

MINUTES OF THE 63rd ANNUAL MEETING OF
FIRST COMMONWEALTH FEDERAL CREDIT UNION

Preliminary – To be approved at April 2023 Annual meeting

First Commonwealth Federal Credit Union's 63rd Annual Meeting was held on Wednesday, April 20, 2022. Chairman William Ehritz called the meeting to order at approximately 5:30 p.m. with the Secretary, Peter Hance, taking a roll call to assure there was a quorum attending this virtual meeting.

After a quorum was declared, Bill then entertained a motion to approve the minutes of the 62nd Annual Meeting and to dispense with the reading of those minutes. A motion was made by Terry Grier and seconded by Sharon Furbur to approve the minutes of the 62nd Annual Meeting and to dispense with the reading of those minutes. All agreed; motion carried.

Chairman's Report – William Ehritz

As all of you well know, the last few years have been interesting to say the least. Despite all of the uncertainties and challenges First Commonwealth has continued to grow, expand its physical presence, enhance its products and services and digital capabilities, and bring a new level of personalized banking to its members, businesses, and employer partners.

In the past four years we built seven financial centers and introduced industry-best digital banking technologies. While other financial institutions are closing their physical locations, we are looking for opportunities to grow and better serve our diverse membership.

On April 1st Baker Federal Credit Union officially became part of the First Commonwealth family, expanding our reach into Warren County NJ.

This past year we reached \$1B in Assets, a goal set by the board a few years ago. In honor of that milestone we launched our **YEAR OF GIVING**. Throughout the year we will be donating \$100K to various charities. Each organization will receive a donation of around \$8,000.

- In January the **Bethlehem Emergency Shelter was our first charity**. It is a faith-based partnership that provides a network of care and hospitality for the homeless in our community
- In February it was **The Literacy Center**. They are dedicated to helping struggling adults empower themselves through education. They are a leader in community-based adult literacy education built on innovative, cost-effective instructional services that ensure excellence in student outcomes.
- Our March recipient was the **Lehigh Valley Center for Independent Living**. They provide services and support to people with all types of disabilities. They

believe that every individual has the right to live a healthy, happy, and productive life in a community that is free from all barriers.

- And in April the **Turning Point** was chosen. Turning Point is a safe place where ALL survivors of domestic and intimate partner abuse and their children can find refuge. They provide services in Lehigh and Northampton counties and reach nearly 2,200 people a year through their trauma-informed, inclusive programs and services.

I would like to take a minute to introduce a phenomenal group of volunteers that I have the privilege of leading. The Board of Directors, Associate Board, and the Supervisory Committee provide leadership and governance of the credit union on your behalf. They ensure that the credit union is sound and competitively focused for years to come. The Board consists of:

- Vince Gorman - Vice Chairman
- Pete Hance - Secretary
- Eric Schantzenbach - Treasurer
- Ritchey Ricci
- Gene Auman
- Gary Matika
- Ngozi Bell
- Amanda Seddon
- Steve Besz – Board Emeritus

Our Associate Board members are:

- Juan Martinez
- Qiana Cressman

Our Supervisory Committee Members are:

- Steve Farnesi
- Sundar Vedantham
- Julie Moakley
- David Zullo
- Jim Steele

Please join me in giving these folks a nice round of applause!

While I am excited about where we have come from, and where we are today, I'm even more excited about where we're headed. On behalf of our entire team, I want to **THANK YOU** for your **membership**, your **loyalty**, and for choosing to be a part of our **family**, First Commonwealth Federal Credit Union.

President's Report – Donna LoStocco

Donna took this opportunity to summarize the last five years and how the First Commonwealth Federal Credit Union team significantly upgraded virtually all our systems and processes. Over the last five years we have:

- Doubled the number of financial centers (previously known as branches from six to twelve).

- Decreased the cost of new FCs by:
Changing staff roles to “universal bankers”
Using technology to replace bulky vaults and teller lines which allowed us to reduce the size of each financial center (saved on facility costs) and have live video tellers (based in our HQ) to run drive throughs. This requires fewer folks to serve the same number of members.
- Converted to a new mobile and online banking platform.
- Sold our two 20 and 30-year old large, expensive-to-maintain HQ buildings and built a new, efficient HQ in a growing part of the Lehigh Valley, with tenant space for added income.
- Created a foundation and four volunteer teams of employees focused on community events & engagement, financial wellness, DEI & sustainability.
- Invested in educating 30+ employees to become certified financial counselors in order to help members learn to budget and find ways to save more money. *For example, every month we have stories about members who’ve saved hundreds of dollars in monthly loan payments and fees by making small adjustments in their finances.*

All these achievements helped us give you better, faster access to your money and our services, but it also positioned us to become more efficient **so that we can give back more to members**. This has already started with our \$100,000 give back to Lehigh Valley based nonprofits this year, as Bill already mentioned

Some examples of what you will see over the coming years:

- A Loyalty Banking program to be launched in early 2023 that will significantly reward our most engaged members.
- More investment in serving those of modest means, like the BankOn Allentown program we participate in.
- A focus on adding underserved communities to expand our field of membership, which should qualify us to become a Community Development Financial institution (CDFI) and allow us to apply for grants to serve our communities in much bigger and better ways.

That is just a taste of what is to come for your credit union.

Supervisory Committee Report –Steve Farnesi

Steve reported that the Supervisory Committee is a statutorily required committee for all federally chartered credit unions. It consists of member volunteers appointed by the Board of Directors. Members of the committee were acknowledged earlier.

Steve went on to say that it is the opinion of the Supervisory Committee that First Commonwealth continues to operate in a safe and sound manner, in compliance with all

laws and regulations, and with appropriate internal controls in place. The Supervisory Committee further has concluded that the financial statements included in the Annual Report fairly represent the strong financial position of the Credit Union.

Report of Election/Election Results

Peter Hance, Secretary, reported on this year's election. There were three nominees for three positions on the Board of Directors. Each are for a three-year term. Nominees for the Board of Directors are:

Eugene Auman
William Ehritz
Amanda Seddon

Since the nominees are running unopposed, Pete cast one vote for each of the nominees. Each were elected to a position on the Board of Directors. Congratulations!

Following the Report of Election, Donna presented a \$1,000 scholarship award to five high school seniors. These individuals displayed leadership qualities as well as a strong commitment to helping others in the community. Congratulations to the following recipients!

Vaishnavi Joshi – Parkland High School
Ryan Toth – Freedom High School
Jillian Brandis – Parkland High School
Sara Soch – Hamburg Area High School
Megan Aaron – Lehigh Area High School

Bill Ehritz extended a congratulations to all the scholarship recipients and then entertained a motion for adjournment. A motion was made by Damaris Sirop and seconded by Lisa Deutsch to adjourn First Commonwealth's 63rd Annual Meeting. All agreed; motion carried.

Meeting adjourned 5:51 p.m.

William Ehritz, Chairman

Peter Hance, Secretary

Sharon L. Borgman, Recording Secretary