

# Minutes of the Seventy-First Annual Meeting of the Members

April 26, 2024

Board member(s) present – Chris Otey, Chairman; Chuck Garland, Vice Chairman; Stephanie Ertman, Secretary; Viki Copeland, Tarek Shaer, Brian Lundin, board members.

Supervisory Committee members present – Angelia Parrish, member.

## Welcome Remarks and Call to Order

Board Chairman Chris Otey welcomed members and guests to the Credit Union's 71<sup>st</sup> Annual Membership Meeting. Chairman Otey called the meeting to order at 12:05 p.m. on the afternoon of Friday, April 26, 2024, via Zoom. Chairman Otey noted the meeting will be conducted in accordance with the rules and regulations of the State of California's Department of Financial Protection and Innovation. All comments are limited to three (3) minutes. Members were invited to submit questions or comments via the Zoom chat function to be answered at the conclusion of the meeting. Nominations from the floor are not permitted per the Credit Union Bylaws.

## Introduction of Officials

Chairman Otey introduced the Board of Directors and Supervisory Committee members in attendance.

## Ascertainment of a Quorum

Secretary Stephanie Ertman stated that a quorum was present with 22 members in attendance. The Credit Union Bylaws require a minimum of 15 members to be present to constitute a quorum.

## Approval of the 2023 Annual Membership Meeting Minutes

Chairman Otey asked for corrections or deletions to the 2023 Annual Meeting minutes. Hearing none, he called for a motion to approve. Viki Copeland moved to approve the minutes and Chuck Garland seconded the motion. The motion carried with no objections.

## Chairman's Report

Chairman Otey noted that South Bay Credit Union delivered another year of solid performance. As we celebrated our 70<sup>th</sup> anniversary, the theme of this year's annual report is "Live Here. Work Here. Welcome Here." The theme perfectly sums up our strong focus on helping our South Bay communities and prioritizing people over making money. South Bay Credit Union maintained a cautious strategy in managing the balance sheet and closed the year with notable profits, enabling us to invest in the Credit Union's future while surpassing targets for both share and loan growth. Our careful management of member funds was confirmed by outstanding audit results and further supported by a significant initiative to strengthen deposit insurance undertaken this year. Our coverage guarantee increased from \$250,000 to \$1 million per account.

## Supervisory Committee Report

Member Angelia Parrish noted that as a result of the positive audits from Turner Warren Hwang and Conrad CPAs, our outside, independent accounting firm, it is the opinion on the Supervisory Committee that South Bay Credit Union's operations are safe, sound and in conformity with all laws and regulations, and that internal controls and policies are effectively protecting the credit union and its members.

### Treasurer/CEO Report

Paris thanked all those in attendance. This year, South Bay Credit Union made information technology a top focus. As a financial institution, it's crucial to have systems that protect member funds and private data. We're happy to report that we have upgraded to a new, highly rated provider who is effectively securing our computer network environments. Our Emerald Beach subsidiary had a successful year, contributing to the Credit Union's profits while assisting cannabis-related businesses in banking safely and complying with their industry's regulations. One of the most rewarding aspects of 2023 was our membership growth and retention. We've always aimed to expand financial inclusion in a meaningful way that benefits current members and the community overall. This year, we saw steady growth, ending with 9,434 members. Importantly, we had only 23 account closures, with seven of those due to account consolidation.

At South Bay Credit Union, we envision a future where everyone in the South Bay Community can thrive financially. In 2023, we took steps to realize this vision by introducing new products and promotions to maximize your finances and engaging with various community groups and institutions important to our members. Some highlights include: we offered competitive rates on promotional certificates, helping members maximize their savings securely; by transitioning to Visa® credit cards, we improved convenience and access while saving nearly \$1 million in administrative costs over a decade; we prioritized youth financial education by partnering with Greenlight Financial, providing youth members with a free personalized debit card and a user-friendly mobile banking app; and with South Bay home values holding steady, we made accessing home equity affordable with special deals on Home Equity Lines of Credit, featuring 0% interest for 6 months and a one-time fee of \$600, saving up to \$2,000.

In our community efforts, we worked with various groups and important institutions to support families and businesses. We partnered with Local Anchor, a community group aiding South Bay families and small businesses. We also supported local youth sports through partnerships with organizations like El Segundo Little League, Wrecking Yard batting cages, and BeGr8 Basketball. Our SBCU team helped clean up school gardens for the new school year and collected Thanksgiving food items for Community's Child, providing meals for local families and seniors. Additionally, team members prepared a Thanksgiving dinner for 40 senior residents at Lomita Gardens who came to feast at the Lomita Kiwanis Foundation Hall.

We ended the year with nearly \$120 million in loans, up nearly \$14 million from 2022. Shares ended at \$135 million, up from \$126 million in 2022. Membership grew by 157 to 9,434 and net income was \$341,305.

### Nominating Committee Report

Vice Chairman Garland presented the slate being put forth for approval for Nominating Committee, referring members to the website for the candidates' bios:

Board of Directors (2 open seats)

Viki Copeland (incumbent) (3-year term)  
Annie Flippo (incumbent) (3-year term)

Supervisory Committee (1 open seat)

Angelia Parrish (incumbent) (3-year term)

The slate of candidates was declared elected by acclamation. Congratulations were extended to the newly elected Officials along with a special thank you to the Nominating Committee.

**Adjournment**

Chairman Otey thanked Paris, staff, and the management team for a wonderful year. He asked if there was any unfinished business. Hearing none, the meeting was adjourned at 12:17 p.m.

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Chris Otey, Chairman

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Stephanie Ertman, Secretary