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ANNUAL MEETING
FREEDOM CREDIT UNION
APRIL 17, 2019

Before the meeting officially started, Donald Emerson presented Charles Simonich with a plaque commemorating his eighteen years of service to the credit union. Donald stated that Charles was dedicated and a person who truly cares about Freedom Credit Union. Donald added that it had been an honor and privilege to sit alongside him. Charles served as Chairman of the Board from 2012 to 2015. Don said, not only was he a great director, but also a good friend.

Brian Harrington introduced himself and welcomed everyone to the Annual Meeting. He called the meeting to order on April 17, 2019 at 7:09 PM. He read the call of meeting as posted in the Credit Union's lobbies, posted on the credit union's website, noted in the member newsletter and noted on member statements. He then reported the numbers of Credit Union members present were 112, numbers of guests were 3, and that a quorum of 20 members has been obtained. Brian then introduced Donald Emerson, Chairman of the Board of Directors.

Chairman Donald Emerson took the podium and welcomed everyone to the meeting, then introduced Brian Harrington, as the Clerk of the Corporation. Clerk, Harrington then called upon Louis Guillette to read the call of the nomination of directors.

Louis Guillette presented the slate of candidates. Louis noted there are four seats open this year, and a candidate must qualify for membership and signify their intention in writing to the Clerk to be listed on the ballot no less than 30 days prior to the membership meeting. Louis certified that the following candidates are members in good standing and submitted their intent to stand for election to the clerk according to the requirements. The candidates were as follows:

Lawrence Bouley
William Carey
Jorge Colon
Michael Dobise
Richard Grover
Louis Guillette

Louis Guillette then introduced the nominees and asked that they introduce their representative. Larry Bouley was represented by Deborah Bouley, William Carey was represented by William Flaherty, Jorge Colon was represented by Cheryl Cocoli-Rivera, Michael Dobise was represented by Linda Dobise, Richard Grover was represented by William O'Brien and Louis Guillette was represented by Kriste Joy.

Clerk Harrington then read the instructions for voting and asked the members to cast their ballots. The ballots were issued to eligible members to cast their vote. Six candidates were up for four seats on the Board of Directors. It was repeated, that no nominations will be accepted from the floor.

Clerk Harrington offered to read the minutes of the membership meetings held April 18, 2018. Rory Santaniello made a motion to waive the reading of the minutes held on April 18, 2018. It was seconded by Glenn Welch and approved by the membership.

Chairman Emerson then introduced Brian Harrington as Chairman of the Auditing Committee. Brian introduced himself and thanked all the board members for serving as members of the Audit Committee. Brian reviewed the responsibilities of the Audit Committee and made note of the various internal and external audits the credit union had completed during 2018. These included the Retail operations, Lending, Information Technology, Finance, and administrative areas such as HR and payroll departments. He also reported that the results of these audits have been consistently good with ratings of "Satisfactory", "Strong", or "No Significant or Systemic Results". He mentioned when recommendations are made by the Auditors, the Audit Committee would review the issues with staff and track the findings until changes were implemented. Brian thanked the Credit Union employees for their cooperation and assistance while the Audit Committee conducted its oversight function.

Chairman Emerson then introduced William Carey, Treasurer, and Jay Scungio, Senior Vice President and Chief Financial Officer. William Carey welcomed the credit union members for their presence and involvement. He began his overview of the year-end Financial Statements for 2018, saying we've had another impressive year for earnings, over \$4.1 million. As of December 31, 2018, the total credit union assets were \$477.6 million, a decrease from last year of \$4.5 million. As mentioned last year, the credit union sought to reduce interest rate risk, expand the lending portfolio, and increase profitability to a level closer to that of our peers. He noted the loan portfolio maintained \$347.7 million as of year-end and this represented an increase over the last year of \$32.5 million. Commercial loans accounted for approximately 65% of the loan portfolio increase for 2018. He continued with the investment portfolio which had \$86.3 million as of year-end, reflecting a decrease of \$39.3 million versus last year. He added this was the net effect of strong loan demand and the depletion of deposits during the year. The deposits decreased compared to last year by \$20.0 million, primarily because of the outflow of funds from share savings certificates, IRA deposits and money market accounts. William thanked the Accounting and Finance teams for providing the financial information timely and accurately, and all the employees for making these results possible.

Jay began his review of the year noting that there are 115 million credit unions members, an increase over last year of 5.0 million. He added, half of all credit unions focus on low-income families and according to Consumer Reports, 96% of members are satisfied. He stated, credit unions provide \$12 billion in financial benefits to its members annually. He spoke on the history of Freedom Credit Union stating the growth the credit union had accomplished throughout the years. He explained that return on average assets, net interest margin, yield on investment portfolio, ratios of expenses to gross income and loans to shares were the key metrics in evaluating the financial strength and long-term viability of a credit union. Then he communicated Freedom's results vs our peers in these areas. He said out of 162 credit unions Freedom ranked #5 in Massachusetts and ranked #21 out of 366 in New England according to our auditing firm. That concluded Jay's financial overview.

Chairman Emerson then introduced Rory Santaniello Chair of the Credit Committee, and Jeffrey Smith, Vice President and CLO. Rory reported total loans closed in 2018 were \$111 million. Business loans were up 31% and home equities were up 38% over the previous year. He said the credit union closed over \$17 million in auto loans over the past year and the only year more auto loans closed was back in 2006 at a total of \$19 million. He said Freedom ranked 6th in the mortgage loan market share for local lenders in the Pioneer Valley, which includes Hampden, Hampshire and Franklin Counties. The Member Business Loan Department closed over \$24 million in 2018 noting that is the highest number of business loans Freedom has ever done. Lastly Rory stated the overall delinquencies decreased 35% in 2018.

Jeffrey Smith then discussed some other lending department highlights for 2018. He noted the 24/7 online service for consumer loan applications was introduced in May and that loan approvals can be completed in 15 minutes. This reduced the turnaround time by 65%. Now members are free to e-sign their consumer loans from home. He stated that auto loans are up 17% in 2019 after a record year in 2018. He stated that Freedom was ranked the #2 local mortgage lender in the Pioneer Valley 1st quarter of 2019, per Banker & Tradesman Market Share Report. He attributed it to great service from our loan originators and the products we offer. Jeff continued by saying Freedom's commercial department closed over \$24 million loans the most commercial loans in our history. He completed his report with the announcement of a new Commercial Loan Officer, Andrew Sullivan who will be starting on April 22nd.

Chairman Emerson then introduced Larry Bouley a member of the Security Committee. Larry began his review talking about the initiatives that have taken place over the past year. He said participating in the Western Mass Security and Loss Prevention Group alerted us to robberies, identity thefts, counterfeit currency and counterfeit checks, skimming devices, along with new account fraud and fraudulent debit card activities. He added that annual mandatory information security and branch security training is and will be ongoing. Monthly testing and reporting of branch security equipment, alarm monitoring, and replacing equipment to upgrade security has been completed in the Ludlow, Chicopee, Northampton and Cooley branches. Lastly, he stated with the staff training and establishing policies and procedures members can rest assured that financial security is a constant concern and a responsibility that all employees take seriously.

Chairman Emerson thanked everyone for their reports and sought motions from the membership to accept the presented information. The following motions were made:

Louis Guillette motioned to accept the Auditing Committee report. Glenn Welch seconded the motion and it was approved.

William Carey motioned to accept the Treasurer's report. Louis Guillette seconded the motion and it was approved.

Charlie Simonich motioned to accept the Credit Committee report. Rory Santeniello seconded the motion and it was approved.

William Carey motioned to accept the Security Officer's report. Richard Grover seconded the motion and it is approved.

Chairman Emerson stepped down from the podium and asked that Vice-Chairman Louis Guillette assume the Chair. Vice-Chairman Guillette stepped up to the podium and formally introduced Donald Emerson who gave the Chairman's report.

Chairman Emerson began his report by thanking everyone for coming to the annual meeting and thanked his fellow board members for their support and service to the credit union. Donald reiterated the strong year Freedom had in 2018 and reminded the members of the credit union's beginnings, noting how it has grown from 1 employee and 7 founding board members to 130 employees, 11 volunteer directors, 11 branches, an Operations Center, and a Call Center. He read from the original charter drafted in July 20, 1922, "To promote thrift among its members by giving them an opportunity to save money in small amounts and to obtain loans at moderate rates for purposes which promise to be of the benefit to the borrower. The spirit of the corporation is co-operative; the amount of capital stock now to be issued is unlimited, to be subscribed for and paid in such manner as the by-laws shall prescribe." He closed his report by saying, we have committed significant resources

in technology upgrades to ensure that all of our members banking needs are met and that he is truly honored to be apart of the tradition and history of this credit union.

Vice-Chairman Guillette sought a motion to accept the Chairman's report. Larry Bouley motioned to accept the report. The motion was seconded by Richard Grover and approved by the membership.

Chairman Emerson then introduces President and CEO Glenn Welch to present the Presidents Report.

Glenn began his dialogue by welcoming and thanking the West Springfield staff and members who chose to partner with Freedom Credit Union. He added that we have gained 2,457 new members, 9 new staff members and 1 new board member and having a location on Union St in West Springfield will allow us to serve our collective members. Glenn spoke about the monetary contributions to the Pioneer Valley and on the staff volunteers who support non-profit fundraising events. He said, approx. 1,200 hours in 2018 was volunteer work donated by employees. He thanked the dedicated employees for their service to the members, community and Freedom Credit Union. Glenn stated how Freedom Credit Union is strong, sound and growing in the community. He said we are able to provide a better banking experience to our members, with new products and services. He mentioned, applying on-line, mobile or via telephone 24-7 will allow approvals to generate almost instantly. Digital wallets for Master Card debit cards, Apple Pay, Google Pay and Master Pass will provide members a simple fast and secure checkout experience. We are not stopping there he added, video chats providing face to face phone conversations with mortgage originators or call center staff will allow members to open deposit and loan accounts without ever entering a branch. Lastly, he spoke about Breeze a two click search option to answer banking questions quickly, anytime day or night. He stated all these improvements allow our members to do high tech banking when they desire. Glenn continued by reiterating the loans we issued in 2018. He broke down the lending report into simpler terms stating out of 157 members purchased mortgages, 111 were first time homebuyers. He noted, this allowed many members and families to have the funds for home ownership, a major milestone in their lives. He cited the personal loans, auto loans, refinanced mortgages and home equity loans and noted how clearly these products make a difference in our members lives. Glenn continued by thanking the Directors and the time they give to the credit union, including remaining current with all regulations through online training and attending Board oriented conferences. Total reimbursement for educational and conference expenses for the board members during 2018 amounted to \$111,250. In closing Glenn added that Freedom Credit Union is marketing on television and social media and within the next quarter a new website will be released allowing Freedom to promote products and services more efficiently. He said we will do more in 2019 to convince members that Freedom should be their primary banking institution.

Chairman Emerson sought a motion to approve the President's report. William O'Brien made the motion, which was seconded by Brian Harrington and approved by the membership.

Chairman Emerson then called on John Reigner, member of the Nominating Committee, to read the election findings. John stood and read:

Lawrence Bouley 100 votes
William Carey 76 votes
Jorge Colon 48 votes
Michael Dobise 40 votes
Richard Grover 79 votes
Lou Guillette 89 votes

John noted the members elected to the board were:

Lawrence Bouley
Louis Guillette
Richard Grover
William Carey

Chairman Emerson then sought a motion to allow the Credit Union to loan to its members the limits allowed by statute; Chapter 171 of the General Laws of the Commonwealth of Massachusetts. Lawrence Bouley made the motion. William O'Brien seconded the motion and it was approved by the membership. A raffle was then held.

With nothing further, Chairman Emerson motioned to adjourn at 7:58 PM. William Flaherty made the motion, which was seconded by William Carey and approved by the membership.

Brian Harrington, Clerk

