Public

MERCK EMPLOYEES FEDERAL CREDIT UNION
ANNUAL MEMBERSHIP MEETING

April 26th, 2023

Board Members present:	Treasurer Andrea Krysienski, Ronald Coleman, and Linda George
Others present:	Supervisory Committee Chairman, Cynthia Francisco, President/CEO Paul Gentile, COO Candice Nigro, and CO Evelyn Shyposh.
Board Members Teleconferenced:	Chairman Jeffrey Hack, Vice Chairman Patrick Ruane, Secretary Raffalle Karby, Douglas Christie, Charles Orgelfinger, and Bernard Wisniewski
Others Teleconferenced:	Lorraine McLeod, and Anthony Richards, Supervisory Committee. CFO Georgianna Schenkel.

After establishing a quorum was present, the 87th Annual Membership Meeting of the MERCK EMPLOYEES FEDERAL CREDIT UNION was called to order by Chairman Jeffrey Hack at 6:00 PM.

Chairman Jeffrey Hack recognized the passing of Lisa Auerbach who served on both the Board of Directors and the Supervisory Committee. Her contributions to the credit union will not be forgotten. There was a moment of silence for our departed members.

Chairman Jeffrey Hack then made a motion to waive the reading of the minutes from last year's annual meeting. Douglas Christie / Raffalle Karby carried.

Chairman Jeffrey Hack directed members to the minutes of last year's meeting on our website and as an attachment to the invite and then presented the Chairman's Report.

Chairman's Report

- Mr. Hack stated that the Board is pleased with the credit union's performance as they have adapted to the changing ways that members do business. There have been many challenges following the rapid increase in rates over the past year. He recognized Paul Gentile and his team for their performance that has the credit union well positioned for the future.

Chairman Jeffrey Hack then called upon Paul Gentile for the President's Report.

Public

President's Report

- 2022 Net income was $7.4 million
- 2022 dividends paid out were $25.5 million
- Net worth is up to 11.5%
- Capital Ratio is up to 8.46%
- Historic inflation and low unemployment led to the fastest rate hike cycle in decades
- In 2022 the Federal Reserve raised rates by 425 basis points, the fastest interest rate hikes in history
- Share insurance was discussed, as members are more interested in federal deposit coverage due to all the news surrounding banks failures. Credit Unions fare well during an economic downturn. We are insured by NCUA, which has the same coverage as FDIC insurance. There are opportunities to structure accounts to gain more coverage. There is a great insurance estimator on mycreditunion.gov
- Fraud was discussed as it is on the rise. Check fraud, wire fraud, and social engineering fraud were covered. The credit union has excellent fraud prevention processes and procedures.
- Every credit union employee is empowered through Enterprise Risk Management
- There is ongoing education on fraud for board members and supervisory committee members since they approve policy.
- There is a new fraud awareness center on the Merck CU website at www.merckcu.com
- The credit union is investing incrementally in technology in order to continually improve our IT infrastructure. The credit union will switch to a new core provider in 2024.

Chairman Jeffry Hack then called upon Douglas Christie for the Nominee Report.

Nominee Report

- There were two incumbent directors up for re-election, Raffalle Karby and Charles Orgelfinger. There was one director, Linda George, who was elected by the Board in line with Credit Union Bylaw Article VII, Section 2, replacing the vacancy by Lisa Auerbach. She is now running for a three-year term. There were no additional candidates.
- Elected to three-year terms are Raffalle Karby, Charles Orgelfinger, and Linda George.

The Annual report can be found on our website.

Chairman Jeffry Hack then called upon Andrea Krysienski for the Treasurers Report.

Public

- The full Treasurers Report can be found in the annual meeting packet.
- It has been a strong year financially, with over $25 million paid in dividends, total deposits of over $1.9 billion and an average share balance of greater than $76,000.
- There were $61 million in consumer loans in 2022 with total loans outstanding of $218 million
- Safety and soundness is the credit union's top priority

Chairman Jeffry Hack then called upon Cynthia Francisco for the Supervisory Committee Report.

The full supervisory committee report can be found in the annual meeting packet. The Supervisory Committee periodically reviews controls with management, there are excellent operating procedures at the credit union. The yearly Financial Audit was performed by the Curchin Group. A copy of the certified audit is located at the branch in Rahway, NJ.

Chairman Jeffrey Hack then made a motion to accept all committee reports. Charles Orgelfinger/ Ronald Coleman carried.

OLD BUSINESS:

There was no old business.

NEW BUSINESS:

Six high school seniors were presented with $5,000 scholarships:

Joshua Baker-Cornell University
Jimmy Boelhower Jr.-The College of New Jersey
AJ Caesar-Princeton University
Christopher Lee-University of Pennsylvania
Caroline Sewell-Georgetown University
Sheera Yu-Harvard University

Seeing that there was no further business, Chairman Jeffrey Hack adjourned the 87th Annual Meeting at 6:48 pm.