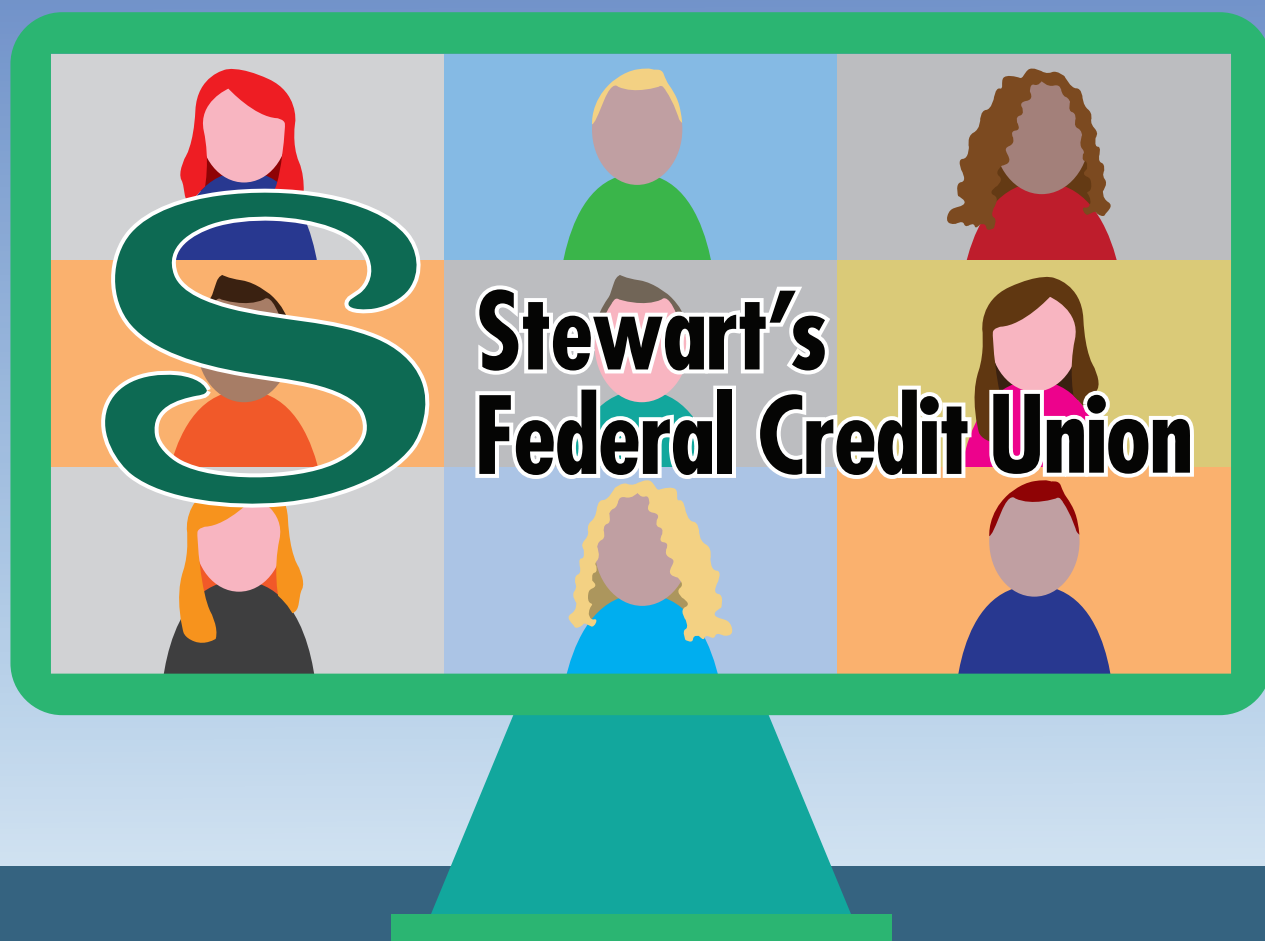
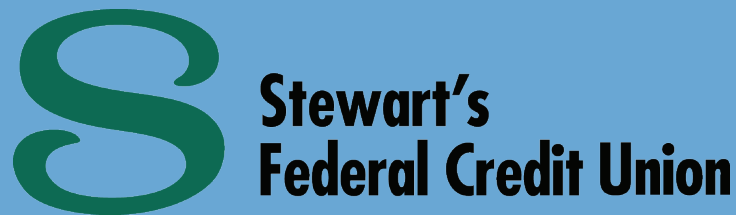


# 37<sup>th</sup> Annual Meeting of the Membership via Zoom

*Facing the Future Together*



Wednesday, October 21st, 2020  
4:30 pm



## **Mission Statement**

Stewart's Federal Credit Union will provide the best personal financial service to its members in a friendly environment in partnership with Stewart's Shops.

# Agenda

Annual Meeting

Wednesday, October 21, 2020

4:30 pm

via Zoom

Call to Order.....Paul Lunde  
Minutes of October 23, 2019 Annual Meeting  
Manager's Report.....Yvette Daniele  
President's Report.....Paul Lunde  
Treasurer's Report.....Zachary Waterstram  
Marketing Committee Report.....Lanyel Brandon  
Supervisory Committee Report.....Paul Weil  
New Business  
Nominations & Election  
Prizes  
Adjournment



# Minutes of the Meeting

## 36th Annual Meeting | October 23rd, 2019

Meeting called to order at 4:30 pm by Paul Lunde. Thirty-eight members were in attendance. The NCUA quorum requirement of 15 was met.

President Paul Lunde welcomed everyone to the 36th annual meeting and expressed his many thanks to the many volunteers and members. Paul introduced Yvette Daniele as the new manager of the credit union, with John Bottisti retiring in mid-2020. He went on to recap the last 5-6 years as very positive, record-breaking times for the credit union. With increased income and being as financially sound as the credit union is, Paul challenged the board to consider new ways to give back to members.

### **Old Business:**

Minutes from the October 24th, 2018 annual meeting were reviewed with no amendments recommended. Lanyel Brandon made a motion to accept the minutes, Frank Mazza seconded, and the motion carried unanimously.

### **Treasurer's Report:**

Treasurer Zachary Waterstram covers the treasurer's report. He reviews 2019 as a financially strong year for the credit union, which is remarkable in an unstable industry with an uncertain economy. Zack acknowledges that Stewart's stability plays a large part in the stability of the credit union. He went on to recap loan to member growth of over 10% each year since 2015. This growth has now slowed to around 3%. While Zack doesn't expect the double-digit growth to continue, our loans to members are in line with what we see from our competitors. Zack goes on to announce that loans to members have crossed the \$7M mark. He indicates that new car loans have doubled since 2016, with new and used cars making up almost 50% of the credit union's loan portfolio. Zack projects income from interest on loans to end around \$380K for 2019. He points out that our provision for loan losses is doing much better than prior years, with under \$5K at this point. The credit union has paid dividends of almost \$40K and are at the highest rate in our area. Zack finishes by disclosing net income of over \$223K for 2019 so far, which is a new record-high for the credit union. He opens the floor to questions.

Pat Suprenant asked if there were limits on earnings. Zack responded by advising that the credit union does have ratios to maintain, but there are no set limits. No further questions were asked. Christina Cicardi made a motion to accept the Treasurer's Report, seconded by Belinda Cole and the motion carried unanimously.

### **Marketing Committee Report:**

Lanyel Brandon begins by sharing continued areas of focus: membership growth, loan promotions, and breadth of online banking. She states that the credit union is small but mighty. The credit union has had great success with DeposZip, increased utilization with Apple/Google Pay and positive growth from home banking message pop-ups to highlight promotions. The Moooola Club was launched in 2019 and, with student accounts, will continue to be an area of focus for 2020. Lanyel states that the credit union's greatest opportunity lies with youth accounts. Secure-Lock, which allows members to put restrictions on their Debit Cards, is now live and will be promoted further in 2020. The credit union has strengthened their relationship with District Coordinators to bridge the gap between the credit union's location and the location of our partners.

### **Supervisory Committee Report:**

Paul Weil recaps the purpose of the Supervisory Committee: to protect the member's dollars in the credit union and to monitor the credit union's transactions and controls to ensure that NCUA rules and regulations are followed. They routinely perform loan reviews and Plant ATM audits, amongst other tasks. The Supervisory Committee is an internal system of checks and balances, but they work closely with independent auditors.

### **Election Committee:**

John Bottisti announced three nominations for two available positions. The available positions are both for a three-year term on the Credit Union Board of Directors. On the ballot are current board members, Lanyel Brandon and Frank Mazza. Eric Fitzgerald is on the ballot as a new candidate from the Ridge Accounting Department. John asks for nominations from the floor.

three times, as prescribed in the by-laws. No additional nominations were made. Belinda Cole made a motion to close the nominations, with Zachary Waterstram seconding and the motion carrying unanimously. Members then voted by secret ballot. The ballots were collected by Kristin Pack of the Volunteer Committee and Paul Weil of the Supervisory Committee.

### **Management Report:**

John Bottisti starts by thanking all of the credit union members and credit union staff. John mentions that this will be John's last Annual Meeting as an "active" member of the credit union, with him retiring in mid-2020. John's family is in attendance to commemorate his last meeting. With a career of over 30 years in 8 different banks, John recounts that the Stewart's Credit Union is truly a great group of staff and members. Starting with the credit union in 2006, John remembers our total loans were around \$4M. To reach the \$7M mark this year was a great success. He credits earlier membership growth to the 5 free ATM transactions at Stewart's Shops and thanks Stewart's for their support and partnership through the years. With Stewart's employees receiving ESOP dividends more regularly, he indicates that members have had more confidence in making purchases. This confidence has increased loan volume. John thanks Angie Lauder for making loans happen quickly for our members. DocuSign has been a great help in getting loans processed timely for our partners who are physically further away from the credit union. With such an increase in loan growth, the credit union will begin offering Gap Insurance on collateralized loans. Gap Insurance will be a benefit and protection to both the credit union and its members. John then goes on to acknowledge the new look of our Annual Meeting packet and thanks Sandy Lowe, Harriah Joy, and Zack Waterstram for giving it a facelift. John says management has also had a facelift with Yvette Daniele taking the reins. He introduces Yvette and she begins by welcoming all the members to our annual meeting. Yvette brings a unique skill set, with over 23 years of experience in a credit union, she was also a partner at our Corinth shop. She goes on to say that she is very excited to be a part of the team and thanks John and the ladies of the credit union.

The nominations committee returned to announce there is a tie between Frank Mazza and Eric Fitzgerald. Lanyel Brandon has won re-elec-

tion. Members vote again to break the tie, this time voting for just one candidate between Frank Mazza and Eric Fitzgerald. Paul Weil and Kristin Pack collect and count the second round of ballots.

Sandy Lowe takes this opportunity to thank John for his years of service. She acknowledges the great growth and opportunity that the credit union and its staff have benefited from under John's management. Sandy describes John as a true gentleman and says that his knowledge, trust, and confidence in the credit union is what has allowed the credit union to thrive. Sandy thanks John's family for their support, on behalf of the whole credit union staff.

The nomination committee returns once again to announce that voting has resulted in Eric Fitzgerald being elected to the Board of Directors. Paul Lunde congratulates Eric on his win and thanks Frank for his years of service on the Board of Directors.

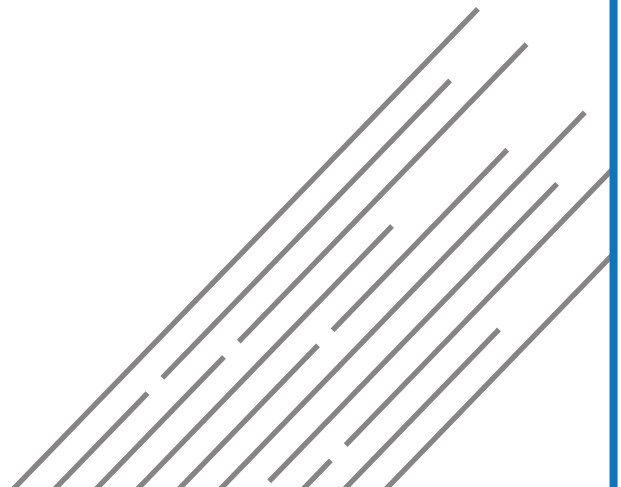
Door prizes were raffled. A motion to close the meeting was made at 5:24 pm by Paul Testo and seconded by John Bottisti.



Paul Lunde, President



Christina Cicardi, Secretary



# Message From the Credit Union

What a year 2020 has been so far! Significant changes in every facet of our lives, work, and socialization.

April, May, and June were certainly trying times with locking our door, inserting a mail slot, ordering equipment needed to work from home, along with John Bottisti retiring at the end of April. Our lobby received a "face lift" adding a new adjustable desk for more space to accommodate the guidelines.

Through all of this, our credit union remains financially healthy and continues to offer our members friendly efficient service and convenient products like Home Banking, SecurLOCK, and DocuSign, just to name a few.

In June, we started offering an online loan application with the online membership application to follow very soon. In house, we are now using an imaging module which allows us to scan documents into our system. We are very excited about all these new options as they are certainly providing a more convenient experience for our members along with more efficient day to day operations.

Looking to 2021, we are planning to start utilizing Electronic Lien Filing and a Credit Report Module through our current vendor. Both of which will help streamline our loan processing even more for our members.

We have a positive view and feel confident the credit union will continue to thrive, even in these continuing uncertain times.

Cindy, Angie, Sandy, and I want to thank you for your continued support and dedication to the credit union. Our members come first!



Yvette Daniele



Cindy Nielsen



Angie Lauder



Sandy Lowe

# Treasurer's Report

Stewart's Federal Credit Union has shown its resilience over this past year. Our strong partnership with Stewart's Shops has undoubtedly shown during this historic pandemic. We were fortunate enough to be able to keep loan interest rates among the lowest in the area and keep your share interest rate the same as pre-COVID, above the national average.

Loan volume has continued this year with unexpected growth of 7% through September, while the industry average is -5%. We saw the effects of COVID during March and April with negative growth but came back strong since May posting positive growth each month thereafter. Our growth has been driven from our secured loans (auto, recreational, and home equity) and we have seen a decline in our unsecured loans (personal loans). Our investments have increased 15% since last year. The Asset-Liability Committee (ALCO) has been more aggressive with their investments due to the decrease in the Federal Reserve rate from a high of 2.3% LY to 0.08% CY.

Despite seeing negative growth in operating income, we have seen positive growth in our main business of loan income. The main driver of the decline is due to the Federal Reserve rate decrease, a difference of \$100k YTY. From the expense side, the main increase we have seen YTY comes from salaries and benefits. As we transitioned to a new manager, we wanted to make sure we had a comfortable overlap to make a smooth transition. Our dividends have grown by \$12k YTG, which has been a focal point during these tough times to give back to our members.

Stewart's Federal Credit Union has been able to grow during this difficult pandemic. We are humbled to be able to support Stewart's Shops partners and their families during these tough times. We will continue to provide excellent customer service, while making financially sound decisions to benefit all our members.



Zachary Waterstram  
Treasurer

# Supervisory Committee Report

The Supervisory Committee of the Stewart's Federal Credit Union is comprised of volunteer members and employees of Stewart's and includes auditors, accountants, gas marketers, department managers, customer service specialists, and former employees. We operate independently from the credit union to provide oversight and assurance in compliance with both the credit union's bylaws and charter and the internal controls and rules and regulations set forth by the NCUA, the governing body for all credit unions. Our aim is to act on the member's behalf to assure the financial integrity of your credit union.

The committee provides assistance to the annually engaged independent audit as well as the annual audit by the National Credit Union Administration (NCUA). We are happy to report that both the independent audit and the NCUA audit gave the credit union favorable reports and found no material error or issues with the governing and management of Stewart's Federal Credit Union.

The Supervisory Committee meets monthly to review a sample of the approved loans to assure accuracy and fairness. We also conduct a rigorous internal control program and report to the Board of Directors monthly with findings and recommendations when necessary.

In the opinion of the Supervisory Committee, the records and affairs of Stewart's Federal Credit Union are in order.

The committee serves as your representative. Our goal is for all members to receive quality service in an expedient manner, and we are ready to assist you in resolving any credit union problem you may have. Concerns and questions may be directed to:

Stewart's Federal Credit Union - Supervisory Committee  
Attn: Paul Weil  
PO BOX 435  
Saratoga Springs, NY 12866  
Or via email: [pweil@stewartsshops.com](mailto:pweil@stewartsshops.com)

We welcome and encourage your suggestions and inquiries.



Paul Weil  
Supervisory Committee Chairman

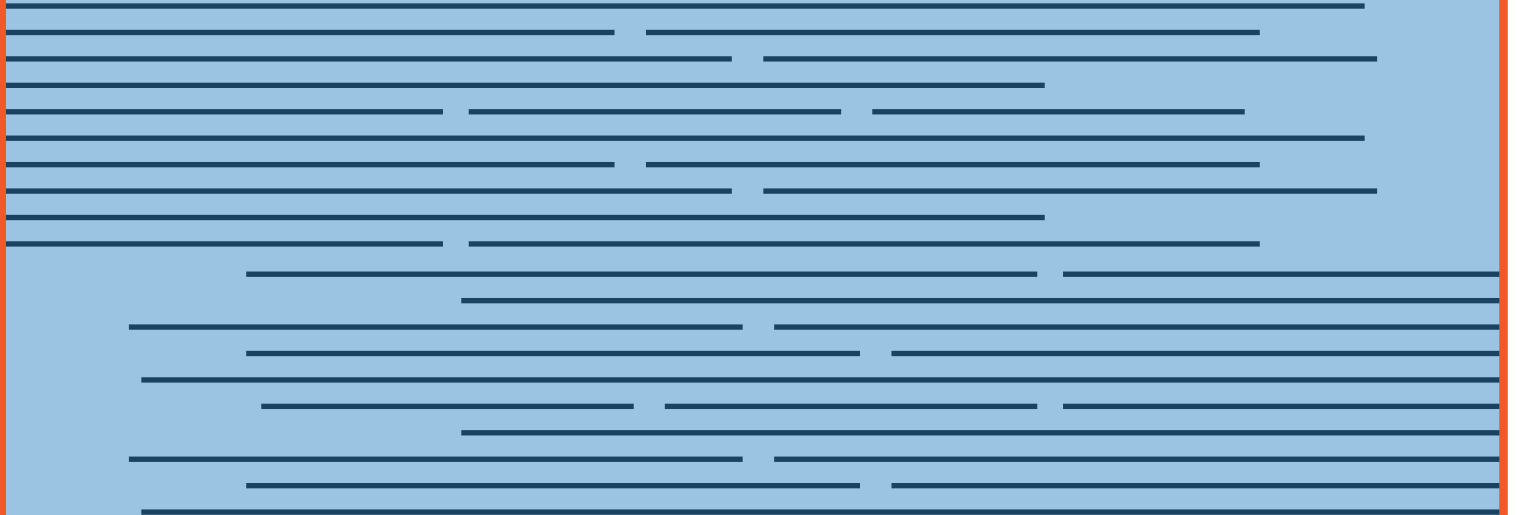
# Financial Statements

	September 2020	2019	2018	2017
<b>Assets</b>				
Loans to members	\$7,838,112	\$7,322,750	\$6,860,990	\$6,018,615
Less allowance for loan loss	(109,899)	(118,052)	(105,322)	(35,382)
Net Total Loans	7,728,213	7,204,698	6,755,668	5,983,233
Cash	7,110,429	15,580,363	9,433,266	9,605,004
Investments	5,800,035	5,000,035	4,605,035	4,300,010
Other assets	341,173	284,936	253,932	237,026
<b>Total Assets</b>	<b>\$20,979,850</b>	<b>\$28,070,032</b>	<b>\$21,092,901</b>	<b>\$20,125,273</b>
<b>Liabilities, Shares, and Equity</b>				
Shares	\$18,849,321	\$26,055,351	\$19,321,631	\$18,514,689
Liabilities	34,620	39,389	54,708	38,594
Equity	2,095,909	1,975,292	1,716,562	1,517,990
<b>Total Liabilities &amp; Equity</b>	<b>\$20,979,850</b>	<b>\$28,070,032</b>	<b>\$21,092,901</b>	<b>\$20,125,273</b>
<b>Income</b>				
Interest from Loans	\$314,128	\$387,300	\$359,887	\$325,782
Interest from Investments	133,889	306,982	235,064	131,973
Other Income	149,873	201,324	213,245	185,618
<b>Total Income</b>	<b>\$597,890</b>	<b>\$895,606</b>	<b>\$808,196</b>	<b>\$643,373</b>
<b>Expenses</b>				
Salaries & Benefits	\$229,357	\$292,170	\$255,636	\$242,232
Professional Fees	123,018	156,041	162,634	141,729
Provision for loan losses	13,704	32,626	128,424	14,518
Other Expenses	59,992	98,975	84,330	72,531
<b>Total Expenses</b>	<b>\$426,071</b>	<b>\$579,812</b>	<b>\$631,024</b>	<b>\$471,010</b>
<b>Dividends</b>	<b>\$51,201</b>	<b>\$57,064</b>	<b>\$32,600</b>	<b>\$22,284</b>
<b>Net Income</b>	<b>\$120,618</b>	<b>\$258,730</b>	<b>\$144,572</b>	<b>\$150,079</b>



# Ratios/Statistics

	September 2020	2019	2018	Peer Avg. June '20
Members	3,032	3,017	2,922	
Members Growth	0.5%	3.3%	2.9%	-0.9%
Loan Growth	7.0%	6.7%	14.0%	-4.7%
Yield on Avg Loans	5.5%	5.5%	5.6%	5.6%
Delinquent Loans/Total Loans	0.4%	0.8%	0.6%	1.0%
Net Charge-offs/Avg Loans	0.4%	0.3%	0.9%	0.4%
Net Interest Margin/Avg Assets	2.2%	2.6%	2.7%	3.2%
Net Worth/Total Assets	10.0%	7.0%	8.1%	12.7%



# Board of Directors

## 3 Year Terms

President	Paul Lunde	2021
Vice President	<b>John Timian</b>	<b>2020</b>
Treasurer	Zachary Waterstram	2021
Secretary	<b>Christina Cicardi</b>	<b>2020</b>
Members of the Board	Lanyel Brandon	2022
	Belinda Cole	2021*
	Eric Fitzgerald	2022*

\*2020 Nomination Committee Member

# Supervisory Committee

## 3 Year Terms

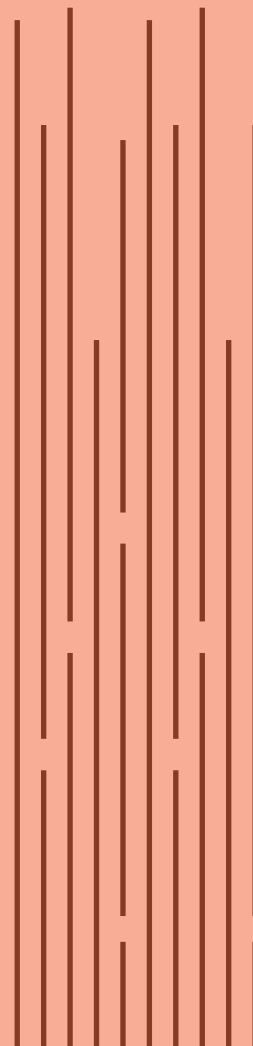
Committee Chair	Paul Weil	2021*
Committee Members	Jared Amadon	2022
	Geoffrey Kelley	2021
	Kristin Pack	2022
	Phil Spezio	2021

# Volunteers

Paul Brisbin  
Alison Abbey  
Matthew Nocito  
Travis Martin  
Joanne McDermott  
Frank Mazza

# Operations

Manager	Yvette Daniele
Member Services Rep/Loan Officer	Angie Lauder
Member Services Representative	Sandy Lowe
Member Services Representative	Cindy Nielson



# Stewart's FCU Ballot

## Board of Directors Election 2020

### Vote for up to 2 (two) candidates.

**John Timian**

John has been an active member of the Credit Union since 2005. He has been a member of the board for the past 6 years. In those years he has been on the ALCO committee and assisted with the Credit Union's conversion to chip cards. John also serves as a valuable resource for internal technology upgrades at the Credit Union. He is currently serving as the Vice President of the board. He has worked for Stewart's in the Financial Services department since 2004. His responsibilities include managing register and credit software, as well as the ATMs in the shops. He also assists in the annual PCI Security audit for Stewart's Shops. John lives in Scotia with his wife and two sons.

**Latrice Brandon**

My name is Latrice Brandon. If you do not know me, you may know one of my several family members who work for Stewart's. I have been with Stewart's Shops since June of 2012. I have spent all 8 years in Shop Services, helping our partners in the shops but also working closely with our Facility department, currently I am the Office Supervisor. I have been a full-service member of the credit union for over 20 years! It is the only place I have ever banked. I have enjoyed many of the services the credit union offers and benefited from great financial advice and high-quality personal service over the years. I think my organizational skills and attention to detail could be a great asset if elected to the Board. If given the opportunity I hope I can bring some fresh ideas and a new perspective to the team.

**Sara Seamans**

My name is Sara Seamans and I have worked in the Stewart's Print Shop for 2 and a half years and training to take over for Mary Lou when she retires. Currently I am doing some buying for our department, inventory control, and managing several partners. From my very beginning at Stewart's, Mary Lou was trying to talk me into opening a credit union account, possibly leaving my bank all together. I trusted Mary Lou's intent and now that I am a member, I love to encourage our new hires to become members too. I went to college and earned a business degree which I think will prove helpful to the board. I really love to learn new things and open to change. One of the highlights of my job is giving tours at the plant. I am sure you have seen me around. I always make it a point to tell those on my tour about the credit union. I say to them, "if anyone is interested in becoming a member, get information from your manager, or in the print shop during your tour." I feel that I would be an excellent candidate for the board because my greatest assets are optimism and enthusiasm. I really love working with the credit union and enjoy all the services that are offered to our partners. From the online banking to the staff, I could not be happier. I am eager to get started and provide the board with a fresh set of eyes providing new ideas and solutions as a team to move the credit union forward. Thank you for your vote.

**Taylor Rozell**

Taylor has been employed by Stewart's Shops Corp. since August 2017. She began as a partner in the Whitehall shop and joined the Personnel department at the Ridge in 2019 after graduating from Siena College with a bachelor's degree in Accounting and Information Solutions. Taylor performs various functions ranging from reporting and data analysis, to manager incentive and growth incentive programs. Taylor also handles inquiries regarding ESOP loans. She feels that a deeper connection to the Credit Union will help her to better serve our partners who may not qualify for an ESOP loan but could benefit from working with the Credit Union for their financial needs. Taylor has been a member of the Credit Union since 2019.

### Nominations From The Floor

\_\_\_\_\_

\_\_\_\_\_