



73rd Annual Meeting Minutes April 25, 2023

The 73rd Annual Meeting was held on Tuesday, April 25, 2023 via a webinar through GoToWebinar.

1. Welcome

Santa Clara County Federal Credit Union President/CEO, Rebecca Reynolds Lytle, welcomed everyone to the webinar in which 19 members attended. Ms. Reynolds Lytle stated that the webinar was being recorded, and that any member who did not consent to the recording should exit from the webinar. She also advised the members that all the documents for this meeting could be found on the credit union's website.

2. Establish Quorum & Call to Order

Board Chair, Peter Ng, verified with Secretary, David Indra, that a quorum was present. Mr. Indra confirmed that a quorum was present. Chair Ng called the meeting to order at 6:00 p.m.

3. Welcome by the Board Chair

Chair Ng welcomed everyone to the 73rd Annual Business Meeting of the Santa Clara County Federal Credit Union. Chair Ng reflected on the lingering effects of the Covid-19 pandemic as well as the new challenges in the form of rapidly rising inflation and interest rates that have significantly affected the world economy. Chair Ng stated that recent headlines around the failure of a local bank and difficulties for other banking institutions have also cast intensive regulatory scrutiny and public concern over the soundness of our financial institutions. Nevertheless, Ng reported, Santa Clara County Federal Credit Union remains financially sound and continues to make investments in partnership with our community and in support of our members and the community.

Chair Ng discussed the key strategic goal of SCCFCU that was established in 2017-- to make \$1 billion dollars in cumulative loans to our members over the 5-year period ending on December 31, 2022. He noted that this was a very lofty goal at the time when County Federal brought in a new management team and challenged our organization to overhaul its lending policies and strengthen its underwriting standards with this 5-year destination target. Chair Ng reported that at the end of 2022, the 5-year total loans made to our members was \$978 million dollars, just shy of our \$1 billion target and with delinquency and charge off rates well below industry norms during this same period. He congratulated the credit union and its employees for the accomplishment despite the ongoing pandemic and the resulting financial uncertainties of the economy. Chair Ng noted the opportunities ahead to grow our membership, further help our underserved communities and redefine our footprint with new branches and a corporate headquarters.

4. Roll Call of Board of Directors

Chair Ng acknowledged and marked for the record, the attendance of the following Board members at this evening's meeting:

Jose Luis Pacheco – Vice Chair
David Indra – Secretary/Treasurer
Dave Cameron – Director
Deborah Baker– Director (via phone)
Traci Hess – Director
Juan Ledesma – Director (absent)

5. Acknowledgement of Supervisory Committee Members, Management, and Special Guests

Chair Ng acknowledged the presence of the Supervisory Committee Members present at this evening's meeting:

Candace Nisby - Chair

John Tran - Committee Member

Elizabeth Trigos Salinas - Committee Member

Chair Ng acknowledged the credit union's Executive Management Team present at this evening's meeting:

Rebecca Reynolds Lytle – President/CEO

Joe Bonacci – Chief Information Officer

Trent McIlhaney – Chief Financial Officer

Jennifer Montero – Chief Human Resources Officer

Divine David – Chief Experience Office

6. Call for Approval of Annual Meeting Agenda

It was M.S.C. (Pacheco/Hess) to approve the Annual Meeting Agenda.

A poll was taken of the membership in attendance online and in-person to approve the Annual Meeting Agenda.

In Favor: 100%

Oppose: 0%

Abstain: 0%

7. Call for Approval of the Minutes of the Annual Meeting held April 26, 2022

It was M.S.C. (Cameron/Indra) to approve the Minutes of the Annual Meeting held April 26, 2022.

A poll was taken of the membership in attendance online and in-person to approve the Minutes of the Annual Meeting held April 26, 2022.

In Favor: 95%

Oppose: 0%

Abstain: 5%

8. Supervisory Committee Report

Chair Ng asked Ms. Candace Nisby, Supervisory Committee Chair, to give the Supervisory Report to the membership.

Ms. Nisby stated that the Supervisory Committee is comprised of up to five volunteers who are appointed by the Board of Directors. The primary purpose of the Supervisory Committee is to ensure that the credit union's financial statements are prepared in conformity with generally accepted accounting principles and that its management practices and procedures are sufficient to safeguard members' assets.

To accomplish this responsibility, the Supervisory Committee conducts ongoing audits throughout the year to ensure that the credit union's internal controls are established and maintained. The committee ensures the achievement of financial reporting objectives and compliance with Federal and State regulations and policies established by its Board of Directors through a series of various audits throughout the year. This past year, the Committee retained a well-respected, independent audit firm to perform an

annual financial audit and issue certified financial statements. The firm had no corrective actions or significant findings.

9. Financial Statement Report as of 12/31/2022

Chair Ng stated that the Financial Statement Report as of December 31, 2022, was made available to all members of the credit union through the credit union's website. Chair Ng asked CEO Reynolds Lytle to speak about the credit union's highlights for 2022.

CEO Reynolds Lytle reflected on the last 12 months and thanked our members for placing their trust in us as their financial partner. She thanked the staff and community partners for coming together to overcome changes, adapting to the ever-evolving new normal, remaining focused on serving our members, and giving back to the communities where we live and work. She stated that SCCFCU is a local, not-for-profit financial cooperative committed to meeting the financial needs of our Member-Owners. We have served our members and community as their trusted provider of financial services for 73 years. We pride ourselves as a place where people from all walks of life can access affordable, quality financial products and services to help them achieve their overall financial goals, objectives, and dreams.

CEO Reynolds Lytle stated that County Federal is well capitalized with plenty of available liquidity to meet members' lending and transactional needs and that we continue to manage prudently and conservatively, always with long-term financial stability in mind. She said that our business model is simple in comparison to larger banks. We provide safe and easy access to checking and savings accounts, individual retirement accounts, certificates, and money market accounts, and we offer a variety of loans designed to meet the everyday needs of our members. Reynolds Lytle noted one important distinction between County Federal and many of the banks making headlines in today's climate--we only serve consumers, and we do not accept deposits from or offer loans to businesses. This means that our deposits are less volatile, and we have a much lower percentage of uninsured deposits than our competitors.

CEO Reynolds Lytle then shared 2022 highlights. She said that as businesses moved back to in-person activities and hybrid work models, we welcomed our members back to provide a familiar, convenient location to meet their banking needs. In February 2022, we re-opened our 70 West Hedding branch to serve County employees and our neighboring SEG groups. We expanded our service and opened Saturday hours at our Almaden and East San Jose locations. CEO Reynolds Lytle explained that plans in the past few years included downsizing our corporate footprint to reduce overhead and optimize our current facilities in support of our strategic adoption of a remote-hybrid work strategy for certain back-office positions. Those plans were realized during the 4th quarter of 2022 with the sale of our corporate headquarters building on North First Street in San Jose. We are now utilizing our City Center location to temporarily house our back-office staff while we finalize negotiations for our new corporate headquarters location which is set to be announced mid-2023.

CEO Reynolds Lytle announced that as a local, community-focused credit union, we were honored to receive the 2022 Best of the Best Award for Best Loan Experience. Only the highest-performing credit unions using the MemberXP platform are given this honor, and she expressed appreciation for the recognition of our commitment to providing members excellent service. She stated that during 2022, County Federal provided \$208.1 million dollars in loans to members to consolidate debt, make everyday purchases easier with credit cards, and refinance or purchase cars and homes. In addition, County Federal paid nearly \$1 million dollars in dividends to members on their deposit accounts.

CEO Reynolds Lytle stated that it is essential that our surrounding communities are healthy and thriving. As a low-income designated credit union, we are uniquely positioned to positively impact the communities in which we live and work. Our volunteer and give-back efforts through our County Federal

Cares initiatives are focused on Children & Education, Community Health & Well-Being, Financial Wellness & Inclusion, and Team Passion & Cultivating the Volunteer Spirit. As a result of these efforts in 2022, we raised our total monetary donations over the previous year by 11%. We also had a record year in employee hours donated to serving the community of 2,896 hours. Rain or shine, our team hosted our ever-popular Shred Day and Canned Food Drive, packed grocery deliveries for the homebound, and assembled backpacks with school supplies for local students. Our flagship program, Teddy Bears on Patrol, raised over \$10,000 and donated 600 teddy bears to local law enforcement agencies, school districts, hospitals, and charitable organizations. Our team also donated to more than 60 diverse charitable organizations and causes they are passionate about, from pet shelters to schools and various community organizations. We also awarded nine educational scholarships, totaling \$9,750, to local students to support their pursuit of secondary education and six grants totaling \$6,000 were presented to Santa Clara County Teachers at the 2022 Santa Clara County Teacher Recognition Celebration.

CEO Reynolds Lytle said that over the past five years, County Federal has been guided by our core purpose of “Bettering the lives of those who serve the public.” During this time, we have provided nearly \$1 billion in loans to members to help finance their needs and dreams, making a positive impact and a difference that matters. With the pandemic further revealing inequities in housing, education, and food security, we know that as a credit union, County Federal has a vital role in helping our members improve their financial well-being and advance the communities where we live and work. She stated that with this in mind, we redefined our Core Purpose to “Bettering Lives; Enriching Communities.” At County Federal, we have always considered our Core Purpose not just in terms of financial goals but in the context of our larger contributions to the community, answering the “why” of what County Federal is setting out to do in the future.

CEO Reynolds Lytle said that in 2023 and beyond, our team will look at ways to serve our members through enhanced products and services, and opportunities to expand our impact and reach within the community. This includes a new corporate headquarters location as mentioned earlier. She stated that we are excited to start the next chapter of our journey, building upon the strong foundation created over the past 73 years. CEO Reynolds Lytle said we are well capitalized, financially strong and have an experienced, knowledgeable, and diverse team leading and governing County Federal. She thanked the members for trusting County Federal as their financial partner and expressed appreciation for the opportunity to serve them.

It was M.S.C. (Indra/Cameron) to approve the Financial Statement as of December 31, 2022.

A poll was taken of the membership in attendance online and in-person to approve the Financial Statement as of December 31, 2022.

In Favor:	100%
Oppose:	0%
Abstain:	0%

10. Old Business

Chair Ng stated that there was no Old Business to be discussed.

11. Election of Officials

Chair Ng asked Director Hess, Chair, Nominating Committee to carry out the Election of Officials. Ms. Hess stated that on behalf of the Nominating Committee (Mr. Ledesma, Mr. Pacheco, and herself), that the Committee has nominated Mr. Peter Ng for a three (3) year term. Also, in accordance with the

Bylaws, Notice of Board elections via the Petition Process, was sent to the Membership via the quarterly newsletter to solicit for volunteers. No additional nominations were received through the Petition Process.

It was M.S.C. (Hess/Pacheco) to elect the Board of Directors by acclimation.

A poll was taken of the membership in attendance online and in-person to approve the election of Mr. Peter Ng by acclimation in accordance with the credit union's bylaws for each to hold a 3-year term.

In Favor: 96%

Oppose: 0%

Abstain: 4%

Chair Ng stated that there will be a meeting of the Board of Directors immediately following this meeting to elect Officers of the Board, pursuant to Federal Credit Union Regulations.

12. New Business

Chair Ng asked if there is any New Business to be discussed.

Ms. Reynolds Lytle stated that if any member has any New Business to be discussed, to please type in their question (directions were given to the members on how to accomplish this).

Ms. Reynolds Lytle stated that no New Business questions were received.

13. Adjournment

Chair Ng adjourned the 73rd Annual Meeting at 6:20 p.m.