

Spokane City Credit Union



86th
Annual
Meeting



April 2, 2020

SCCU • 5:00 PM
Spokane, Washington



Spokane City Credit Union

Annual Meeting of Members

April 2, 2020

SCCU • 1930 N. Monroe

5:00 PM

Spokane, Washington



Board of Directors

Gene Jakubczak – Chair

David Eash – Vice Chair

Corin Morse – Secretary

Ian White – Treasurer

Harry McLean Jr – Director

Jerry Niepomnik – Director

Dale Arnold – Director

Francis Adewale – Associate Director

Jared Baldwin – Associate Director

Ed Bowers – Director – Retired November 2019.

Supervisory Committee

Dave Christiansen – Chair

Chuck Zigmund – Committeeman

Vince Beck – Committeeman

Annual Meeting Minutes

April 25, 2019

The 85rd Annual Meeting of the Spokane City Credit Union was held on April 25, 2019 at the Garland Theater, Spokane, WA. The meeting was called to order by Board Vice Chair David Eash at 7:09 P.M.

A quorum was ascertained by an apparent attendance of 145 members.

David Eash introduced the Board and Supervisory Committee. Gene Fitzpatrick, President introduced the staff and volunteers and thanked them for their commitment to the credit union and their work during the year. He also introduced the band and the videographer from the Spokane Library.

Minutes of the April 12, 2018 Annual Meeting were approved as distributed.

There was a Motion, Second, and Carry to accept written annual reports from the Board Chair, Supervisory Committee, Treasurer, Credit Committee and President. The reports were posted on the screen and distributed in booklet form.

Old Business: Gene Fitzpatrick reported on the remodel that occurred in 2018, the introduction of new technology and the financial results.

New Business: Kathy Meagley was honored for 40 years of service to the SCCU. Vice Chair David Eash read a Proclamation honoring Kathy to the members in attendance.

Election: There were two Board positions and one Supervisory Committee position open. Nominating Committee Chair Harry McLean Jr. reported the results.

The following were duly elected:

Board Position #3

Jerry Niepomnik

Board Position #4

David Eash

Supervisory Committee Position #2 Dave Christiansen

Board Vice Chair David Eash thanked the members in attendance for their support of SCCU.

Meeting adjourned at 7:29 P.M.

Members who stayed enjoyed music from the Craig Catlett Trio, the movie “National Parks Adventures” and participated in prize drawings.

Respectfully submitted,

Ed Bowers, Acting Secretary and David Eash Board Vice Chair

Chairman's Report 2019

Established in 1934, the Spokane City Credit Union continues to provide trusted financial services for you and your family.

2019 was another great year for the SCCU. We continue to grow at a steady pace and our bottom line looks great. The financial health and stability of the SCCU is solid.

In 2019, the SCCU implemented a number of new products and services to our members including: The Spend and Save Debit Card, an Electric Vehicle Loan, and a new Home Equity Line of Credit Program.

In November, a new website was rolled out.

In addition, we have focused on giving back to the community with: The Giving Loan Program where a \$50 donation is made to the charity or non-profit of the members choice; 1% of our profits to Spokane Parks, Spokane Libraries and Children's Miracle Network; Support of Musical Arts by underwriting KEWU Jazz FM Radio and the NW Bach Fest.

With all these changes and improvements, we haven't forgotten that our greatest asset continues to be you, our members. It's the members that make the Spokane City Credit Union great! Thank you for helping 2019 be one of the best years for the SCCU. We look forward to serving you in the years to come. Feel free to contact me or any member of the management team with your comments or recommendations.

Sincerely,

Gene Jakubczak

Supervisory Committee 2019 Annual Report To The Membership

The Supervisory Committee consisted of Vince Beck, Chuck Zigmund and Chairperson, Dave Christiansen. Vince has been involved with Credit Unions for many years. Vince came from another Credit Union who merged with Spokane City Credit Union. He has served on credit committees at both Credit Unions until his election to our Supervisory Committee ten years ago. Chuck Zigmund is a longtime member who began his term in March 2015 and brings many years of commitment to the Spokane Community as an engineer at several businesses. Dave is the Vice President of Operations for Starplex/Crowd Management Services and has been on the committee for twenty-five years.

The Supervisory Committee is required to ensure that:

- Management's financial reporting objectives have been met.
- Management practices and procedures safeguard members' assets.

To meet these two general requirements, the Supervisory Committee is responsible for determining whether the Credit Union Management has established and maintained effective internal controls to achieve the Credit Union's financial reporting objectives. The Supervisory committee makes these determinations primarily through conducting audits and verifications.

The Supervisory Committee engaged the accounting firms of Moss-Adams to examine the credit unions financial records and the required BSA Audit and furnish their reports to the Board of Directors. The findings of these audits and our own examinations are subject to annual review by the Division of Credit Unions in Olympia. SCCU continues to focus on the credit union's financial safety and soundness, security, and to respond to all regulatory requirements. The staff, board and committees proactively seek ways to improve services, looking for the best service possible.

Management is also working hard to provide quality loans to qualified members and is looking for new innovative programs to deliver this quality service. We have hired consultants to assist us with auditing those programs to ensure you are receiving the best possible service. Costs of those services are reviewed prior to their implementation. Management consistently monitors its peers in the market to ensure we are competitive. The Supervisory Committee is proud to serve the Credit Union members and its staff who are the best in the business.

Respectfully Submitted,

Dave Christiansen, Chairperson

Treasurer's Report 2019

2019 marked another very strong year for your Spokane City Credit Union. This growth was a function of the strong local and national economic outlooks. Currently, our loan portfolio continues growth, capital levels are robust, delinquency is extremely low, and we stepped up contributions to our financial reserve portfolio. Meanwhile, we continue to provide competitive dividend and loan rates to our field of membership.

SCCU committed to increasing services for our members. Specifically: mobile-pay, direct-texting of a staff person, and a makeover of our web-page were all completed over the last year. We will soon be issuing contactless debit and credit cards. The board, along with paid SCCU staff continue to update policies and procedures to ensure we remain a safe, sound and viable financial institution into the future.

Our year-end 2019 financial performance was strong: we posted a net income of \$299,326. Our loan-to-share ratio is a healthy 93% and our delinquency rate is very low at 0.07%. Your board and SCCU staff are continually finding ways to decrease expenses and increase profitability. This directly results in better service, lower loan rates and increase dividend rates on member shares in the long run.

Since we are not-for-profit and member-owned, this strong performance results in offering increased value to our members through lower rates and increased services. Thank you for attending this meeting and being a member of Spokane City Credit Union.

Respectfully,

Ian White, Board Treasurer

Treasurer Report

Balance Sheet - December 31, 2019

ASSETS		LIABILITIES, RESERVES AND UNDIVIDED EARNINGS	
Loans Receivable	\$34,567,282	Shares	\$19,363,233
Investments @cost	\$1,913,056	Share Drafts	\$7,195,387
Cash & equivalents	\$2,764,218	Preferred Share Invest	\$4,240,057
Buildings & Land	\$1,497,178	Individual Retirement Accts	\$1,769,946
Other Assets	\$973,971	Term Share Certificates	\$4,896,646
		Other Liabilities	\$249,097
		Regular Reserves	\$1,028,913
		Undivided Earnings	\$2,972,426
TOTAL	\$41,715,705	TOTAL	\$41,715,705

Statement Of Income, Expense And Distribution Of Net Income for the Year ended: December 31, 2019

		Distribution of net income and dividend/interest payments	
Income	\$2,073,742	Shares	\$61,309
Expense	\$1,771,874	IRA, Prefer & Term Certificates	\$24,267
		to Undivided Earnings	\$216,292
TOTAL	\$301,868	TOTAL	\$301,868

President's Report 2019

Our financial results for 2019 were good. We granted more loans, invested in technology, maintained our dividends while others cut theirs and posted our largest profit in the last 16 years.

We continue to focus on adding “Convenience” to our membership. We updated our website and now you can now open an account at SCCU from your couch. Our new 24 hour/366 day a year Member Service Rep is called uOpen. It's easy to use and saves you a trip to the office. We introduced the Spend & Save Debit Card. This card feature allows you to round up your Debit Card purchase to the next dollar. It's the digital way to save change and the pennies add up over time to some real money.

Our outlook for 2020 is one of cautious optimism. The economy is still strong and we are growing in deposits and loans. Investments in technology for the membership is our focus in 2020. These new programs will allow you to bank with ease and top-notch security.

Even with all the technology that is available, it's the staff of SCCU that makes the place go. We've got the experience and desire to make your banking experience enjoyable. Tell a friend or family member about SCCU.

At our core is our charter as a “not-for-profit” financial cooperative. We exist to serve our member-owners. Unlike other financial institutions, we do not issue stock or pay dividends to outside stockholders. Instead, earnings are returned to our member-owners in the form of lower loan rates, higher interest on deposits and investments in technology to make your financial life easier. That's the credit union difference.

It is your participation as a member-owner that makes us strong. When you fully participate in our services and programs you make SCCU even stronger. Membership eligibility extends to your family, friends and co-workers and makes SCCU grow. Members helping members, it's a business model that has worked at SCCU since 1934.

My door is always open so please stop by and let's chat about YOUR Credit Union.

Sincerely,

Gene Fitzpatrick, President

Nominating Committee Report

March 31, 2020

The Nominating Committee for the Spokane City Credit Union (SCCU) submits the following report to the members of SCCU.

The Nominating Committee was given the task of providing qualified candidates for the elections of two Board positions and a Supervisory Committee position. All terms are for three years.

A Call for Nominations was posted for members to contact SCCU to express their interest to serve on the Board of Directors or Supervisory Committee.

The Nominating Committee submits that all the following named candidates listed have indicated in writing a willingness to serve in good faith. The Nominating Committee attests that each candidate is qualified to serve.

The Candidates for the Board are as follows:

Corin Morse – Incumbent
Ian White – Incumbent
Tim O’Brien – Candidate

The Candidates for the Supervisory Committee is as follows:

Vince Beck – Incumbent
Bob Baumier – Candidate

Three positions were up for election for the Board of Directors and one position was up for election for the Supervisory Committee. These positions are for three-year terms. The voting period was March 16, 2020 to March 27, 2020. Ballots could be cast electronically through the SCCU website and by paper in the SCCU office.

The results of the election are as follows:

Elected to the Board of Directors: Corin Morse, Ian White and Tim O’Brien
Elected to the Supervisory Committee – Vince Beck

Respectfully submitted,

Harry McLean Jr.

SCCU Community Activities / Involvement

Spokane Parks Foundation

KEWU Jazz Radio/89.5 FM

Children's Miracle Network/Sacred Heart Hospital

Spokane Library Foundation/Lilac City Live

SCCU Little Free Library

North Monroe Business District/Meet on Monroe

Spokane Independent Metro Business Alliance

Emerson Garfield Farmers Market/North Monroe

NW Bach Festival

STA Retirees

Corbin Center

Sinto Center

Spokane Indians

South Asian Cultural Association

Spokane City Credit Union Staff

Gene Fitzpatrick – President

Kathy Meagley – Operations Supervisor

Shannon Chapman – Member Service Representative

Jon Belch – Member Service Representative

Colleen Johnson – Member Service Representative

Debbie Prindle – Member Service Representative

Helen Reynolds – Accounting Specialist

Kathy Holmes – Loan Supervisor

Tim Lieske – Loan Officer

Jamie Forbes – Loan Officer

Olivia Balch – Intern