

# TEACHERS FEDERAL CREDIT UNION

## ANNUAL MEETING

held at  
102 Motor Parkway, Hauppauge, NY 11788  
April 27, 2020

### I. CALL TO ORDER

The meeting was called to order by Chairman Southerton at 6:00 p.m. Chairman Southerton welcomed our members who were attending in-person at our Hauppauge headquarters and for the first time viewing our Annual Meeting online. He stated we had a sufficient number of members in attendance live in our Hauppauge office that he declared we had a Quorum. He noted that the members at the Hauppauge office are practicing proper social distancing. Chairman Southerton designated Nicholas Campasano as Parliamentarian and Mim Stevenson-Vaiana as Recording Secretary of the Annual Meeting.

- The Chairman introduced Teachers' Board of Directors
- The Chairman introduced the President/CEO, Brad Calhoun
- The Chairman introduced our Legal Counsel, Nicholas Campasano
- The Chairman introduced Teachers' Supervisory Committee

### II. APPROVAL OF MINUTES

Chairman Southerton stated the minutes from last year's annual meeting are attached to the agenda. He noted, without objection, to dispense the reading of the 2019 Annual Meeting Minutes and to adopt them, as presented. He asked was there any objection. He stated, as there was no objection, the 2019 Annual Meeting Minutes are adopted by unanimous consent.

**MOTION CARRIED**

### III. CHAIRMAN'S REPORT

Chairman Southerton stated the Chairman's report has been submitted, distributed and is also available online. He stated he wanted to make sure on behalf of our Board of Directors that every employee of Teachers Federal Credit Union knows how much we appreciate their efforts in keeping the credit union running and for serving our members during the COVID crisis. He also stated Americans need to have confidence in their financial institution in times like these. He noted our employees have done all they can to earn their trust and we sincerely thank each and every one of them.

At this time he introduced Teachers Federal Credit Union's President/CEO, Brad Calhoun, who will now present the President's Report.

#### IV. **PRESIDENT'S REPORT**

Mr. Calhoun thanked Chairman Southerton and welcomed all to the 2020 Annual Meeting, especially those who are live streaming for the first time for this event. He stated, with all that is going on, we thank you for your adaptability and flexibility and being open to joining us in this manner. He thanked the Board for the warm welcome and trust in him in joining this team and this great organization as well as the ongoing support which is very much appreciated. Mr. Calhoun noted, in coming in mid-year of June 2019 and joining the Teachers family, he was able to spend time with the prior CEO, Robert G. Allen, and thanked him for his 30 plus years to help Teachers grow to get to the level that we are at today. He stated, as we go into 2020 and quickly reflect back on 2019, it is so important to look at where we came from and knowing that we started 67 years ago from a small group of teachers led by Lester Gosier who helped found this credit union to what it is today, is truly remarkable, as one of the largest credit unions in the United States. Mr. Calhoun shared with everyone that he came from a large family of educators: teachers, principals, and college professors, but he went into banking and finance. He stated he finds it so fitting being part of this organization, but also a great appreciation of our heritage and how we were founded and what we stand for.

Mr. Calhoun stated we have a lot to be proud of what we accomplished in 2019. He stated in 2019 we welcomed over 38,000 new members to the Teachers family which brought our membership up to over 340,000 members, truly remarkable to see that continued growth. He also stated we have over 800+ employees that are ready, willing and able to help in the good times as well as the challenging times. He noted they continue to step up and he is proud of what this team has done and continues to do as we are heading into 2020. He also noted, in 2019, we saw close to 3,500 members that we supported with home lending needs, helping over 1,650 of those members who were either a first time home buyer, a new purchase, or a refinance for someone looking to save money. He stated we also helped over 27,000 members get their first auto loan. He also stated the team has done a remarkable job dealing with COVID and the stress that it puts on our members and how we are responding to that.

Mr. Calhoun stated the Teachers team is driven by our mission which is to help our members at every stage of their financial life, to achieve their financial goals and dreams and stay true to our guiding principles. He noted Teachers five guiding principles:

- Best Place to Work
- Best Place to Bank
- Building a Solid Foundation
- Build Upon our Safety & Soundness
- Strong Community Partner

He stated, as we talk about the Best Place to Work, we know that our people are the key ingredient and the secret to our success. He also stated our culture is really everything that makes up this organization to service our members. He noted, it is important to know, that everyone who is going with you on this journey, understands the mission, understands where we are going, and understands they are here to serve our members. He also noted this is something we live by as we look to build a great organization to attract new talent and retain the talent we have so we can meet the needs of our members.

Mr. Calhoun stated we want to be the Best Place to Bank for all of our members by enhancing the experience and continuing to focus on member experience at every touchpoint; be it in the branch, over the phone in the call center, through our website, or through our online and mobile banking. He stated we want to help all of our members with each stage of their financial journey and we are focusing on training our people continuously so we can deliver that expertise. He also stated the output is to really build loyal fans in order for our members to share that good message to their friends so they can also take advantage of the great benefits Teachers has to offer.

Mr. Calhoun made reference to building a solid foundation and highlighted some of the success from our past which was getting an open charter. He stated, by being one of the largest credit unions in the U.S. and pairing that with an open charter, we have a great opportunity in front us to continue to build on the success that Teachers has had and will continue to do for decades to come. He noted, to continue to grow, you have to have a very solid foundation and we have already started making investments in infrastructure, technology, tools to help meet the needs of the organization, employees as they look to serve our members, and most importantly, our members, all the tools they need; such as, mobile experience and online experience to make sure it works seamlessly for them.

Mr. Calhoun stated we are one of the nation's largest credit unions with over \$7.7 billion in total assets and we are very well capitalized which enables us to continue to help our members throughout everything. He noted we are making sure we are protecting our members and the organization because our members need to depend on the safety and soundness and trust in us. He stated we look to make sure we are doing everything in our power to run a safe and sound organization.

Mr. Calhoun stated, as it relates to the guiding principles, we have done a lot last year and look to do a lot more in being a strong community partner. He stated last year we partnered with Junior Achievement to deliver financial literacy by getting all of our employees involved in teaching financial literacy in the schools and having that impact on the youth to make sure we are helping people understand how to make smart financial choices as they grow. He referenced Island Harvest Food Bank stating we have had a long standing partnership with them. He stated we have started a new partnership with St. John's, and we look forward to doing much more especially when we can get sports and everything else back to normal. Mr. Calhoun stated last year we contributed to a number of scholarships totaling over \$25,000, and in 2020, we will be increasing that up to \$50,000 to help our youth. He noted this will have an impact and this is something that is important to us since it is tied to our mission.

Mr. Calhoun stated, as it relates to community, we continue to support some partnerships with small businesses in different parts of Long Island and throughout New York where we are giving funds to restaurants that are then supporting and feeding some of our medical and frontline workers. He noted over \$25,000, to-date, that we have supported with that effort.

Mr. Calhoun stated we have had a lot of changes to our branches, but we have made sure to take care of our members every step of the way through proper communication. He stated, right now, our branches are very modified, with the usage of the drive-up teller windows only. He also stated we have seen increased calls, and the team has been quick to take care of all of our member's needs. He noted, as it relates to loan

relief, we had over 6,200 requests to-date in the last five to six weeks where members have needed assistance, and we stand ready to help them if it is a loan deferral or a need to skip a payment if they are facing some hardship. He also noted we are here to help our members in this time of crisis. He stated we funded a little under a million dollars of the smaller loans for an emergency relief, anything from \$500 to \$5,000, to help them pay for whatever obligations they may have as well as help make ends meet as they are going through these challenging times. He also stated we are also part of the Stimulus Paycheck Protection Plan (PPP) and we have set up a partnership and are continuing to put in applications. He noted we have a number of applications for some of our small business members to help drive support to them.

Mr. Calhoun stated it is important to know that we are protecting our members and this goes back to safety and soundness. He stated there are a lot of scams out there and we are doing everything to protect our members, but our members need to make sure they are aware of these scams. He noted that we put information out on our website to educate our members on how to help fight the fraud.

Mr. Calhoun stated, as we are looking ahead to 2020, we are going to navigate through COVID and be here for our members, our community and our employees every step of the way. He stated you can count on Teachers to invest in more technology, mobile and online banking, online account opening experience, and we are focused on making it seamless for all your needs. He also mentioned that we have had a number of commercials that we have launched as we have gone out to refresh our Teachers' brand with the new logo. He noted we continue to evolve and grow to have that guiding light for the role Teachers plays in the financial space, and you will hear and see more about this.

Mr. Calhoun thanked all the members who joined in the meeting today and he looks forward to another successful year in 2020 in helping all of you in every stage of your financial journey.

Chairman Southerton thanked Mr. Calhoun.

At this time he introduced Teachers Federal Credit Union's Treasurer, Mr. Juan Nuñez, who will now present the Treasurer's Report.

## **V. TREASURER'S REPORT**

Mr. Nuñez stated he is very happy to be here even under the current circumstance to report some good news. He noted the Credit Union has achieved an exceptional year of growth and strong financial performance in 2019. He stated total assets reached \$7.5 billion, member deposits grew to \$6.79 billion, and net loans grew \$444 million. He also stated Teachers reached a new milestone in new membership numbers totaling 340,000 members. Mr. Nuñez stated our membership equity increased by 8.2% and our net worth ratio, which really measures the credit union financial strength and stability, reached a respectable 9.41%. He stated those are some of the highlights you can find in the printed Annual Report, and you can find it online. He also stated you can find the full financial statements for your edification as well. He noted he is confident that our credit union will continue to deliver superior financial value to all its members even under these difficult times that we are encountering today. Mr. Nuñez wished everyone good health and to be safe.

Chairman Southerton thanked Mr. Nuñez.

At this time he introduced Teachers Federal Credit Union's Supervisory Committee Chairman, Mr. James Nohe, who will now present the Supervisory Committee Report.

**VI. SUPERVISORY COMMITTEE REPORT**

Mr. Nohe read his report which can be found in the Annual Report. He stated, as he started writing this presentation, one of the greatest risks facing society and Teachers has appeared, COVID-19 (Coronavirus). He also stated, quarantines, employee exposures, member exposures, problems and risks that we would have never anticipated, have appeared. He noted the Supervisory Committee responsibilities have not changed. He stated we are responsible for making sure the Credit Union's financial records are in order and internal controls are in place to protect the assets of the Credit Union and its members. Mr. Nohe stated the Committee also makes sure the Credit Union manages and mitigates risks. He also stated that he is pleased to report that Teachers has continued its high standard of compliance, and the balance sheets and related statements of income are presented accurately. He noted that members can rest assured the Credit Union's financial performance and operations are regularly evaluated for continued safety and soundness.

Mr. Nohe stated, we, the committee, wish to express our appreciation to the Board of Directors, new management, and staff for their continued cooperation and support, and we look forward to the pleasure of serving you in 2020.

Chairman Southerton thanked Mr. Nohe.

**VII. UNFINISHED BUSINESS**

Chairman Southerton asked if there was any unfinished business. There was no unfinished business.

**VIII. NEW BUSINESS**

Chairman Southerton asked if there was any new business. There was no new business.

**IX. ELECTION RESULTS**

Chairman Southerton stated that nominees for positions on the board are: George Dornhoefer, Raymond Grossman, and Dr. Shalei Simms. He stated, as there are three nominees for the three open positions, and there were no nominations by petition, without objection, he asked Secretary Ms. Neitlich to cast one vote in support of each of the three (3) aforementioned nominees. He stated, without objection, it was adopted by unanimous consent and Ms. Neitlich will cast these votes re-electing Mr. Dornhoefer, Mr. Grossman and Dr. Simms. He congratulated each of them.

**X. QUESTIONS AND COMMENTS**

Chairman Southerton read a variety of questions that were submitted electronically from members and Mr. Calhoun responded to them.

Chairman Southerton pointed out, especially to members who are viewing the meeting online, that questions and comments can be sent to us via email at [corporatecommunications@teachersfcu.org](mailto:corporatecommunications@teachersfcu.org).

Chairman Southerton asked if there are any questions from members who are attending live at our Hauppauge headquarters. Mr. Calhoun stated there were none.

Chairman Southerton stated, before we adjourn, a recording of this meeting will be available on the Teachers website, and he also thanked all those behind the scenes, especially Mim Stevenson-Vaiana and our IT Department for taking on the challenge of our very first online viewing of our Annual Meeting.

**XI. ADJOURNMENT**

Chairman Southerton stated, without objection, we will adjourn this meeting. He stated this meeting is adjourned by unanimous consent at 6:42 p.m. **MOTION CARRIED**

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**Timothy M. Southerton, Chairman**

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**April S. Neitlich, Secretary**