it as a partnership and they have a responsibility of ensuring that the members, our members' assets are taken care of. And so we've worked with them very diligently over the last since I've been here in 2007 to ensure that we have very positive interaction. That doesn't always mean that we agree with everything that they want. But they're more open to discussion I think in the last five years than they were 10 years ago. And the flexibility of some of the exam priorities that have come in. I was fortunate while I was at the Government Affairs Conference in Washington to go down to NCUA headquarters and meet with our new eastern director. Eastern regional director. And she was very clear. They have responsibility, but they want to work with us.

Scott Wilson: Now, when you're a smaller credit union, your priorities are different as well. And so I could never speak to what those are. So I only focus on what's good for my membership and how it's going to impact them.

Joe Bergeron: So, if you were, well, you're a New York state credit union. So for Vermont credit union, was having this conversation with my counterpart in New York state. And they had just expanded their field of membership into your neck of the woods in New York state. What's something that you'd want to know about that Vermont credit union that you wouldn't know by looking online or already that we covered in this podcast.

Scott Wilson: Well, I want to qualify this for one reason. My focus and SeaComm's focus is really on the banking competition we've had. We've always been that way. And I don't really worry about what other credit unions are doing. I feel if my strategy

is right and our service experience and all those things that are important our members, we're going to do a really good job. What I do want to make sure is that if a credit union comes into New York or like us, coming here, are we doing what's right as a credit union? Are we taking care of the member? Are we taking care of the community? And that's really important to me.

Scott Wilson: This is one of the best industries to be in because you can sit in a room, which we did at the Government Affairs with 200 CEOs of other credit unions and really just talk about stuff. In New York, we have a large credit union CEO round table. We get together twice a year. Some of my best friends are credit union CEOs. And we can be, in fact, I have competitors, we ride together to these things. We ride back. And it just works. So, as long as that they're coming over there and they're going to do the right thing for our communities, then it's okay for me.

Joe Bergeron: Awesome. So you mentioned to me before we started recording this that you have some good friends in the banking industry too. And that some CEOs of some community banks that you have a, I don't know if I'd say similar rapport, but certainly amicable one and friendly.

Scott Wilson: Yeah. One is the regional manager for MBT and he'll call me up every so often and ask me, "What's your closing policy when we have a snow storm?" He just a local guy who happens to work for another financial institution. I've had other CEOs of some community banks that I've had some really good relationships with. I was blessed to get an award last year and one of the savings banks sent me a nice thing. "Well deserved. You do a great job in the community and for your credit union." That's important. We're not enemies. Although, I want to take their business on the banking side because I think that we'll do a better job in improving the financial lives of those customers, and ultimately our members.

Joe Bergeron: And perhaps they want to take your business too.

Scott Wilson: I'm certain of that.

Joe Bergeron: That's mutual. I'm sure.

Joe Bergeron: We've covered a lot of ground in a short period of time. I hope people listen to this have a better feel for what SeaComm Federal Credit Union's all about and a little bit of your background. Is there anything we ought to touch on that we haven't gotten into?

Scott Wilson: I just think that we have an awesome responsibility in our industry. We have a very small market share, as you know, Joe, we've talked about previously. But there is so much good that happens by credit unions and if you just get online and look at Twitter or LinkedIn or Facebook, it's just awesome.

Scott Wilson: And I think that as long as we are still around, and by the way, one of the things that is really bothers me over the years is the reduction of credit unions in the country. When I came in in 2007, there was around 8300 credit unions. Today around 5500. In 12 years, that a big reduction. I realize that the same thing has happened on the banking side, but every time a credit union closes, it's one less opportunity for one of our family, friends or neighbors to get the best financial services by still making decisions on character. I still believe in a handshake and I think that those things are going away. And credit unions still believe in that. And as long as we do, we have place in the financial service industry.

Joe Bergeron: It's interesting, like you said, how the number of credit unions, and it's not just credit unions like you said, obviously. A lot of different industries, but for us, the credit unions, the number of credit unions has reduced dramatically. Yet the number of credit union members increases from one year over the next. I don't know if I'd say dramatically, but a steady increase.

Joe Bergeron: And yet market share, like you pointed out, doesn't really move too much. Maybe or a local credit union, but not a national scale. It doesn't move hardly at all.

Scott Wilson: I think that the trend with CUNA, our national trade association has opened your eyes to a credit union. And it was interesting to hear them from that perspective is that they know about us, but they're not taking that next step.

Scott Wilson: And I do think it depends on the market. Locally, you have a little more impact, but nationally, we seem never to gain any more of that market share. Ad it's something to strive for. And it isn't about how big an asset base we have or how many members, it's about one at a time, making sure we're doing the right thing for them.

Joe Bergeron: You've been very generous with your time here, Scott. I really appreciate it and I hope all of our listeners listening to this have a better feel for SeaComm Federal Credit Union as it comes into the Vermont marketplace. And you and feel free to reach out and contact you and you them and reverse too.

Joe Bergeron: SeaComm, I'm guessing has a website.

Scott Wilson: Yep. www.seacomm.org.

Joe Bergeron: Excellent.

Scott Wilson: You can also follow me on Twitter and LinkedIn.

Joe Bergeron: Wow. Great. You're really with the times. With that, we've reached the end of another of my Credit Unions on Air pod cast and hope you all found it informative. You can hear all of our previously recorded podcasts by searching for Vermont Credit Unions on Air in the iTunes store or at [Soundcloud.com](https://www.soundcloud.com). If

you have ideas for a podcast on something you'd like to hear about, send it to podcast@vermontcreditunions.coop.

Joe Bergeron: Until our next podcast, this is Joe Bergeron and ...

Scott Wilson: Scott Wilson and thank you very much Joe for this opportunity.

Joe Bergeron: Thank you, Scott, for joining us. You've been very generous with your time. We're at the association Vermont credit unions, thank you all for listening.