



## Magnolia Federal Credit Union's 87th Annual Meeting Minutes

Tuesday, March 22, 2022

Virtual Presentation

### ATTENDING

Board of Directors, CEO, Vice Presidents, staff, and members of the credit union.

### CALL TO ORDER

The 87th Annual Meeting of Magnolia Federal Credit Union was called to order at 5:15 p.m. via virtual Zoom conference by Mary Barrett, Chairman of the Board of Directors. Supervisory Committee member and Chaplain at the VA Medical Center David Allen gave the invocation. Chairman Barrett thanked our members and volunteers for joining us virtually during these unprecedented times. Chairman Barrett shared her regrets that we could not meet in person this year due to the pandemic.

### READING OF THE MINUTES

Chairman Barrett invited a motion to review the minutes of the 86th Annual Meeting held on January 21, 2021. The minutes were provided for review on the Magnolia Federal Credit Union website during registration. The minutes were reviewed, and a motion was made by member Robert Stringer to accept the minutes as printed, the motion was passed without objection.

### BOARD OF DIRECTOR'S REPORT

Chairman Barrett delivered the Board of Directors' Report. She stated that we attempted to have an in-person meeting but in the weeks prior to Christmas the news about COVID was not good. The US average was 143,000 cases daily matching the peak of the delta variant during the summer of 2021 and we were well on our way to 250,000 daily cases, the same as the winter of 2020 and 2021. Mayor Lumumba tested positive for covid on December 21, 2021. Masks mandates were still in effect. News of covid issues were not encouraging at all. Due to the COVID numbers, the Board decided to change to a virtual format for our meeting. In making that change we had to make several changes including the date of the meeting. Here we are today with covid still around and variants still emerging. We are all fatigued after two years of restrictions, masks, virtual schooling for the kids, working remotely, and labor shortages, especially at restaurants and fast-food outlets and now with the increased food, fuel, and vehicle prices. So, we ask when will we return to normal? The answer is well what's normal? There's just no way to predict.

The members of the Board of Directors are all members of Magnolia and unpaid volunteers. These volunteers freely donate their time, knowledge, and energy toward adopting policies and procedures and conducting continued oversight of those policies and procedures at work in the credit union. Chairman Barrett introduced the Board of Directors who served in 2021; Keith Buchanan, Vice Chairman of the Board, Linda Watson, Secretary, Barrie Carpenter, Robert Stringer, Charles Mullins, and Grayland





Fredericks. Keith Buchanan served as the Director of Physician Relations at St. Dominic’s Hospital. Linda Watson retired from the VA regional office after a career in fiscal services as a Management Analyst.

Barrie Carpenter works as a Public Affairs Specialist for the Social Security Administration and she is a veteran of the United States Navy. Robert Stringer retired from the VA Medical Center as EEO Manager. He served on and was Chairman of the Supervisory Committee at Magnolia for 11 years before being elected to the Board of Directors in 2012. Charles Mullins has served in the financial management industry for 48 years as a Certified Public Accountant and Certified Internal Auditor. Grayland Fredericks retired from the VA Medical Center, where he worked as the Chief of Logistics, and he is a veteran of the United States Army. Chairman Barrett is an attorney and has retired from the VA Medical Center, where she worked as Regional Counsel.

The Supervisory Committee members, just like the Board, are volunteers appointed by the Board to serve. They attend our monthly Board meetings, meet regularly with our external auditors, and report the auditor’s findings to the Board. The Supervisory Committee is responsible for oversight of the credit union. The Committee will present its report shortly.

Chairman Barrett shared that Magnolia continues to make decisions to make everyday life better in this covid environment. Conduct of business in person at branches is through Plexi-glass. Masks are optional with the individual members, accessing accounts and applying for loans through electronic means, making loans at favorable rates and terms. Magnolia is doing what we can to make members feel safe and confident that their financial activities are being handled in the best interest of the members and of the credit union. If you visited either the main branch or the Madison branch recently you’ve noticed some remodeling work taking place. When completed our branches will all be inviting for our members and employees for the conduct of magnolia business.

Next, we do want to recognize our 2021 scholarship winners. The Dave Bergstrom Educational Scholarship was awarded to three graduating seniors this year. Abby Box, of Jackson, was homeschooled and is headed to the University of Southern Mississippi to major in music performance and business. She was awarded one of the three \$1,000 scholarships. Madison Bass of Flowood had already earned some credits at Holmes Community College and is seeking a degree at Ole Miss and plans to become a doctor. Joshua Briscoe, from Jackson, graduated from St. Joseph’s high school and will seek a degree in animal and dairy science at Mississippi State University. All three scholars were very encouraging and had decided at an early age the path that they wanted to follow in their education. Remember that if you have a high school graduate or a friend that has one, we will be awarding the Dave Bergstrom Scholarships again this year. The application is on our website and the deadline is May 31<sup>st</sup>.

Chairman Barrett thanked the Board, and, on behalf of the Board, thanked the Supervisory Committee, management, and all the staff. In addition, Chairman Barrett thanked all of our members for their patience, recognition of the difficulties we all face, and concern for the welfare of each other. Magnolia wants to continue making the Magnolia experience a beneficial one. Finally, a thank you to all who help make Magnolia Federal Credit Union the Clarion Ledgers best credit union of 2021.

Chairman Barrett introduced CEO Michael Waylett.

## PRESIDENT’S REPORT





Magnolia’s CEO, Michael Waylett, recognized the management team and the entire staff. Mr. Waylett stated that 2021 was a very strong year for Magnolia in large part due to our great executive team and our entire staff. He introduced our management team and thanked our staff for their invaluable hard work throughout the year.

Mr. Waylett discussed the 2021 financial highlights, starting with 2,454 new accounts opened, \$50,075,752 in new loans approved, \$519,648 in dividends paid to members, and a net worth ratio of 14.44%; Mr. Waylett discussed the financial performance, with comparisons from 2020 to 2021.

- Membership has risen slightly to 19,400 members
- Asset size increased to \$166,016,308
- Total Loans increased to \$79 million
- Loan-to-Share ratio increased to 56%
- Delinquency ratio decreased significantly to .38%
- Charge-off ratio decreased to .50%
- Return on average assets was at 1.03%
- Net income was increased to \$1,620,025

Mr. Waylett stated that our net worth is at 14.44% this year, and by NCUA standards, any ratio above 7% is well-capitalized. Mr. Waylett shared the extensive list of donations and partnerships Magnolia contributed to during 2021. Total donations for the year were \$29,200. By supporting Magnolia through membership, members support the community since part of the income from the credit union is distributed back into the greater Jackson community. Mr. Waylett thanked everyone for their membership which helped Magnolia give back to the community.

Mr. Waylett also shared that Magnolia offered very generous loan specials in 2021 We also developed a robust mortgage department and decreased wait times significantly for loan applications.

Mr. Waylett shared that we remain in good standing with our regulators and that despite 2021 challenges, Magnolia had a very strong year financially. Mr. Waylett announced ATM upgrades are in process for 2022 which will allow cash to be deposited at the ATM locations. A new lending platform is being fine-tuned. Early ACH access will soon be an additional feature to accounts as well as credit report and score monitoring by Array. Many new loan promotions will be featured in 2022. He noted that the first couple of months of 2022 has been very strong. He encouraged members to email their suggestions and comments to him.

Lastly, he thanked the members for their loyalty and membership to Magnolia.

## SUPERVISORY COMMITTEE REPORT

Chairman Barrett introduced Bob Metzger, Chairman of the Supervisory Committee. Mr. Metzger shared that the Supervisory Committee is responsible for the financial oversight of the credit union. Mr. Metzger introduced the other Supervisory Committee members, Barry McNair and David Allen. The





Supervisory Committee engages an outside auditor who conducts thorough quarterly and yearly credit union records. The Supervisory Committee recommends actions to the Board and the staff, and they both do a wonderful job of seeing that the concerns are addressed. The Supervisory Committee also works closely with the NCUA to ensure that the credit union operates in a financially sound manner. Mr. Metzger stated that the credit union is very well run and very solid financially. Mr. Metzger shared that the supervisory committee is engaged with the Board at every monthly meeting ensuring that everything operates properly. Recently a number of good things have happened at Magnolia. Mr. Metzger stated that Magnolia is one of the most solid operations financially that he has ever seen.

He thanked all the credit union members and stated he is very proud of the credit union and its staff.

#### NOMINATING COMMITTEE REPORT

Chairman Barrett shared that two Board members' terms are expiring this year. She introduced Barrie Carpenter, Chairman of the Nominating Committee. Ms. Carpenter stated that the Nominating Committee is responsible for ensuring the Board has suitable candidates. This year, Ms. Carpenter thanked the Nominating Committee for their assistance which consisted of Grayland Fredericks, Barry McNair, and Robert Stringer. The Nominating Committee presented Keith Buchanan and Linda Watson for election to the Board for another three-year term. The bios of the nominated individuals were recited from the documents emailed to all members. Ms. Carpenter concluded her report.

Chairman Barrett announced that since there were no other nominations, the two candidates were elected by acclamation. She congratulated Linda Watson and Keith Buchanan.

#### UNFINISHED BUSINESS

There was no unfinished business discussed.

#### NEW BUSINESS

There was no new business to be discussed at this meeting.

#### RESULTS OF THE ELECTION

The election results are known at this time and stated in the report of the Nominating Committee. Chairman Barrett congratulated Keith Buchanan and Linda Watson on their re-election to the Board and thanked everyone for attending.

There being no further business, the meeting adjourned. Awarding of door prizes followed the meeting.

