

Board Annual Meeting Minutes

March 14, 2024 / Hybrid

DIRECTORS

ON-SITE: Teri Kuehn (Board Chair), Paul Bedich (2nd Vice Chair), Dennis LaVoy (Secretary/Treasurer), Dan Herriman, Yasir Khogali, and Al Berrie (Associate Director – no voting authority)

ADDITIONAL ATTENDANCE

ON-SITE: president & ceo Tansley Stearns, chief of staff Elry Armaza, evp/chief financial officer Scott Cameron, chief people officer Cathy Meyers, chief revenue & lending officer Jill Johnson, chief digital & information officer Art Beard, chief experience officer Danielle Milner, chief growth officer Danielle Frawley, Supervisory Committee Chair Steve Rowley, and an additional 80 member-owners both onsite and virtual.

CALL MEETING TO ORDER

Board Chair Teri Kuehn (“Kuehn”) called the meeting to order at 6:02 p.m.

ASCERTAINMENT OF A QUORUM

Chair Kuehn asked Director Dennis LaVoy (“LaVoy”) to confirm a quorum was present, which he confirmed.

APPROVAL OF 2023 ANNUAL MEETING MINUTES

Chair Kuehn asked for a motion to waive the reading of the 2023 annual meeting minutes.

MOTION: chief revenue & lending officer Jill Johnson (“Johnson”) moved to waive the reading of 2023 annual meeting minutes. Chief growth officer Danielle Frawley (“Frawley”) seconded the motion, which carried.

Chair Kuehn asked for a motion to approve the 2023 annual meeting minutes.

MOTION: chief experience officer Danielle Milner (“Milner”) moved to approve the 2023 annual meeting minutes. Johnson seconded the motion, which carried.

ORAL REPORTS

Chair Kuehn Report

Chair Kuehn introduced herself as the Chair of the Board of Directors at Community Financial. She stated that she is honored to serve alongside her esteemed colleagues as part of the volunteer board, representing the best interests of our members and this organization.

Chair Kuehn thanked the members for their feedback and stated that it is the underpinning for the picture the Board paints. She stated the Board is grateful the members seek continued engagement with Community Financial by being present for the annual meeting. She further stated that the Board counts on hearing the needs of the members as the Board works to make Community Financial even stronger.

Chair Kuehn said that it is a priority for this board that the members have access to the tools and resources to strengthen the members’ family’s financial position. She stated in the past year, Community Financial has provided the members with opportunities to save for the first time in their lives or to grow their lifetime of savings. She said that it has mattered so much to the Board that the members are able to rely on Community Financial.

Chair Kuehn stated how thrilled the Board is to celebrate the first full year of service of our new president and ceo Tansley Stearns (“Stearns”) who leads with heart and brilliance, creativity, and tenacity. Chair Kuehn said that Stearns has brought new partnerships to life while honoring our core communities with our continued tradition of generous giving. She said that Stearns has led the organization through technology enhancements and brought innovative solutions to life. She further said that Stearns is a bold dreamer with the experience and business acumen the members deserve at the helm of our financial cooperative.

Chair Kuehn shared that Community Financial is a member-owned financial cooperative that exists so consumers and businesses in our core communities can enjoy sound financial health and our communities are enriched, at a competitive cost, now and in the future. She said that we want to ensure member financial transactions are safe, secure, competitive, and convenient.

Chair Kuehn expressed the Board of Directors exceptional gratitude for the Supervisory Committee that coordinates directly with our internal audit team on the members' behalf.

Chair Kuehn also expressed the Board's gratitude toward the members. She stated the membership is the reason we are all here. She said that 2023 was an exceptional year of impact and in 2024, we look forward to helping even more Michiganders' impossible dreams come to life.

President & ceo Report

Stearns began by noting the large number of members present at the annual meeting and thanked them for attending. She thanked the Board of Directors for their hard work and dedication. She extended a special thank you to Chair Kuehn, who puts belonging and excellence first. Stearns also thanked the Supervisory Committee led by Supervisory Committee Chair Steve Rowley ("Rowley"). Stearns thanked the dedicated team of Community Financial, the eTeam, and especially thanked Armaza and Beth Schnabel for putting the annual meeting together.

Stearns expressed her gratitude towards Tony Roko ("Roko") as a hometown hero. Roko has worked to extend the Plymouth Art Walk. She stated that Roko has brought the second extension to life. Roko has also implemented a young artist residency program and has brought art to the classrooms. Stearns said that Roko's art is now included on Community Financial's debit cards. She shared that Roko's art space will be the Center for Impossible Dreams in the future. This is a reflection of Community Financial's commitment to the city and a doubling down of our investment in Plymouth. Stearns said at Community Financial, our purpose is to create joy and ignite Michiganders' impossible dreams.

Stearns spoke of the tumultuous and unprecedented economic conditions and inflationary pressures that hit the wallets of everyday Americans. She said we support a practice of saving to members who have never had a chance to before

and ensure that their money is working harder for them at Community Financial than anywhere else. Stearns further stated that we are becoming known as an institution built not just for borrowers, but also a place for savers, strengthening the credit union's balance sheet in the process.

Stearns reported to the members they can rest assured that we are doing the work to attract more members to our financial cooperative, while improving member's experience at the same time with enhanced technology offerings and best-in-class products. Stearns spoke on the following highlights:

- In response to a brand awareness survey conducted in 2022, which told us we had only 17% aided awareness, we brought to life our new brand with an origami bear and vibrant purple and orange colors to break through market confusion of who we are and to invite more members to join our cooperative. A stronger cooperative with more members participating more fully is the essence of every sustainable and vibrant credit union.
- Our high yield saving account is an industry best and today earns 14% on the first \$1,000, making saving accessible to everyone. We have grandmas and grandpas across our communities setting these up for the little ones in their lives, extending the gift of membership to their loved ones.
- We were the first credit union in the country to bring Greenlight to life. Greenlight is a debit and technology platform that encourages healthy financial habits at young ages. This has been a gift to our 56-student run credit union branches, and moms and dads who now have a tool to raise financially savvy kids, and again, bring more members to the credit union.
- We revamped our money market tiers and increased rates to provide more ways to save and offered incredible CD specials for those members looking for the best deals.
- We listened to the honest member feedback about our technology. In response, we launched new account opening and digital banking platforms to ensure members are spending more time on the things they care about and less time trying to figure out their finances. We understand not everyone goes to bed at night dreaming of financial services like we do, and we hope our new solutions help members sleep a little better at night knowing we're here when they need us.
- We rolled out video chat to give members more options when they cannot make their way to a branch.

- During a statewide power outage that affected thousands around the state, we launched an emergency credit program, that supported hundreds of members and safely extended thousands of dollars for groceries that spoiled in refrigerators and hotel rooms for warm places to stay at night.
- We funded mortgages for first time home buyers with our Path to Home Ownership program, solving the affordable housing crisis for so many, and bringing to life a program that industry experts call best-in-class.
- We brought smiles to every debit transaction featuring the gifts of Plymouth artist Tony Roko, and our friends from HGTV's Bargain Block, Keith and Evan.
- We implemented a new giveback program, with one cent of every debit card transaction going to the foundation of their choice, with one option being our newly established non-profit, the Relentless Care Foundation.
- This year alone we contributed over \$900k dollars to local organizations, have made a commitment through the foundation to contribute \$10million over the next 10 years. In Plymouth, Canton, and Northville alone, we contributed nearly \$250,000 to non-profits in 2023. We contributed over \$90,000 to teacher grants, funding projects and priorities of those who make such an incredible difference in our kids' lives and many times use their own hard-earned dollars to take care of their classrooms.

Stearns stated that with our investments in our team this year, we have also received accolades as an employer of choice. She shared that we are certified as a Top Workplace by the Detroit Free Press and have been recognized as a Great Place to Work nationally.

Stearns shared that we have many delightful surprises in store for you in 2024. She said that we are bringing together solutions that help solve cash flow with buy-now, pay-later technology and extending tap-to-pay to our debit cards. She added that we will also improve and integrate our credit card rewards programs.

Stearns said that we will invest in small businesses and their owners to ensure our communities continue to thrive and small business owners have an advocate in their corner. She said that we expect to bring new solutions for non-profits and let them know we see them and the good work they are doing.

Stearns stated we will continue to be there for you and your families and respond appropriately to the economic environment to ensure long-term viability. She added that our commitment to supporting affordable housing, workforce development, and mobility will begin to emerge as we focus our giving on impact and tackle new development initiatives for our foundation. Our commitment to schools and the financial literacy of our community's young people will evolve to meet them where they are with improved models and technology, and extensions into more area schools and after-school programs.

Stearns reported that in 2024, we will start construction on a new branch in Detroit and another in West Bloomfield. We have also purchased property for our new Novi location, at the northeast corner of Grand River Avenue and Crescent Boulevard in Novi. In 2024, members will also see us invest in remodels of our Northville and Canton Center locations to bring improved experiences to members' lives when they need us most.

Stearns concluded that there is much in store for the coming year, and we are grateful to be part of bringing it to life for each member that joined us at the annual meeting. She stated that we appreciate their membership and it is a gift to serve our members.

Supervisory Committee Chair Report

Supervisory Committee Chair Rowley presented the Supervisory Committee Chair report. Rowley stated the committee represents the Community Financial membership and is responsible for reviewing the credit union's activities to ensure that:

- Safeguards are in place to protect assets.
- Complete and accurate financial statements are prepared.
- Board and CEO decisions are in the best interest of the membership.

Rowley stated the Supervisory Committee contracts with an outside auditing firm, CliftonLarsonAllen.

Rowley reported the Supervisory Committee has identified a significant level of dysfunction among the Board of Directors and demanded a formal plan as to how

they will improve in the next Governance Cycle, which starts March 14, 2024. He further stated, for the sustained impact in our communities through the philanthropic work conducted by Community Financial, the Supervisory Committee looks forward to providing a positive report at next year's annual meeting of members.

Rowley thanked the Supervisory Committee members: Doug Boebinger, Mike Brodowicz, Carol Leroue, Michael Siegrist, TejKiran "Sunny" Singh and Al Berrie as the Board Liaison.

Community Involvement Report

VP/Insights, Innovation, & Impact Blake Woods ("Woods") presented the Community Involvement Report. Woods reported the Relentless Care Foundation ("the Foundation") has officially received 501(c)(3) status with the Internal Revenue Service.

Woods thanked the Foundation Executive Director Matt Nahan ("Nahan") for his hard work and dedication.

Woods stated the Foundation has accomplished the following:

- Granted funds to fund affordable housing for 80 new and renovated homes.
- Donated \$92,000 to local food pantries.
- 14,000 Community Financial members have chosen to support the Foundation through debit card swipes raising over \$7,000.
- Teacher grants have allowed the Foundation to impact over 100 teachers.
- The Foundation has recently launched an adult education empowerment plan to allow access to banking for people transitioning out of homelessness.
- The Foundation is working with Upward Bound to help improve after school programs in Detroit and in Northern Michigan.

NEW BUSINESS

Chair Kuehn said that consistent with the Board's fiduciary duties, we continuously strive to improve the governing documents for the organization. She

added to that end, we have made improvements to our bylaws which were approved by the State of Michigan in November. provided notice of the amended Bylaws to the member-owners. She advised the member if they would like a copy of the amended bylaws to contact chief of staff Ely Armaza ("Armaza").

QUESTIONS/COMMENTS FROM MEMBER-OWNERS

Chair Kuehn opened the floor to member-owners for questions and comments.

Member #1 asked for the oldest credit union member and stated that he joined Community Financial in 1982. He stated that he has many loans, mortgages, accounts, etc. with Community Financial. He stated that he does not like the new changes with the credit union and he is "not feeling it". The member stated that he preferred the way that former president and ceo Bill Lawton did things. He said that his comments are not meant to be mean or taken in a mean way and that he does not like the radical changes. The member said the credit union is moving too fast and that it was not built on speed but was built on slow and steady.

The member said that he previously asked how he could become a member of the Board and was told that a high number of signatures is needed. He stated that he was invited to join the Board several years ago, but he was too busy at that time. Chair Kuehn addressed the member's comments regarding Board membership.

Chair Kuehn asked Stearns to address the credit union's changes. Stearns said that many things are staying the same with Community Financial but there are also many things that are changing. Stearns said that Community Financial is investing in many things, technology brand awareness is one such item and that is based on member feedback.

Member #1 asked why \$10 million is going to the community instead of the members. Stearns explained the funding is coming from the Foundation.

Member #1 said that he goes to many Community Financial branches and he does not see the same faces each time. He said he was told that the employees he previously had seen are gone because they did not fit in.

The member also expressed frustration that Stearns' position was not put to the membership when Bill Lawton retired. He asked Stearns if she is from out of state.

Stearns stated that she grew up in Michigan and then moved out of state. She returned to Michigan from Colorado.

Chair Kuehn thanked Member #1 for his comments and directed him to speak with Armaza.

Another member, Eric, has been a Community Financial member for 20 years. He stated that everyone he has ever talked to at the credit union has been helpful and wonderful. Eric mentioned that the new debit card activation was an absolute fiasco. He said that he called the Care Center at 9:15 a.m. on March 13, 2024 because the card activation number would not allow him to create a PIN for the new debit card. He said that he was put on hold for 35 minutes and then was directed by someone in the Care Center to call a different phone number to set up his PIN. He said when he called the phone number and selected option 3 for PIN issues, it would not work for the new debit card. Eric then drove to the Plymouth branch and was told by a team member there was a new number to call to change his PIN. He then went out to the parking to change his PIN. When he went to the ATM to use his new debit card, it did not work and was told by a team member that the new debit card would not work until March 20, 2024. Eric said that he hopes Community Financial will learn from this.

Chair Kuehn asked Armaza to speak on the new debit cards. Armaza mentioned the new debit cards will have enhanced security, a tap and go feature, and direct issue to wallet. Armaza apologized to Eric and acknowledged the bumps in the road. He directed Eric to speak with chief experience officer Danielle Milner ("Milner").

Eric further stated that he is retired from Ford Motor Company. He said that he spoke with the company that manages his money and they told Eric that Community Financial's CD rates are really good.

Chair Kuehn thanked Eric for his comments. Armaza added that Rowley is a financial planner who keeps a close eye on the financials of the credit union. Armaza then introduced evp/chief financial officer Scott Cameron ("Cameron") to Eric.

The final member that spoke, Karen Berrie, stated that approximately four years ago she was out of state and was gone for three days. She woke up to a call from

Community Financial stating that her credit card had been compromised. Community Financial took care of the situation immediately. She stated that Community Financial has been a great experience for her and she knows other people that work with other institutions that have not had such a great experience. Chair Kuehn thanked Karen for her comments and feedback.

NOMINATING COMMITTEE REPORT

Nominating Committee Chair Paul Bedich (“Bedich”) shared there were no Board nominations received via petition. He stated that incumbent Director Dan Herriman (“Herriman”) was put forth by the Nominating Committee. Director Bedich stated that Director Herriman has served on the Board of Directors since 1976.

Director Bedich thanked fellow Nominating Committee members Directors LaVoy and Al Berrie (“Berrie”).

MOTION: Director Berrie moved to accept the nomination of incumbent Director Herriman to serve a 3-year term. Director LaVoy seconded the motion, which carried.

ADJOURNMENT

Chair Kuehn asked for a motion to adjourn the meeting at 6:29 p.m.

MOTION: chief people officer Cathy Meyers (“Meyers”) moved to adjourn the meeting. chief growth officer Danielle Frawley (“Frawley”) seconded the motion, which carried.