

MAC

Members and Community

FEDERAL CREDIT UNION

Annual Membership Meeting

& Report on 2018 Business Year

February 21, 2019

6:30 p.m.

Wedgewood Resort | Fairbanks, Alaska



Mission Statement

MAC is a member-owned, financial cooperative committed to the encouragement of member financial well-being by providing cost-effective services, creating a source of credit for productive purposes in the spirit of the credit union movement.

5-Star Service Commitments

- ★ We will greet you with a smile and call you by name.
- ★ We will show you a sincere appreciation for your business.
- ★ We will provide accurate and timely service.
- ★ We will listen to you carefully and offer a solution that fits your unique needs.
- ★ We will treat you as a valued member/ owner of the credit union.

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MAC FCU Board of Directors

Top Row: Chair-Linda Hilliard, Vice Chair-Kip Harmon, Secretary-Tim Erickson,
 Bottom Row: Members- Aaron Seekins, Jeremy Fillipi, Anna Gould



MAC FCU Supervisory Committee

Dawniel Dupee, Member; Dr. Alex Amegashie, Chair; Brenda Herbert, Vice Chair;
 Christopher P.E. Johnston, Member. Not pictured: Tanya Sue Wiley, Member.

Agenda

Annual Membership Meeting
 February 21, 2019
 6:30 p.m.
 Wedgewood Resort

- Refreshments
- Welcome & Introduction of Board and Supervisory Committee
- Declaration of Quorum
- Old Business
 - 2018 Annual Meeting Minutes
- New Business
 - Official Reports
 - Election of Board Members
- Closing Remarks

MAC Federal Credit Union
Annual Membership Meeting

Annual Meeting

MINUTES

February 22, 2018

Board Chair Linda Hilliard called the meeting to order at 6:55 p.m., at the Raven's Landing Conference and Event Center.

Linda thanked everyone for coming out and supporting MAC. Linda introduced the Board of Directors Jeremy Fillipi, Aaron Seekins, Robert Tanner (not in attendance), Kip Harmon (Vice-Chair) (not in attendance), Anna Gould (Secretary) and Tim Erickson. Linda also introduced Pat Felcyn, chair of the supervisory committee and asked that she introduce her team. Pat introduced the supervisory committee as Martha Larson (not in attendance), Alex Amegashie (not in attendance), Damien Delzer, and Brenda Herbert.

Anna Gould verified there was a quorum. Fifteen members constitute a quorum, and Anna reported by the latest count there were 65 members registered and in attendance with us this evening.

■ OLD BUSINESS

Minutes from the 2017 Annual Meeting were reviewed and Linda asked for a motion to approve.

WOLFGANG KREISMAN MOVED, RUTH KNAPMAN SECONDED, TO APPROVE THE ANNUAL MEETING MINUTES FROM FEBRUARY 23, 2017, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

■ NEW BUSINESS

Chairman's Report: Linda wanted to make her announcements more personal than fact filled this year. Everywhere she goes in the community she is seeing our logo and this is due to the hard work of our Marketing Manager and MAC team. MAC staff has volunteered more than 580 hours in the community in the last year. Communication has improved to a great level and it is all very positive. We look forward to having a tremendous 2018.

CEO Report: Angie stated 2017 was a year of transition with new members of management, a new improved Ft Wainwright branch, and new full-service ATM on Geist Road. We are a huge contributor and participant of the Get Real Reality Foundation bringing financial education to the Interior. This past year we donated \$25,000 to the foundation to help keep it going. We are always looking for volunteers for these events; if you would like to help out please let us know.

The MACPAC is a team of staff and members who give their time and money to places like Joel's Place and the Rescue Mission. This group has given over 580 hours and over \$100,000 back to local charities.

We have no plans to slow down in 2018! We have a lot of technology upgrades happening to include our core system, mobile platform, and adopting P2P payments.

In closing, it is an honor and privilege to be CEO. I am proud of the Credit Union and its staff. We receive so much support from our board and we are appreciative of it.

Official Reports

Secretary: Everything looks great from a records standpoint. Anna also thanked the staff for helping them along and keeping focused.

Supervisory: The supervisory committee is known as the watch dog of the credit union. One of the very important jobs they do is to hire the external auditors. We look forward to seeing them in May 2018.

Linda asked that everyone look at the official reports in the packet. She then asked if there were any questions about them and there were none.

CALVIN STAGEMAN MOVED, WOLFGANG KREISMAN SECONDED, TO APPROVE THE OFFICIAL ANNUAL MEETING REPORTS.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

Election of Board Members

This year we have 2 incumbents- Aaron Seekins and Tim Erickson. Bios are in the Annual Report. All candidates meet the qualifications and are in good standing with the Credit Union. Linda called for nominations from the floor and there were none. She then called for a motion to accept the slate of candidates as presented.

RUTH KNAPMAN MOVED, WOLFGANG KREISMAN SECONDED, TO ACCEPT THE NOMINATIONS AS PRESENTED.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

■ ACKNOWLEDGEMENTS

Angela introduced the Executive Management team, Rose Fulk, Stacy Markham, Jerenda Pancho and Nichole Dianoski.

The meeting was adjourned at 7:30 p.m. and Board members then met to reorganize.

Submitted by Nichole Dianoski, VP Technology

APPROVED:

Linda Hilliard, Chair

Anna Gould, Secretary

Message from the Chair

2018 was a year of national and local recognition for MACFCU and our employees. The Board and I are so proud of MAC's overall accomplishments and wanted to share a few with you.

-MAC's IT department received an honorable mention from Digital Defense for our data security practices. Our IT employees work hard to make sure we protect our systems from cyber security threats because it is important that we have our members trust with their personal data.

-We are proud to announce that our Collections Supervisor Maria Tesiro graduated from the Fairbanks Leadership Academy. This is a wonderful way to invest in our employee and the impact to MAC is reflected by how strong and successful our Collection team is.

-MACFCU was also nominated for Business of the Year by the Fairbanks Chamber of Commerce. We did not receive this distinction, but we were proud to be on the impressive list of businesses considered. Our marketing and management team continues to increase our visibility in the community and to be recognized for those efforts validates their hard work and commitment.

-The November-December issue of the National Association of Federally-Insured Credit Unions (NAFCU) Journal featured CEO Angela Head in their executive spotlight. Ms. Head's comments reflect how proud she is to be our CEO but acknowledges that MAC's success is a team effort. If you have not had a chance to see the article we do have a link on MAC's website.

-MAC's team effort resulted in MACFCU being named the Department of the Army's Distinguished Credit Union for the Year for 2017. We all have times when we feel our work and efforts are not noticed by others, however, every employee and member of MAC should be proud of this award. The hard work of employees and the trust and support of our members is reflected by honors such as this.

Above are just some of the ways MAC stands out in our military and civilian community. I challenge you to look for the MAC logo at the next community event you attend. I think you will be surprised to see how much our MAC employees and MAC sponsorship is represented.

Sincerely,
Linda Hilliard, Board Chair

Secretary's Report

The basic responsibility of the Board of Directors is to set the strategic plan for the credit union and to monitor management's implementation of this mission. All Board members and committee members are volunteers who graciously dedicate their time, talents and resources to ensure a healthy and sustainable credit union for our members.

In 2018, MAC's Board of Directors met in two regularly-scheduled monthly meetings to review all aspects of finance and operations. An annual review of the strategic plan was also completed on Dec. 1, 2018 in a separate meeting between the Board of Directors and members of the management team. The meeting highlighted successes of this past year and set additional priorities and direction for 2019 and 2020.

Meeting minutes for 2018 have been recorded, approved, and filed at the credit union. Minutes from the February 22, 2018 Annual Meeting held at Raven's Landing are included in this report.

Thank you for your ongoing trust in allowing us to serve you into 2019 and beyond.

Sincerely,
Timothy D. Erickson
Board Secretary

Financial Highlights		
	2017	2018
Assets	\$104,334,135	\$110,248,921
Member Shares	\$85,324,479	\$88,963,431
Dividend to Members	\$679,816	\$728,517
Loans Disbursed	\$37,946,204	\$47,718,662

	2017	2018
Membership	13,430	14,104

Supervisory Committee Report

The Supervisory Committee is responsible for ensuring that the Board of directors and management of the credit union provides members with financial services in accordance with laws and regulations, maintain clean financial records, and safeguard members' assets. As a watchdog committee for our members, we discharged our responsibilities primarily by reviewing internal controls, policies and procedures, performing compliance reviews, and overseeing financial statement audits.

The committee hereby reports that we conducted several audits and compliance reviews with the help of our internal auditor – Ms. Bonnie Thompson, and compliance officer – Ms. Jerenda Pancho, and there were no significant material findings or non-compliance issues discovered. We believe in the importance of an independent auditor's opinion over financial statements of the credit union. In so doing, the committee engaged the services of an independent CPA audit firm – Moss Adams LLP to conduct a financial statement opinion audit; this was our second year in a row for conducting such an audit.

The committee is pleased to report that Moss Adams LLP issued a clean audit opinion. The report reveals that in all material respects that the credit union's financial statements for the year ending on March 31, 2017, were fairly presented and in accordance with generally accepted accounting principles.

NCUA, MAC's chief regulator, conducts periodic examinations of records and affairs of the credit union to assess risk and soundness of operations, as with all federally-regulated financial institutions. The latest NCUA exam was conducted effective September 30, 2018.

Overall, the committee is pleased to report that the Board of directors and management of the credit union conducted the affairs of the credit in a materially safe and sound manner in the spirit of federal and state laws and regulations. I appreciate the commitment and effort of each member of the committee as well as the support we received from staff, management team, and the Board. We look forward to your continuous support, thank you.

Sincerely,
Dr. Alex Amegashie, DBA, MBA
Supervisory Committee Chair

President's Report

As a cooperative, our success is your success. When you do business by acquiring a loan or making a deposit, you are directly contributing to the growth of the credit union, therefore all of our success. That success means more value to you, the member, in the form of lower loan rates, higher dividend rates, and technology to provide services that fulfill the needs of our members. Without you, there is no MAC.

As a local financial cooperative, MAC has a strong connection to our community and is able to quickly move to meet the needs of our members. MAC, through our philanthropic giving and volunteerism, has given over 100K again this year and over 700 employee volunteer hours to our community! Our staff truly cares for our community and proves it in their selfless activities throughout the year to make Fairbanks a better place for everyone. As we move into 2019, we to join our MAC PAC in our efforts to

“
**Without you,
there is no MAC.**
”

invite all members
Team to participate
give back.

Although the past year was truly remarkable, there were challenges. Loans grew by over 17%, assets were up by 5.67%, and membership over 5%. Alongside this tremendous growth, the CU moved our entire core processing system to an offsite location where our member's data will be managed in a more safe, secure, and reliable manner. This was a complex and challenging project that took several months to complete. Enhancements were also made to our mobile and online platforms to enable members more options for payments and account monitoring. In addition, MAC has added a full-service mortgage department providing services to help new and existing homeowners. Finally, MAC welcomed members of City of Fairbanks Federal Credit Union this year. This merger brought about more options, services, and accessibility to those members and we are excited to continue our relationship and grow with them!

It is my honor to serve as your President & CEO. I'm thankful for a Board of Directors who are committed to our mission, and for my talented team of executives. I am very proud of our entire staff for the past year's accomplishments to improve the financial lives of you, our member! May 2019 bring about more success and happiness to each of us. Thank you for your ongoing support of MAC!

Respectfully,
Angela Head, President & CEO

Nominating Committee Report

Board terms expire at the end of December and elections take place within the first quarter of the following year at the Annual Membership Meeting. Board members are elected to serve three (3) year terms (the year elected, plus two additional years). Terms are staggered so they do not all expire at the same time.

The following table represents board terms as of the 2019 Annual Membership Meeting.

Current Board Members	Year Elected	Term Expires (end of year)
Linda Hilliard	2017	2019
Kip Harmon	2017	2019
Jeremy Fillipi	2017	2019
Tim Erickson	2018	2020
Aaron Seekins	2018	2020
Anna Gould*	2017	2018
Vacant**		
* Anna was elected to fill a vacant seat ** Incumbent Board member does not seek re-election; full 3-year term available		

Current slate of candidates:

Anna Gould – Incumbent
 David M. Dershin – New

Respectfully submitted,

Kip Harmon
 Nominating Committee Chair

Anna Gould

Born in sunny Los Angeles, California, Anna Gould moved to Alaska at the age of 2 -1/2. Anna graduated from North Pole High School and continued her education at UAF.

Anna has unique expertise in maintaining the balance between company goals and customer requirements and has the innate ability to guide companies in gaining a competitive edge in current and exploring markets through creativity and innovation. These skills she’s developed through her 18 years with General Communications Inc (GCI).

In 2018, Anna moved from Fairbanks to Anchorage to pursue career advancement with her company. Despite Anna’s physical location change, she continues to be an active volunteer in the Fairbanks area through her efforts with the American Heart Association Fairbanks and attending board and committee meetings for MAC FCU. Anna’s volunteer efforts are also extended to the Anchorage Area through Beans Café, the Food Bank of Alaska, Rotary, and the American Heart Association Anchorage.

Anna is married to Brian Gould, Corporate Safety Officer for Petro Star Inc. They have two children Serenity (11) and Bobby (4), and two dogs. They enjoy fishing, camping, and spending time doing anything together as a family.

David M. Dershin

Dave Dershin is a long-term Fairbanks resident and an engaged community member with degrees from both UAF and UAA. He has worked for the FNSB School District for 24 years—the past 13 years as a school administrator. Other school district experience includes high school teacher, volleyball coach, engineering club sponsor, past member of the district science curriculum committee, high school technology coordinator, assistant principal for Lathrop and North Pole High Schools, and principal at Lathrop High School. In addition, Dave served as a board member for Arctic Winter Games Team Alaska from 2014 to 2018.

Currently, Principal of Randy Smith Middle School, Dave appreciates getting to know students and their families. As a school principal, he works with families to ensure their children grow up to become engaged members of society, with the skills needed to support themselves. An active member of the Fairbanks Principals Association, Dave is the lead negotiator for the 2019-2022 FPA contract. He enjoys supporting principals as a mentor and representing fellow principals, as needed.

Dave is excited about the opportunity to join MAC Federal Credit Union’s Board.

MAC Supporting Our Community

The success of any community is driven by the willingness of those who live in it. When our Members succeed, we succeed. At the heart of MAC Federal Credit Union is a volunteer spirit with the goal of helping those who need it most. MAC FCU is also a strong supporter of organizations that lift people up and help build successful lives.

In 2018, MAC donated \$113,846.21 to the following community organizations, schools, recreational sports, and military activities:

ACCA	Golden Heart Classic
ACULA Alaska Business Week	H. Taggard
AK Scottish Rite Care Foundation	Hockey Club Fairbanks
Alaska Goldpanners	Homeless Vets Care Packages
Alaska Wild Baseball Club	Hutchison H.S.
American Heart Association	Joel's Place
APOA	K. Wentworth
Arctic Man	Lathrop H.S.
Armed Services YMCA of AK	Loving Companions
BCDC	Meals on Wheels
Big Brothers Big Sisters	Monroe H.S.
Boys and Girls Club	Mush for Kids
Christmas in Ice	N. Dianoski
Credit Union House	North Pole H.S.
Curling Club of Fairbanks	Operation StandDown
Denali Center	Our 2 Cents for FRA
Downtown Association	Project Homeless
ECDC Family Health Fair	Relay for Life
Fairbanks Chamber	Rotary Club
Fairbanks Children's Museum	S Salon Wigs & Wishes
Fairbanks Food Bank	S. Nash Antso
Fairbanks Ice Dogs	Salvation Army
Fairbanks Rescue Mission	Students in Transition
Fairbanks Youth Soccer Association	ThrivAlaska
FOAST	United Way
Ft. Wainwright MWR	West Valley H.S.
GCI Open North American	

MAC does not simply donate money. We also donate time through our volunteer team, the MAC PAC. MAC FCU is made up of an average of 50 employees, with a motto of *People Helping People*. In 2018, MAC FCU employees and the MAC PAC volunteers provided 717 hours of community service to the following community non-profits in various ways:

American Heart Association	Fairbanks Rescue Mission
American Red Cross	Financial Reality Foundation
Boys and Girls Club	Ford Peanut Butter Drive
Breast Cancer Detection Center	Nissan Fill the Car for Kids Event
Bright Futures Fairbanks	Project Homeless
Denali Center	Relay for Life
Fairbanks Chamber	Stone Soup
Fairbanks Food Bank	United Way





Board of Directors:

Linda Hilliard, Chair
Kip Harmon, Vice Chair
Tim Erickson, Secretary
Aaron Seekins, Member
Jeremy Fillipi, Member
Anna Gould, Member

Supervisory Committee:

Alex Amegashie, Chair
Brenda Herbert, Vice Chair
Dawniel Dupee, Member
Christopher P.E. Johnston, Member
Tanya Sue Wiley, Member

Executive Management:

Angela Head, President/ CEO
Stacy Markham, COO
Rose Fulk, VP Accounting
Jerenda Pancho, VP Compliance/Risk
Nichole Dianoski, VP Technology
Charlie Leonelli, VP Administration



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