

# 56th ANNUAL MEETING AGENDA

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Wednesday, April 24, 2024 – 5:15 PM

## **WELCOME**

Dan Berry, Chief Executive Officer

## **BUSINESS MEETING**

### **Call to Order**

Denise Motley, Chair, Board of Directors

### **Ascertainment of Quorum - Minimum of 15 members**

Richard Alexander-Greene, Secretary, Board of Directors

### **Reading, Correction, Approval of Minutes of the 55<sup>th</sup> Annual Membership Meeting**

Richard Alexander-Greene, Secretary, Board of Directors

### **Reports of Officials**

- Denise Motley, Chair, Board of Directors
- Mike Hennessy, Treasurer, Board of Directors
- Dan Berry, Chief Executive Officer

### **Report of Supervisory Committee**

John DeFore, Chair

### **Questions and Answers**

Dan Berry, Chief Executive Officer

### **Unfinished Business**

### **Elections**

Richard Alexander-Greene, Chair, Nominating Committee

### **Special Presentation**

### **Adjournment**



# 55<sup>th</sup> ANNUAL MEETING MINUTES

Duke University Federal Credit Union / April 26, 2023

The 55<sup>th</sup> Annual Meeting for the members of Duke University Federal Credit Union was held at the Erwin Square West Conference Room, Durham, NC and via Zoom. Board Members attending in-person were Denise Motley, Chair, Susan Creekmuir, Vice-Chair, Richard Alexander-Greene, Secretary, J Alan Kendrick and Stephen Smith. Michael P. Hennessy, Treasurer, was in attendance via Zoom. John Defore, Supervisory Committee Chair, and DUFCU staff members Dan Berry, Mark Suggs, Keith Goeller, Jorge Hernandez, Sophia Perry and Jennifer Sider, were also present.

## **Welcome:** CEO, Mr. Berry

Mr. Berry welcomed everyone to Duke University Federal Credit Union's 55<sup>th</sup> Annual Meeting, in person and via Zoom. He informed those attending that the meeting would be recorded. The 54<sup>th</sup> Annual Meeting Minutes, the 55<sup>th</sup> Meeting Agenda and the 2023 Annual Report were available in hardcopy for those present and were accessible, via DUFCU's website banner or the Annual Meeting link, for those attending online.

Mr. Berry invited members attending remotely to put their questions in the CHAT feature addressed to Jennifer Sider, who would be monitoring the Q&A session later in the meeting. He added that a closed captioning feature was also available. Mr. Berry asked that Zoom attendees use their full screen names so that Annual Meeting gifts could be made available to those attending on line. The gifts would be available at DUFCU's Greeter's Station throughout the month of May. He also informed members that an 'off-line' raffle drawing would be made at the end of the meeting and Zoom winners would be informed via email the following day.

## **Call to Order:** Chair, Denise Motley

Chair Motley welcomed everyone to DUFCU's 55<sup>th</sup> Annual Meeting and called the meeting to order at 5.20 pm. Mr. Alexander-Greene, Board Secretary, ascertained a quorum and asked if there were any recommended changes to last year's Annual Meeting Minutes. None were forthcoming. Chair Motley made a motion to approve the 54<sup>th</sup> Annual Meeting Minutes. The motion was made, seconded and unanimously carried.

## **Chair's Report:** Chair, Denise Motley

Chair Motley introduced the attending members of the Board and expressed her continued delight at serving as DUFCU's Board Chair. She informed members that the Board was seriously committed to serving the membership.

Chair Motley expressed pride at how DUFCU navigated the pandemic, making adjustments when necessary while maintaining full service throughout. She also expressed her delight at DUFCU's new software roll-out, and the security measures that have been put in place. Compliments were extended to DUFCU's staff for assisting members in the transition.

Chair Motley closed by saying that she and the Board welcomed constructive feedback and suggestions from the membership on how DUFCU might improve its products and services in the future.

## **Report of Officials**

### **Treasurer's Report:** Treasurer, Michael P. Hennessy

Mr. Hennessy informed members that DUFCU continues to be a sound and secure financial institution. It is regulated by NCUA (National Credit Union Administration) and audited by an independent CPA firm that specializes in financial institutions. This has protected DUFCU from the issues that have caused the recent bank failures, in addition to the fact that DUFCU is an entirely different type of financial institution than the big banks that have failed. NCUA defines a well-regulated credit union at 7%, and DUFCU's end-of-year net worth was a solid 8%. DUFCU's net income increased almost 50% compared to the prior year. Also, its liquidity is very high.

Mr. Hennessy reminded members that DUFCU's exists solely for its membership and has no outside shareholders or external parties to satisfy. Its aim is to assist members with their saving and lending needs. Loans increased by 5% but remain competitive. DUFCU's deposits also remain competitive despite high inflation. Inflation has moderated in the past few months but DUFCU remains vigilant. It has increased its deposit and CD rates. DUFCU asset base has increased by 2% and continues to expand.

Mr. Hennessy praised the expertise of DUFCU's Board and complimented the members of his Finance Committee: Mr. Alexander-Greene, Ms. Querey, Ms. Langford and Mr. Berry. He also mentioned the excellent work of DUFCU's independent Supervisory Committee, as well as management, staff, the Member Advisory Committee and the general membership.

Mr. Hennessy closed by saying that due to the Federal Reserve's continued attack on inflation, an economic slowdown/poor economy is likely for most of 2023. It is anticipated that this will happen by the end of the year or the beginning of 2024. Regardless, DUFCU remains strong and will continue to help its members weather the storm.

### **Member Advisory Council:** Marketing Director, Ms. Jennifer Sider

Ms. Sider, Marketing Director, introduced the participants of the Member Advisory Council: Dr. Jeffrey Dawson, Ms. Rebecca Martin, Ms. Melanie Mitchell, Mr. Jeremiah Olivas, Ms. Ariana Scott, Dr. Jean Jacques Thomas, Ms. Celeste Toombs, Ms. Renee Vaughan and Ms. Katherine Williams.

Ms. Sider thanked the members of the Advisory Council for their insights, ideas and feedback on topics such as the new online banking software and mobile app, rates and inflation, Fintech usage and contactless cards. She expressed gratitude, on behalf of the DUFCU management team, for helping them better meet membership needs.

### **CEO Report:** CEO, Dan Berry

Mr. Berry opened his report by reiterating that Duke University Federal Credit Union's accomplishments are due to the efforts of its 36 employees, listed in the Annual Report. Mr. Berry reintroduced DUFCU's Directors to inform members who to contact with their specific questions.

Mr. Berry spoke of the developments DUFCU has made over the past year, more recently, its new mobile and desktop software which rolled out last week. The new software includes the requested Multifactor Authentication and will soon include the ability to transfer money between DUFCU and other financial institutions. He thanked members for their patience regarding the changes.

Mr. Berry reminded members that the Annual Scholarship Program is currently underway, the deadline being May 1<sup>st</sup>. Undergraduates can still apply via DUFCU's website, for one of the three \$3,000 awards. The Selection Committee will announce the winners the week of June 5<sup>th</sup>.

Mr. Berry informed members that DUFCU's 'contactless' cards have now been issued. The rollout began two years ago as old cards matured. Not all merchants have contactless card machines so members might still have to insert or swipe their cards until merchants catch up with the new technology.

Mr. Berry informed the Board that DUFCU's popular Shred Event returned this year for the first time since the pandemic. The event was advertised in DUFCU's newsletter and online and was attended by over a hundred members. The service will be offered annually going forward.

DUFCU sponsored a staffroom at Duke Children's Hospital and the partnership continues.

Mr. Berry closed by thanking the Board and staff for their coordination and cooperation. DUFCU is proud of the community it has created.

**Supervisory Committee:** Chair, John DeFore

Mr. DeFore explained that the Supervisory Committee is responsible for overseeing DUFCU's audits and regulatory examinations. He introduced the other members of his Committee: Ms. Rojas, Ms. McCallister, Ms. Habecker and Mr. Hoy.

This year, the second year of a three-year contract with an independent CPA, an audit was completed. The audit resulted in an unmodified opinion on DUFCU's financial statements, the reports of which can be viewed on DUFCU's website. In addition, DUFCU has numerous other federal and credit union association audits which have fulfilled all regulatory requirements.

**Questions & Answers:**

**Q: What new products and processes is DUFCU working on to address the changing financial climate?**

A: Mr. Berry replied that there is no 'one size fits all' answer to this question as every member has a different scenario. DUFCU's goal remains to assist each member with his or her personal goals and challenges. If a recession occurs and unemployment increases it is likely to be trying time for many and loan repayments and interest rates could become a problem for some. Mr. Berry advises members who find themselves in difficulty, to contact DUFCU's financial advisors for assistance.

Many have hoped that the Federal Reserve will soon start cutting rates, but based on what is known so far, this seems unlikely. Loan rates tend to increase faster than deposit rates. Loan rates will likely be comparable to what they are now but deposit rates should start to increase, putting money back into member pockets.

**Q: Should DUFCU expect the 50% net income increase experienced last year, again this year?**

A: Mr. Berry explained that DUFCU's net income increase was due to its overnight investments. As rates went up DUFCU benefited due to interest earned. Over the course of this year it is likely to be a little higher but comparable. Things will change incrementally.

The Silicon Valley Bank failed as its investments were of 10 years or more. DUFCU has only invested in terms of 6 year or less and about a third of DUFCU's portfolio will mature this year. As a result, as long as interest rates are higher, its financial position will continue to improve. The bottom line may not grow as much as revenues but the ultimate goal is to reinvest in the membership.

**Q: What is the criteria for getting a first-homebuyer loan?**

A: Ms. Hill, DUFCU's mortgage loan counsellor, replied that the criteria has to be assessed on an individual basis. The first step a member should take is to call or email the mortgage department, Ms. Hill or Ms. Adams, for a personal appointment. The member's application would then be assessed. Mortgage webinars have been held in the past but, due to rate increases and the resulting decrease in loan demand, webinars have not been held recently. When rates decrease and loan demand increases the Mortgage Webinars will be reinstated for members interested in home loans.

Mr. Berry closed the Q&A session by inviting members to contact the management team directly with any other questions or concerns.

**Unfinished Business:** None

**Elections:** Mr. Alexander-Greene, Secretary – Elections Nominating Committee

Mr. Alexander-Greene spoke of DUFCU's talent at harnessing expertise in its Board Members. He informed the membership that a Board position had become available this year and the Nominating Committee of Mr. Alexander-Green, Ms. Creekmuir and Dr. Kendrick, had presented one nominee to the Board for consideration. The Board approved the candidate, Mr. Derek Robinson of Duke Health, and the nomination was posted in the DUFCU lobby for a month, in accordance with DUFCU's bylaws. No objections had been forthcoming.

Ms. Motley concluded that pursuant to the bylaws, and because no other candidate was petitioned, the nominee was thereby elected.

Mr. Berry concluded the election process by thanking the exiting Board member, Mr. Biever, Assistant Chief Information Officer and Chief Information Security Officer of Duke IT, for his service since 2017. DUFCU's Board benefited greatly from his contributions.

Chair Motley closed the 55<sup>th</sup> Annual Meeting by thanking everyone again for their participation.

**Adjourn**

**Chair, Denise Motley**

The meeting was adjourned at 6:02 pm.

**Submitted By**

**Denise Motley**

Chair, Board of Directors

**Richard Alexander-Greene**

Secretary

**Janette Jones**

Staff Assistant