

MEETING AGENDA

April 26, 2023 – 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 54th 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
- Jennifer Sider, Director of Marketing, Member Advisory Council
- Dan Berry, CEO

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

54TH ANNUAL MEETING

Duke University Federal Credit Union / April 27, 2022

The 54th Annual Meeting of the Members of Duke University Federal Credit Union was held at the Hilton Garden Inn, Durham, NC and via Zoom. Board Members in attendance in person were Denise Motley, Chair, Susan Creekmuir, Vice-Chair and J Alan Kendrick. Board members in attendance via Zoom were Michael P. Hennessy, Treasurer, Stephen Smith, Richard Biever and Maureen Querey. Senior DUFCU staff members Dan Berry, Mark Suggs, Sophia Perry, Deborah Perkins-Futch, Jennifer Sider, Shawn Stevens, Keith Goeller and Jorge Hernandez were also present.

WELCOME

Mr. Berry welcomed everyone to Duke University Federal Credit Union's 54th Annual Meeting both in person and via Zoom, and thanked members for their continued membership and support of DCU over the years. He explained the purpose of the meeting was to provide information and accountability, and to give members an opportunity to give feedback.

Mr. Berry explained that for those attending the meeting via Zoom, closed captioning instructions were available in the chat feature. He also asked that full screen names be included. The gift of a cell phone light will be made available for collection at the Greeters Station during the month of May. Mr. Berry described where this year's Annual Meeting Agenda, Annual Report and last year's Annual Meeting Minutes could all be found on the DUFCU website. He also added that any questions that arise during the meeting can be directed electronically to Jennifer Sider via chat, and will be answered during the Q & A section of the meeting.

CALL TO ORDER

Chair, Denise Motley

Chair Denise Motley welcomed everyone and called the meeting to order at 5:21 p.m. A quorum was ascertained. Chair Motley asked if there were any recommended changes to last year's Annual Meeting Minutes. None were forthcoming. A motion to approve the minutes of the 53rd Annual meeting was requested. The motion was made, seconded and unanimously carried.

REPORT OF OFFICIALS

CHAIR'S REPORT

Chair, Denise Motley

Chair Motley welcomed everyone to Duke University Federal Credit Union's 54th Annual Meeting and introduced the attending members of the Board.

Chair Motley spoke of the Board and staff's serious commitment to providing optimal customer and financial service to DCU members. Ms. Motley recognized the efforts of the staff and expressed her pride at the way in which they continued to provide service throughout the pandemic via its drive-thru, appointments and mobile app. She also expressed her gratitude to the membership for the patience shown at this difficult time. Ms. Motley described how DCU continues to rise to meet the needs of its members and made particular mention of its scholarship program and its support of Duke Children's Hospital.

Ms. Motley closed by thanking the membership for their patronage and welcomed comments and/or suggestions on how DCU might better assist them in the future.

TREASURER'S REPORT

Treasurer, Michael P. Hennessy

Mr. Hennessy thanked everyone for attending the meeting. He described the economic challenges DCU has been facing as a continuation of what began the year before, as the pandemic continued and members continued to save more. Inflation started to rise toward the end of 2021 and is continuing to do so. The reasons for this are many. The pandemic slowed the economy so the government flooded the economy with liquidity and stimulus payments. Supply chains slowed, particularly those from China, and the war with Ukraine is now further complicating an already stressed economic climate.

DCU's concern continues to be for its members, particularly those at the lower end of the socio-economic scale who are being more adversely affected by inflation. The inflation rate is likely far higher than the reported 8.5% with people struggling to pay their rent, energy and food bills. The yield curve is also flat, indicating that the economy will likely remain sluggish. It is likely that the government will continue to increase short-term interest rates in an attempt to combat inflation, but the future remains uncertain.

Mr. Hennessy went on to share some of the highlights on how DCU is managing the challenging economic climate. Assets grew 11% in 2021, an increase of \$21 million, as members continued to pay down their debt and increase their savings. Members have shown great restraint and have been very responsible by making fewer loans and staying current on their payments, but interest rates have remained low for savers.

Mr. Hennessy went on to explain that DCU loans have increased by \$3 million mainly in mortgages, student loans and more recently some business loans. Delinquency rates have remained low. Income also increased last year due in part to a refund from the regulators. This money had been taken from all Credit Unions after the great recession and held as a reserve. DCU has started making some reinvestments as interest rates have started to rise and has also managed to cut some costs. The one thing that DCU will not cut is its service to members.

Return on assets increased but remains moderate at 0.49 but net worth declined to 7.46 due entirely to asset growth. Anything above 7% is defined by regulators as well capitalized. DCU has been audited by its CPA firm as well as by its regulators, NCUA, with both reporting a clean bill of health. The Finance Committee meets monthly and does a stellar job of monitoring the financial side of the business. Mr. Hennessy thanked the other members of the Finance Committee, Mr. Richard Alexander Greene and Ms. Mo Querey, for taking their responsibilities seriously. He also thanked DCU's Supervisory Committee, another independent set of eyes on DCU, and the Board, Management and Staff for keeping DCU business running smoothly through such difficult times. Mr. Hennessy closed his report by thanking the members for their responsible response to the pandemic and reiterated that DCU exists above all else for its membership.

A member asked about an item listed in the report that was sold at a loss. Mr. Berry replied that the property held had lost its market value and it was decided to sell this at a minor loss to remove it from the books.

54TH ANNUAL MEETING

MEMBER ADVISORY COUNCIL

Marketing Director, Ms. Jennifer Sider

Ms. Sider explained the contribution the nine members of the Member Advisory Council were making to DCU. The committee meets twice a year to provide insights on DCU products and services and also makes suggestions for future developments.

Ms. Sider introduced the members 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.

Topics discussed this year included DCU's mobile app, person to person payment apps, Fintech usage, and loan rates. Ms. Sider thanked the members of the Advisory Council for their insights, ideas and feedback and for helping DCU improve in meeting the needs of its membership.

CEO REPORT

CEO, Dan Berry

Mr. Berry opened his report by reiterating that Duke University Federal Credit Union is more than a building, it is the product of its people, its membership and staff. He next introduced the staff present at the meeting and praised them for their collective efforts throughout the year.

Mr. Berry went on to describe some of DCU's achievements for 2021, the biggest being the rollout of contactless cards. Rather than a mass reissue, cards were replaced as they expired. Mr. Berry apologized that this rollout had been a little slower than anticipated due to the chip shortage caused by the pandemic. He added that if anyone requires a contactless card prior to their old cards expiration, such as for travel, one can be issued instantly at the office. Mr. Berry also reminded members that there were still a couple of days in which Duke Credit Union Scholarship applications could be submitted.

Mr. Berry concluded by saying that in reaction to the pandemic, DCU recognizes that adapting is not the same as adoption. DCU is continuing to observe trends. As the pandemic subsides, close attention will be given to how members continue to do business, whether in-person, on line or via its mobile app. and DCU will adapt accordingly. Mr. Berry added that as the Federal Reserve increases its rates, loan rates will likely follow.

Mr. Berry extended his appreciation to the Board, the Finance Committee, the Supervisory Committee, the Development Committee and the Member Advisory Council. DCU is a cooperative group and the product of a collective effort. Success is ultimately defined by DCU's membership so feedback is welcomed to make DCU better tomorrow than it is today.

SUPERVISORY COMMITTEE

Committee Chair, John DeFore

Mr. Berry extended Mr. DeFore's apologies for being unable to attend the meeting, and introduced the members of the Supervisory Committee on his behalf: John DeFore, Jessica Habecker, Jennifer McCallister, Joanna Rojas and Jonathan Hoy.

This committee meets monthly and is responsible for the supervision of DCU's internal controls and regulatory requirements. A CPA audit was done for 2021 which can be found on DCU's website. A regulatory exam was also conducted. The records remain in good standing.

QUESTIONS & ANSWERS

Q: Will Duke Credit Union be offering the annual shredding services it has offered in the past?

A: This service was cancelled due to the pandemic and its mandated protocols. Unfortunately these events take about six months to schedule so it is unlikely that such an event will occur in 2022.

Q: There has been much economic discussion regarding the possibility of a 'deep' recession. What preparations is DCU making in the short-term, if this was to occur?

A: 2022 is likely to be a difficult year for DCU members. The price of rent, utilities, food, etc. is rising exponentially particularly for those who rent. If a member's rent increases a couple of hundred dollars a month, it is unlikely that he or she will have savings enough to combat such an increase. There are not enough cuts that can be made to cover such an increase.

DCU has financial counsellors on staff who can offer budgetary assistance. Also, from a lending standards perspective, DCU has not changed its lending standards since the pandemic began. All decisions will be made on a case by case basis. Some loans will inevitably be denied over the next two or three years, but all applications will be evaluated individually. DCU is willing to work with members to help them survive this difficult period. It remains committed to considering all options and to helping members make the best decisions possible.

UNFINISHED BUSINESS

None.

ELECTIONS

Ms. Sue Creekmuir, Vice Chair Secretary, on behalf of Mr. Alexander-Greene – Elections Nominating Committee

Ms. Creekmuir congratulated Mr. Alexander-Greene and Ms. Norwood on their Duke President Awards. She explained that Mr. Alexander-Greene is the Chair of the Development Committee on which she also serves, and that the Nominating Committee falls under this chair. Three Board vacancies are becoming available in 2022, those of Denise Motley, Board Chair, Dr. Alan Kendrick and Ms. Elizabeth Norwood, Board Members. The positions have been posted in the lobby of the Credit Union for consideration by the membership, in accordance with DCU's bylaws. No other petitioned candidates have applied.

Ms. Motley concluded that pursuant to the bylaws, as there were no other petitioned candidates, the nominees were hereby reelected.

Chair Motley closed the 54th Annual Meeting by thanking everyone for their participation.

ADJOURN

Chair, Denise Motley

The meeting was adjourned at 5:57 p.m.

SUBMITTED BY

Denise Motley
Chair, Board of Directors

Janette Jones
Staff Assistant

Richard Alexander-Greene

Secretary