

ROCHESTER AREA STATE EMPLOYEES FEDERAL CREDIT UNION
2300 Buffalo Road Bldg 400B
Rochester, New York 14624
585-272-0020

**NOTICE OF SPECIAL MEETING OF THE MEMBERS OF
ROCHESTER AREA STATE EMPLOYEES FEDERAL CREDIT UNION**

The Board of Directors of Rochester Area State Employees Federal Credit Union have called a special meeting of the members of this credit union at the DoubleTree By Hilton Hotel, 1111 Jefferson Rd, Rochester, NY 14623, on June 20, 2024 from 5:30pm to 7:30pm.

The Purpose of This Meeting Is:

(1) To consider and act upon a plan and proposal for merging Rochester Area State Employees Federal Credit Union with and into Rochester and Monroe County Employees Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"). All assets and liabilities of the Rochester Area State Employees Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Rochester Area State Employees Federal Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in Rochester Area State Employees Federal Credit Union on the effective date of the merger.

(2) To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of Rochester Area State Employees Federal Credit Union, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of Rochester Area State Employees Federal Credit Union encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to complete and return the enclosed Ballot to vote on the proposed merger.

To Comment on The Merger

If you wish to submit comments about the merger to share with other members, you may submit them to the National Credit Union Administration (NCUA) at:

<https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers>

or mail your comments to:

NCUA - Office of Credit Union Resources and Expansion
1775 Duke Street
Alexandria, VA 22314

RE: Member-to-Member Communication for Rochester Area State Employees FCU

The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

REASONS FOR MERGER

The Board of Directors has concluded that the proposed merger is desirable and in the best interest of the members for the following reasons.

We are confronted with the challenges of how to remain competitive and how to provide our members with the services they deserve now and in the future. The Board of Directors believes the current and future financial needs of our members will be better served with this merger since combining the resources of the two credit unions will create a larger and financially stronger credit union that will be better positioned to meet those challenges.

The merger will combine two credit unions that share similar roots, values, and commitment to their members, and who believe by joining together they can do more than either could do alone.

Both credit unions have been serving their members since 1935 and both have the same primary field of membership, government employees and their family members. We serve employees of the State of New York in the Rochester area and Rochester and Monroe County Employees FCU serves employees of the City of Rochester and the County of Monroe.

The proposed merger offers our members the following benefits:

- **New Products and Services**, including Mobile Banking, Remote Check Deposit, Home Equity Loans and Home Mortgage Loans.
- **Upgrades To Current Products and Services**, including an improved Online Banking system, a streamlined lending process and the availability of a nationwide network of surcharge free ATMs.
- **Improved Convenience and Account Access**, the new and upgraded products and services along with other advanced technology that will be available will make it easier and more convenient for members in the Rochester area as well as those located elsewhere in New York state and across the country to access the products and services the credit union offers.
- **Additional Branch Locations**, our current location at 2300 Buffalo Road Building 400-B, Rochester, NY 14624 will remain open. In addition, Rochester and Monroe County Employees FCU has two branch locations which are located at, 460 North Goodman Street, Rochester, NY 14609 and 40 N. Fitzhugh Street, Rochester, NY 14614.
- **Friendly, Familiar, Knowledgeable Staff**, several members of our staff will continue to be available to serve members at our current location. Both credit unions have been committed to providing high levels of service to their members and this will continue to be a priority. Rochester and Monroe County Employees FCU's current CEO/Manager, Andrea Thune, will be the combined credit union's CEO/Manager after the merger.
- **Volunteer Representation**, two members of the Board of Directors of Rochester Area State Employees FCU will serve on the Board of the Continuing Credit Union. In addition, one Rochester Area State Employees FCU member will serve on the Continuing Credit Union's Supervisory Committee.

What Are The Steps In The Merger Process

There are several steps involved with the merger process. Approval must be received from three sources, first the Board of Directors of both credit unions, second our federal regulator the National Credit Union Administration (NCUA) and last the members of Rochester Area State Employees FCU. The Board of Directors of both credit unions have approved the proposed merger. The NCUA has also approved the proposed merger. The last step in the approval process is the vote by our members on the proposed merger.

When Would The Merger Be Complete

If our members approve the proposed merger, we are targeting July 1, 2024 as the effective date of the merger. However, the day-to-day operations of the two credit unions will remain separate until their data processing systems are merged which is expected to occur in late 2024 or early 2025.

VOTE ON PROPOSED MERGER

Please note that the proposed merger must have the approval of a majority of the members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for the Merger Proposal. If you cannot attend the meeting, please complete the Ballot and return it to:

Rochester Area State Employees FCU
P.O. Box 64731
Rochester, NY 14624

To be counted, if you mail your Ballot it must be received by June 19, 2024; or your Ballot may be submitted in person at the Special Meeting on June 20, 2024 from 5:30pm to 7:30pm.

OTHER INFORMATION RELATED TO THE PROPOSED MERGER

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The **Financial Statements** of both credit unions as of December 31, 2023 are shown below, as well as the projected combined financial statement of the Continuing Credit Union.

Assets	RASEFCU	ROCMONFCU	COMBINED
Total Cash and Investments	8,498,941	4,544,373	13,043,314
Total Loans	8,751,685	20,887,506	29,639,191
Fixed Assets	15	103,827	103,842
Other Assets	97,573	440,675	538,248
Total Assets	17,348,214	25,976,381	43,324,595
Liabilities and Equity			
Accounts Payable	-14,147	132,356	118,209
Total Deposits	15,490,137	22,902,923	38,393,060
Total Equity	1,872,224	2,941,102	4,813,326
Total Liabilities and Equity	17,348,214	25,976,381	43,324,595

In addition, the following information applies to the proposed merger.

Net Worth

The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. As of December 31, 2023 Rochester Area State Employees Federal Credit Union has a lower net worth ratio (11.14%) than Rochester and Monroe County Employees Federal Credit Union's net worth ratio (11.70%).

Share Adjustment or Distribution

Rochester Area State Employees Federal Credit Union will not distribute a portion of its net worth to its members in the merger. The Board of Directors has determined that a share adjustment, or other distribution of Rochester Area State Employees Federal Credit Union's net worth is unnecessary because once all one-time merger related costs are accounted for, the merger will not result in an increase in the continuing credit union's net worth ratio.

Merger Related Financial Arrangements

NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger.

In appreciation of their service to Rochester Area State Employees Federal Credit Union, the Board of Directors has approved a one-time longevity bonus of \$1,000 for each year of service for all current employees. The total amount of the bonuses is \$58,000. The amount each employee will receive is shown below.

Employee Name	Position	Amount
Carl Byers	Manager	\$10,000
Karen Bready	Member Service Representative	\$8,000
Marie Bruno	Member Service Representative	\$30,000
William Shirtz	Member Service Representative	\$10,000

BY THE ORDER OF THE BOARD OF DIRECTORS

Herbert Skerker

Chairperson

April 15, 2024

Date