

72nd ANNUAL MEETING

THURSDAY, MAY 30, 2024

ROLL CALL

Directors present:

Steve Divney, Chair
John Beiers, Vice Chair
Kate Comfort Harr,
Secretary
Magda Gonzalez, Treasurer
Brian Ponty, Director
Paul Okada, Director
Michael Claire, Director

Supervisory Committee Members present:

Carol Augustine, Chair
Janet Borgens
Sindy Mulyono-Danre

WELCOME AND INTRODUCTIONS

President and CEO Wade Painter extended a warm welcome to members attending Monterra Credit Union's 72nd Annual Meeting, acknowledging that this year's event would follow a format similar to the previous three. Painter outlined the structure of the meeting, noting that Board Chair Steve Divney would call the meeting to order, followed by an announcement of the new terms for Board members, approvals of last year's annual meeting minutes and adoption of an Audit Committee to replace the Supervisory Committee, and comments about the past year. Painter said that Supervisory Committee Chair Carol Augustine would then provide the committee's annual report to the membership. Following her presentation, Painter would deliver a report about the past year and current events, and conclude by responding to members' questions submitted to the credit union's website.

Painter then introduced Steve Divney, Chair of the Board of Directors, who welcomed everyone and officially commenced the annual meeting.

CALL TO ORDER

Steve Divney called the meeting to order at 5:34 p.m.

MEMBERS NOTIFICATION AND ASCERTAIN QUORUM

Divney confirmed that all members had been notified of the time and location of the annual meeting, as required in the bylaws. This year, the meeting is a live-stream event available to members on monterra.org/annualmeeting.

A quorum was declared after confirming that attendance met the requirement of a minimum of 50 members viewing for the conduct of business. The peak live viewers of the annual meeting totaled 90 members.

INTRODUCTION OF BOARD MEMBERS

Divney introduced the other members of the board:

John Beiers, Vice Chair
Kate Comfort Harr, Secretary
Magda Gonzalez, Treasurer

Brian Ponty
Paul Okada
Michael Claire

ELECTIONS

Divney explained the elections process, as mandated by the credit union's bylaws. Each year, a nominating committee is formed to determine and fill vacancies on the Board of Directors. The Nominating Committee determined there are no vacancies this year, and no nominations by petition were submitted. Therefore, the following board nominees were declared duly elected to new terms on the Board of Directors:

Brian Ponty
Steve Divney

APPROVAL OF ANNUAL REPORT AND MINUTES

Upon motion and second, the 2023 financial report and minutes for the meeting of May 27, 2023 were accepted and approved as submitted.

APPROVAL OF ADOPTION OF AUDIT COMMITTEE

Upon motion and second, the decision to replace the Supervisory Committee with an Audit Committee was accepted and approved.

2023 IN REVIEW

- **REBRANDING AND NAME CHANGE:** The new name allows us to convey our focus on serving everyone on the Peninsula. It also refines our identity as your trusted financial partner and your adviser dedicated to evolving with the times. Monterra symbolizes both mountains and earth, evoking stability, strength and permanence.
- **COMMUNITY SUPPORT:** The credit union dispersed \$125,000 to 61 nonprofit organizations throughout the community. We also distributed 322 grants totaling \$4.7 million through our 501(c)(3) Monterra Community Fund. These grants went to various after-school and summer youth programs and to small businesses throughout San Mateo County.
- **INVESTING IN THE FUTURE:** In 2023, we continued our efforts and commitment to college-bound students. Five outstanding high-school seniors were recognized, and each received a \$5,000 college scholarship.
 - Elizabeth P., Woodside High School
 - Rubi O., Sequoia High School
 - Angelica E., Jefferson Union High School
 - Jacob Y., Carlmont High School
 - Thea S., Menlo-Atherton High School

SUPERVISORY COMMITTEE REPORT

Supervisory Committee Chair Carol Augustine introduced the other members of the committee: Janet Borgens and Sindy Mulyono-Danre. She explained that this is an all-volunteer group comprised of three members who are responsible for overseeing the financial reporting integrity and internal controls of the credit union. She said the committee is proud to report that the latest certified audit performed by CliftonLarsonAllen, LLP, resulted in an unmodified "clean" opinion. This year's audit result is consistent with previous years and confirms the integrity of the credit union's financial statements.

PRESIDENT AND CEO'S ADDRESS

Wade Painter addressed member-owners, emphasizing the meeting's theme of "Change and Growth." With our new name, we are embracing a contemporary, tech-savvy, and community-based approach to serving members and small businesses.

- **INVESTING IN MEMBERS:** Lending and payments are two key components of our business model, and both were exceptionally vigorous in 2023. We originated 454 mortgages for \$161 million and financed 5,250 automobiles for \$175 million. We also processed 16.6 million debit and credit card transactions and 510,000 Zelle payments.

2023 was an excellent year to be a saver, especially at Monterra Credit Union. Our members earned a record \$13 million in interest on their deposits. We offer high-yield checking and savings accounts for every type of saver. This includes Premium Checking, with an annual percentage yield (APY) of 3.5%; Digital Savings and our Flex Certificate, which act similarly to a money market account, both earning an APY of 4%; and an 11-month certificate paying 5% APY.

Monterra Credit Union continues to be one of the top financial-performing credit unions in the country. We grew members' equity by \$21 million in 2023, achieving a net worth ratio of better than 12% as of year-end 2023. For perspective, anything above 7% is considered well capitalized by our regulator. We also ended the year with \$207 million in cash, or 12% of assets, keeping us flush with liquidity.

- **COMMUNITY IMPACT:** We focus on two key areas to make an impact on our communities:
 - **Financial Education:** In 2023, we participated in 304 local events and offered 125 financial education workshops to more than 2,800 youth and adults—furthering our mission of empowering individuals and helping communities realize their greatest potential.
 - **Community Giving:** In 2023, we distributed 322 grants totaling \$4.7 million for after-school and summer youth programs and small businesses.
- **FINANCIAL SECURITY:** Our safeguards for protecting against unauthorized access to member accounts online and money moved via ACH and Zelle include multi-factor authentication and artificial intelligence. We also offer a variety of text notifications to alert members of possible unauthorized activity, and our text alerts are sent from a short code number in lieu of an easy-to-spoof phone number.

THANK YOU

Painter expressed his gratitude to the credit union employees who take to heart their mission to serve and make members lives better. He also extended his appreciation to the volunteer Board of Directors for their support and leadership. Monterra Credit Union's values and culture reflect the board's values and their dedication to this community.

Painter concluded by addressing pre-submitted questions from the general membership.

ADJOURNMENT

On behalf of the credit union's Board of Directors, employees, and volunteers, Steve Divney thanked the members for the role they play in supporting the credit union and contributing to our success. Since there was no further business, the meeting adjourned at 5:55 p.m.

Respectfully submitted,
KATE COMFORT-HARR
Secretary, Board of Directors