

MINUTES OF THE 2020 ANNUAL MEETING

The 68th Annual Meeting of the Westport Federal Credit Union was held on Wednesday, November 4, 2020 at 4:30 p.m. at the Westport Credit Union, as well as via Zoom Meeting.

Chairperson of the Board of Directors, Antonio Cestodio, called the Annual Meeting to order, apologizing for having to hold the meeting remotely. However, due to the current COVID health crisis, the meeting could not be held in person.

Chairperson Cestodio called for a moment of silence in honor of Paul Hebert, a long-time dedicated Board member, who passed away last year.

Chairperson Cestodio welcomed the members, as well as the Credit Union staff, who were attending the meeting. Noting a few housekeeping matters, Chairperson Cestodio stated that: all telephones and computers should be put on mute until such time as is required for voting; when voting, click on the poll on the screen; and three (3) members are required to vote, verbally or by clicking your response, in favor or not in favor, of a motion.

In thanking Board members for their service, Chairperson Cestodio stated that they have been working diligently this past year and that the fiscal condition of the Credit Union is sound and stable, having to make some difficult decisions. He thanked the staff of the Credit Union for their time and dedicated efforts to continue to work with the extraordinary conditions derived from the COVID health crisis.

The first committee member to address the meeting was Gerald Coutinho, who is the Secretary of the Credit Union. He presented the minutes of the 2019 Annual Meeting. He said that, normally, he would read the minutes, but in light of the remote meeting being held, he suggested the reading be dispensed. A motion was made, seconded and passed unanimously to waive the reading of the minutes. Subsequently, a motion was made, seconded and passed unanimously to approve the minutes of the 2019 Annual Meeting held on March 24, 2019.

The Membership Report was presented by James Driscoll. During the calendar year ending December 31, 2019, the Credit Union approved 441 applications for membership, bringing the total to 7,091 members, holding 9,284 accounts, with an average share balance of \$6,162.59.

The report of the Credit Committee for fiscal year ending December 31, 2019 was provided by Wallace Fletcher. He indicated that the Credit Union processed 567 loan applications in 2019, for a total of \$10,406,051. Of these, 505 were approved - a 95% approval ratio - totaling \$9,909,217. 62 applications were declined, totaling \$496,834.

Melissa Couto reported for the Supervisory Committee. She noted that the report is for fiscal year 2019. Walsh and Company, a certified public accounting firm, performed an audit for fiscal year ending December 31, 2019, in accordance with general accounting principles. These audit procedures included the financial statement audit, Bank Secrecy Act, ACH review and loan share membership verifications. The audit concluded an unqualified or clean audit. Additionally, the National Credit Union Administration conducted an examination. The federal examiners reviewed savings and loan trial balances, the general ledger, the allowance for loan and lease losses, and loan compliance.

Chief Executive Officer Mathew Aguiar reported on the financial condition of the Credit Union for fiscal year ending December 31, 2019. He stated that the Credit Union ended the year as being the most profitable it had been in the last five (5) years with a net income of \$259,989. Assets totaled \$61,497,731, which was a 1.49% increase year over year. Assets primarily comprised of investments and loans; \$57,213,516 in deposits; 69% of deposits reside in shares; 5% in certificates and 26% in share draft accounts. The Credit Union realized a 26% decrease in the investment portfolio. Investments ended the year at \$16,885,476. The investment portfolio consists primarily of other bank certificates of deposit, as well as other agency investments. The Credit Union currently has 59% of investment in certificates of deposit and 16% in callable agencies. Investable cash portion was in excess of \$4,000,000. Investment income for 2019 was \$368,048, a 15% decrease over 2018. None of the investments were impaired and their valuations exceeded book. In 2019, total loan balances increased to \$41,877,089, a 12% increase year over year. Overall, origination volume increased from the prior year. The Credit Union has continued its strategy of shifting assets from investments into loans in order to obtain a higher yield. Delinquency in the loan portfolio was slightly lower in 2019. Reportable delinquent loans at the end of 2019 was \$264,287. Delinquent loans-to-loans percentage at year end was 0.63%, lower than the New England average of 1.04%. The Credit Union continues to adjust its rates to remain competitive with other local institutions. Particularly, mortgages are now being offered for 10- and 15-year

mortgages at special rates. The annual exam was performed in December of 2019 and the Credit Union was found to be safe and sound and adequately capitalized. This year has been challenging in various ways. Mr. Aguiar thanked the members of the Board of Directors, the committees, and the staff for their hard work this year; and appreciation for the members for 68 years of continued support. With everyone working together in concert, the Credit Union has been enabled to provide earnings back to the members, providing competitive rates, new products, better services, and continued growth.

The Security Report was provided by William Baraby, who stated that the Credit Union continues to monitor the safety and security of the Credit Union and its members, with no security or Internet breaches having been found in 2019.

A motion was made, seconded and passed unanimously to accept the reports as presented.

James Coyne, Chairperson of the Nominating Committee, together with Wallace Fletcher, Member of the Nominating Committee, nominated William Baraby and James Driscoll for three-year terms. A motion was made, seconded and passed unanimously to re-elect William Baraby and James Driscoll to the Board. The Clerk shall cast one vote for each of the newly-elected members of the Board.

There being no further business to come before the 2019 Annual Meeting, a motion was made, seconded, and passed unanimously to adjourn at 4:53 p.m. Chairperson Cestodio again thanked the staff, Board members and the Credit Union members for taking part in this unusual meeting. He stated there was a raffle taking place for members and the winners will be notified by e-mail.

Respectfully submitted,
Antonio Cestodio
Chairperson of the Board