

70th
Annual
Members
Meeting

September 23, 2023

11:00am

AGENDA

Ms. Norma Saenz, Chairman

- Welcome
- Invocation
- Pledge of Allegiance
- Introduction BOD, SC & Staff
- Call to order
- Ascertain a Quorum

Mr. Luis Longoria, Secretary

- Approval of 69th Annual Meeting Minutes

Ms. Norma Saenz, Chairman

- Chairman's Report

Ms. Ollie Salinas, Supervisory Committee Chair

- Supervisory Committee's Report

Mr. Gerardo Paz, CEO

- CEO's Report

Mr. Luis Longoria, Secretary

- Search Committee's Report

Ms. Norma Saenz, Chairman

- Adjournment

Board of Directors

Chairman -Norma Saenz

Vice-Chairman - Barbara Johnson

Secretary-Luis Longoria

Director- Irma Ballesteros

Director -Carolina Canchola

Director-Antolin Garza

Director -Sergio Torres

Supervisory Committee

Chair - Ollie Salinas

Committee Member -Rudy Jimenez

Committee Member-Dora Gonzalez

Staff

CEO -Gerardo Paz

CFO & EVP -Francisco Rangel

Senior Vice President-Lilly Megias

Vice President - Vania Vazquez

Lending Manager - Janie Soto

Branch Manager Weslaco - Jessica Marin

Executive Assistant -Daniela Perez

Collections – Mildred Arjona

Collections- Cynthia Moreno

Custodian -Maria Martinez

MSR Weslaco- Valerie Mendoza

MSR Weslaco - Sydney Trevino

MSR McAllen - Lori Aguayo

MSR McAllen - Stephanie Bowman

Lead Teller Weslaco -Ben Garza

Teller Weslaco – Stephanie Garces

Teller Weslaco -Alijah Trevino

Teller McAllen -Andrea Diaz

Teller McAllen -Victoria Gonzalez

Teller McAllen -Linda Perez

Teller McAllen – Michelle Sandoval



South Texas Federal Credit Union

69th Annual Membership Meeting Minutes

September 24, 2022

Invocation

- Mr. Antolin Garza

Pledge of Allegiance

- Ms. Carolina Canchola

Call to Order

- The Annual Membership Meeting of South Texas Federal Credit Union was called to order at 12:25 pm on September 24, 2022, at South Texas Federal Credit Union located at 2121 Dove Ave. McAllen, TX by Board President, Ms. Norma Saenz
Board Members present: Ms. Norma Saenz, Chair; Ms. Barbara Johnson, Vice Chair; Ms. Carolina Canchola, Member; Mr. Antolin Garza, Member and Mr. Sergio Torres, Member.
Supervisory Committee member present Ms. Ollie Salinas, SC Chair

Approval of Minutes

- The 68th Annual Meeting minutes were reviewed. A motion to approve the minutes was made by Ms. Johnson and seconded by Mr. Enrique Trevino. Motion carried unanimously.

President's Report

- Ms. Saenz proudly announced that South Texas Federal Credit Union continues to grow and thrive; in two short years, the credit union's assets increased from \$42 million to our present level of \$65 million. She stressed that such an increase is extremely impressive and attributes such growth to the hard work and dedication of the staff, as well as the Board of Directors, the Supervisory Committee, and the staff working together for our members. Ms. Saenz emphasized that South Texas Federal Credit Union strives to provide financial services that meet our members' needs as well as make ourselves known to the community through various projects.

Supervisory Committee Report

- The Supervisory Committee is appointed by the Board of Directors of South Texas Federal Credit Union and operates under the National Credit Union Administration (NCUA). The Supervisory Committee is composed of a chairperson, myself, Ollie Salinas, and two members, Dora Gonzalez and Rudy Jimenez. Its primary role is to ensure the credit union's records are maintained properly, honestly, and accurately; the policies established by law and by the board of directors are carried out faithfully and that members' assets are safeguarded and used according to the purposes of the credit union. The Supervisory Committee has been involved in the following activities throughout the year:

Meeting monthly

Reviewing monthly financial statements and reports

Reviewing board decisions and actions

Performing quarterly audits of employees' and officials' accounts

Performing monthly audits of credit card statements for compliance with policies

Observing the performance of teller cash drawer audits and vault audits

Reviewing loan file documentation for compliance with policy

Meeting with examiners and external auditors to discuss findings and recommendations

Reporting to the CEO and Board of Directors monthly on the committee's activities and overall findings

The committee will continue to work diligently to ensure the integrity of South Texas Federal Credit Union in order to safeguard our members assets.

CEO's Report.

- Mr. Paz introduced his staff and himself to the members in attendance. He mentioned that he has been working for the credit union since 2013 and began serving STFCU as CEO in 2018. He emphasized that he and his staff continue to look at expenses and implement technology to better serve our members without losing focus on our core, school employees, that deserve a financial institution to understand their specific needs.
- He presented a comparative chart with other credit unions in our state and our tier of \$50,000,000 to \$100,000,000. His report was presented as of December 2021 listing total assets of \$63,713,459, an increase in new members to our credit union for a total of 7,551 members, a net worth of 6.36%, and our net income for 2021 was \$625,086.
- Total Assets: \$63,713,459

- Increase in New Members to a Total 7,551
- Net worth 6.36%
- Year 2021 Net Income: \$625,086

Search Committee's Report.

Ms. Johnson announced that following procedures outlined in the South Texas Federal credit Union bylaws, the STFCU Nominating Committee nominated one board member for each open position to be filled this year. She shared that the members of our credit union were notified of the openings and procedures including that no nominations would be taken from the floor. She emphasized that nominations by official petition were accepted through August 11, 2022, as well as that the credit union did not receive any official petitions. Therefore, she introduced the five nominees by Position: One, Carolina Canchola; Two, Antolin Garza; Three, Norma Saenz; Four, Sergio Torres; Six, Irma Ballesteros. Mrs. Johnson announced that the five nominees were elected by acclamation. She thanked and congratulated them.

Adjournment

- The meeting was adjourned at 1:00 pm by Ms. Saenz.

Chairman's Report

On behalf of your Board of Directors, I'm very proud to report that South Texas Federal Credit Union is growing by leaps and bounds. This can be attributed to the dedication and hard work of the staff led by CEO Gerardo Paz, the Board of Directors and the Supervisory Committee.

Currently STFCU has grown in assets to over \$65 million. Sound investments and your use of products and services offered by the credit union, enable it to be financially sound, which in turn allows for continued resources to meet your financial needs. Required annual audits by the National Credit Union Administration further demonstrates the growth and progress in all areas examined.

Expansion in the credit union's relationship with the community has been demonstrated in various ways. Staff has participated in several activities involving the educational community as well as the community in general.

The Board of Directors and the Supervisory Committee remain committed to make decisions that are in the best interest of the credit union. Working together with management and staff, South Texas Federal Credit Union will strive to Exceed Everyone's Expectations!

The Supervisory Committee is appointed by the Board of Directors of South Texas Federal Credit Union and operates under the National Credit Union Administration (NCUA) guidelines. The Supervisory Committee is composed of a chairperson, Ollie Salinas, and two members, Dora Gonzalez and Rudy Jimenez.

It's primary role is to ensure that the credit union's records are maintained properly, honestly, and accurately, that policies established by law and by the board of directors are carried out faithfully, and that members' assets are safeguarded and used according to the purposes of the credit union.

This past year the Supervisory Committee has been involved in the following activities:

- Meeting on a monthly basis
- Reviewing monthly financial statements and reports
- Reviewing board decisions and actions
- Performing quarterly audits of employees' and officials' accounts
- Performing monthly audits of credit union credit card statements
- Hiring a firm to perform an annual audit of the credit union and a members' account verification every other year.
- Observing the performance of teller cash drawer audits and vault audits
- Reviewing loan application documentation
- Meeting with examiners and external auditors to discuss findings and recommendations.
- Reporting to the CEO and board of directors at their monthly meeting on the committee's activities and overall findings

The committee will continue to work diligently to insure the integrity of South Texas Federal Credit Union in order to safeguard our members' assets.

CEO's Report - South Texas Federal Credit Union

Dear Valued Members,

It is my pleasure to provide you a report of our achievements and progress throughout the year 2022, as well as an overview of our accomplishments in 2023.

I would also like to mention that we are currently celebrating our 70th anniversary, a testament to our long-standing commitment to serving our members and the community. Throughout these 70 years, we have upheld our values of trust and innovation, providing financial solutions that empower our members to achieve their goals. We take pride in the strong relationships we have built with our members, and we are grateful for their continued support and loyalty.

As we celebrate, we would like to express our gratitude to all our members who have been a part of our journey. We remain dedicated to delivering exceptional service and fostering financial well-being for the next generation of members as well.

Board Commitment

I would like to take a moment to recognize and acknowledge the firm dedication of our board members. As a united team, they are responsible for ensuring that our credit union is equipped with a capable and qualified management team. I can say without hesitation that we have achieved this goal.

The strength of our board's commitment to upholding the highest standards of governance and management is fundamental to the well-being and prosperity of our credit union. We understand the importance of effective leadership to maintain the trust and confidence of our members.

Each member of our board brings unique expertise and perspective to the table, as they contribute their valuable insights and guidance. Together, we strive to make strategic decisions that align with the best interest of our members as well as the long-term success of our credit union.

In 2022, our credit union focused on several key initiatives to further strengthen our commitment to our members and enhance our financial services. Here are some of the highlights:

Financial Performance

We experienced a robust financial performance in 2022 with a steady growth in assets, deposits, and our loan portfolio.

Despite the national upward trend in interest rates, South Texas Federal Credit Union has been able to maintain competitive rates, which has resulted in increased loan demand. From 2021 to 2022, loan demand grew by \$16,000,000.

As a testament to our competitive rates and quality lending practices, we are proud to report that delinquencies remain low at 0.38 percent. This demonstrates the trust our members have in our financial institution and our commitment to responsible lending.

In the fiscal year 2021-2022, South Texas Federal Credit Union wrote 22 home loans, reflecting a total value of more than \$5,000,000. This achievement showcases the continued strength of the housing market even with the upward trend in interest rates, and reinforces the confidence our members have in our ability to provide exceptional financial solutions.

Our credit union continues to be a well-capitalized financial institution with a strong net worth ratio of 7.54%. This puts us in an excellent position according to regulatory standards, as a net worth position above 7 percent is considered well capitalized by our regulators.

Member Services and Engagement

As part of our ongoing digital transformation, we have introduced user-friendly mobile banking applications that provide our members with convenient access to their accounts and ensure a seamless banking experience.

Our credit union regularly conducts member surveys and feedback sessions to gather insights and suggestions, enabling us to continuously improve our services and address any concerns promptly.

Recognizing the importance of transparency, we have enhanced our communication channels by regularly sharing relevant updates, financial tips, and educational resources with our members through social media and our website.

We take pride in offering exceptional member service and remain committed to constantly improve and adapt to meet the evolving needs of our valued members.

Community Involvement

South Texas Credit Union actively participated in various community outreach programs, supporting local initiatives and fostering financial literacy programs.

We collaborated with local schools and organizations to provide educational workshops and resources to promote financial wellness among individuals of all ages.

Moving ahead into 2023

We remain dedicated to serving you, our valued members, with utmost diligence and care. Our main areas of attention include.

- 1) Continued Technological Advancements:
 - a) We will further enhance our digital platforms to provide you with a seamless and secure experience.
 - b) Investments in advanced technology will facilitate faster transactions, improved digital security, and personalized financial recommendations.
- 2) Enhanced Member Support
 - a) We will strengthen our member service capabilities, ensuring prompt and effective responses to your inquiries and concerns.

I want to express my gratitude for your continued trust and support as we strive to be your preferred financial institution. The annual membership meeting presents an excellent opportunity for us to connect and share ideas. Thank you for attending the meeting and actively participate in shaping the future of South Texas Federal Credit Union.

Gerardo Paz
CEO, South Texas Federal Credit Union