

HARVESTERS FEDERAL CREDIT UNION

2020 ANNUAL MEETING

DECEMBER 3, 2020

Board Members present:

Scott Poynter, Chair
Robin Cook, Vice Chair
Fred Chandler, Director
Dallas Holland, Director
Sarah Colley, Director (Virtual)
Amber Halfacre, Director (Virtual)
Pamela Thomas, Director
Donna Bengston, Treasurer
John Yerg, Secretary

Others present:

Keith Golden, CEO
Jennifer DeBrabant, AVP of Accounting

Will McCarty, Kudulis, Reisinger, Price
Attorneys at Law

Supervisory Committee:

Sally Hual
Teresa Williamson (Virtual)
Linda Sebring (Virtual)

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Call to Order: 0:00:17.0

Scott Poynter: Good evening. As Chairman of the Board of Directors, I hereby call to order this 2020 71st Annual Harvesters Federal Credit Union Meeting. In accordance with the Credit Union's bylaws, I hereby declare that a quorum of our membership is present. We are coming to you virtually this evening from our Nine Mile Road Branch. We are glad you have joined us. At this time, I would like to ask Fred Chandler, one of our Board members, if he would come up and offer an opening prayer. Then we will all stand and pledge allegiance to the flag, immediately after that.

Invocation by Fred Chandler: 0:00:51.9

Pledge of Allegiance by Scott Poynter: 0:01:46.9

Scott Poynter: As Fred mentioned in his prayer, he said things are a little bit different for me, it is a lot different. Under these very unique and different circumstances, on behalf of the volunteers and the staff of the Credit Union, we would like to welcome you to this Annual Meeting.

Introductions: 0:02:24.0

At this time, I would like to introduce the folks who are here at our Annual Meeting. Some are here virtually, and some are here personally, and we will see that as we go along. I would like to introduce the Board, Supervisory Committee, our CEO and our Parliamentarian for this evening.

I am Scott Poynter, your Board Chairman. With us here, we have Robin Cook, our Vice Chairman. John Yerg, our Secretary, who is joining us virtually. Donna Bengston, our Treasurer. Other Directors are Fred Chandler, Sarah Colley, joining virtually, Amber Halfacre, joining virtually, and Pam Thomas.

On the Supervisory Committee, we have our Chairman, Theresa Williamson, she is joining virtually. Linda Sebring, joining virtually. And with us we have Sally Hual.

The Supervisory Committee does the important work of making sure that the Credit Union operates in compliance with the policy and procedures. And they also engage the outside auditing firm of Warren Averitt, to make sure that the Credit Union's financial statements are correct and in order. Thanks to Theresa and her Committee for the excellent that they have done.

I did not mention it while we were introducing, but we have two blanks on that Committee. We have two open slots. If you are interested in serving the Credit Union, we would be glad for you to volunteer to serve on that Supervisory Committee. If you would like to do that just let the CEO or one of our Managers in any of our Branches.

Back to our introductions. Our CEO, Keith Golden and from the law firm Kudulis, Reisinger, Price, Attorneys at Law, our Parliamentarian for this evening is joining us virtually and that is Will McCarty. Welcome, Will.

Organizers: 0:04:41.5

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Additionally, we need to thank some of our own Harvester's family, our set-up team for the fine job they did in organizing and putting this Annual Meeting together. Namely, that would be Sierra Council, Theresa Cook, Krista Armstrong. There are several others and I do not want to go on naming, because I know I will leave someone out. We certainly thank those three for the fine work that they do.

We also want to thank all of our staff for their hard work that they do throughout the year in providing the services to us that they do. Especially with the Covid-19 situation. If you noticed, we were able to keep our Branches open and keep the staff there to serve you. If you were involved with another financial institution, you noticed that many of their Branches were not open. They were having to call and make an appointment to even get in to see someone physically. We thank our staff for the great service. Thank you.

The Federal Credit Union bylaws require the Credit Union to hold an Annual Meeting each year. During that meeting we are to carry out three things. First, we are to read and approve the minutes of last year's Annual Meeting. We were not able to hand that to you, but it has been sent to you virtually, so you should have had access to that. I trust that you have had a chance to look through it. We are also supposed to report on the business activities for the previous year and we will hear more about that in a minute. We also are to elect members to our Board of Directors and we will take care of that soon.

Approval of Minutes: 0:06:19.6

With the Minutes that you have had online, I trust you have had a chance to look through them again. If you would please respond to that at this time and approve the reading of those Minutes. If you would do that now, please.

The poll is now open. If you would vote. I see you are voting, thank you for that, keep on. Hurry up and vote, we are going to give you about five more seconds and we are going to close the polls. Thank you for voting. We have had 100 percent yes and no votes. Thank you very much for that affirmation.

Business Activity Reports: 0:07:53.7

Now, we will move on to report on the business activities for the Credit Union for 2018. As far as the Chairman's Report is concerned, it was involved in the Annual Report that everyone just looked at. I would like to bring up one thing that I bring up every year at the Annual Meeting, and that is to do yourself and the Credit Union a big favor, by getting your friends, neighbors, and family to join the Credit Union. Especially, if they need to get a loan, get it from Harvesters. The backbone of any financial institution is from their loan portfolio. The interest gained from loans, provides the finances to run a financial organization. Do yourself a favor, if you need a loan, go to the Credit Union. Send your neighbors, friends, and family and let them get their loan from Harvester's also.

Rest assured that the Credit Union is strong financially and sound and able to continue to protect our interests and to grow for future generations. Each of us can assist by helping your Credit Union in creating loans. With all of that being said, we realize that some of you are savers and investors. Because of the country's stymied financial conditions, many of our members are looking for someplace else to invest their money. Harvester's has other investment programs that are available to you. You can find out about those by going to one of our Branches, talk to the

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Branch employees, and see if they can help you get your money invested into a place where there is better interest.

Finally, I would like to ask Mr. Keith Golden, our CEO to come up and give his interim report.

Keith Golden: Thank you, Mr. Chairman. Good evening, thank you for joining us tonight. To say that 2020 has been a very unusual year would be a tremendous understatement. None of us would have dreamed this time last year, that in just a few short months our world would be turned upside down by a worldwide pandemic.

Harvesters was the only financial institution in Northwest Florida that never closed all of its Branch lobbies. However, we also never risked the health of our employees. We immediately provided PPE and installed Plexiglas frame, as you can see, behind me here for everyone's safety. Because of our dedicated staff, we were able to provide our members with the same extraordinary service that we have always promised.

Despite the pandemic, Harvester's is ahead of its goals that we set for 2020. Since our last Annual Meeting in 2019, the Credit Union has grown from \$174 million in assets to over \$220 million in assets, which is a 26 percent increase. That is huge. Membership has also increased from 18,900 members to over 20,700 members, which is almost a 10 percent increase.

The Credit Union had another good year in 2019. Our net income increased to over \$1.3 million. We continued to build our capital reserves, which now stand at over \$16.6 million. Our strong capital reserves allow us to weather any economic downturn. Loan delinquencies and charge offs remain very, very low, despite the pandemic. Harvester's continues to receive a 4 star rating from Bower & Associates. This means the Credit Union is considered to be in excellent financial condition.

We have continued to expand our Residential Real Estate Department. Mortgage fee income grew from \$395,000 in 2018 to \$992,000 in 2019. This year, in 2020, just through October we have generated over \$1,200,000 in mortgage fee income. This is helping the Credit Union during this time.

Our success is due to the work of our excellent staff. If you know someone who wants to build, purchase, or refinance a house, please give us a call. We can close a mortgage loan within 30 days. Recently, we have done loans for 30 years as low as 2.65 percent, so please encourage your friends and relatives to come.

Harvesters Insurance Agency is also doing well. We now offer Medicare Insurance through Blue Cross Blue Shield to our members. We partner with Bay Bridge Insurance to help our members navigate their many Medicare options. I know, because I am getting closer to that age, it is complicated.

We also continue to offer property insurance and life insurance. We can now offer a 3.2 percent yield on a five-year fixed rate annuity. Please contact Ann Butts in our Investment Department. With rates being so low that is really good.

We thank all of you for being members of Harvesters and for supporting your Credit Union and have a happy holiday.

Service Recognition Awards: 0:14:12.0

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Scott Poynter: Thank you, Keith. At this time, we would like to recognize some of our Credit Union staff for their service to the membership and to the Credit Union. Our CEO, Keith, is going to be presenting awards to members who have served us for 5 years, for 20 years, and for 25 years.

Those who have been serving on the Credit Union staff for five years are Stanley Bruce. I did not see Stanley come in. Andrea Lang. Andrea is here. Tammy Maxwell, I do not see Tammy either. Clay Smith, I know Clay is here, I saw him earlier.

Serving for 20 years are Denise Burkett, Casey Carnley, Jennifer DeBrabant, and William Stark.

The old-timer for the night, 25 years of service is Janet Bullock. Thank all of you for your service. Let's give them all a round of applause. [Clapping]

Election of Board Members: 0:16:20.0

Scott Poynter: Now we will move on to the election of the Board members and I do so with egg on my face. As I was introducing the Board earlier, I left off one of my dear friends, Dallas Holland. [Clapping]

This year's Nominating Committee has done its customarily good job of identifying and qualifying candidates for the Board of Directors. The candidates eligible for three-year terms are Sarah Colley, Dallas Holland, who I just introduced and Pam Thomas. At this time, I would like to thank the Nominating Committee for their work. This report is on file at the Credit Union and it names the aforementioned candidates, and it recommends them as qualified members for service on the Board.

To reiterate: Sarah Colley, nominated for a three-year term; Dallas Holland, nominated for a three-year term; and Pam Thomas, nominated for a three-year term. You get to vote on that, and we are going to open the voting now. Please go and vote if you would approve the nominated candidates. The polls are now closed.

We want to certainly thank everyone for joining us. Like I said, this is totally new to me. I look forward to next year when I can look on your smiling, happy faces and we can do that after a nice dinner.

There is no further business, and we thank you for attending. Have a Merry Christmas and Happy New Year.

Meeting adjourned.

NEXT REGULAR MEETING set for Tuesday November 24, 2020 at 4:00 PM.

Respectfully Submitted,

John Yerg,
Secretary of the Board