

MAC

Members and Community

FEDERAL CREDIT UNION

Annual Membership Meeting

& Report on 2019 Business Year

**March 19, 2020
6:30 p.m.**

MILITARY ROOTED, COMMUNITY FOCUSED, BANKING FOR ALL.





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



Agenda

Annual Membership Meeting
March 19, 2020
6:30 p.m.

- Refreshments

- Welcome & Introduction of Board and Supervisory Committee

- Declaration of Quorum

- Old Business
 - 2019 Annual Meeting Minutes

- New Business
 - Official Reports
 - Election of Board Members

- Closing Remarks



**MAC Federal Credit Union
Annual Membership Meeting**

Annual Meeting

MINUTES

February 21, 2019

Board Chair Linda Hilliard called the meeting to order at 7:00 p.m. in the Borealis Ballroom of Wedgewood Resort.

Linda welcomed everyone to the meeting and introduced Board Members, Kip Harmon, Tim Erickson, Jeremy Fillipi, Aaron Seekins, and Anna Gould. Supervisory Committee Chair Dr. Alex Amegashie introduced Supervisory Committee members Brenda Herbert and Chris Johnston, and noted members Tanya Wiley and Dawniel Dupee were not present. Linda said that Martha Larson recently stepped down from the Supervisory Committee, after many years of service.

Tim Erickson announced there was a quorum. Fifteen members constitute a quorum and there were 65 members currently in attendance.

OLD BUSINESS

Linda noted the minutes from last year's annual meeting had been provided and asked for a motion of approval.

RUTH KNAPMAN MOVED, DANETTE FILLIPI SECONDED TO APPROVE THE
ANNUAL MEETING MINUTES FROM FEBRUARY 22, 2018, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

NEW BUSINESS

Linda recapped accomplishments and awards from 2018 and gave positive feedback about MAC Staff. She spoke about ongoing Board training and noted she is very proud of MAC.

CEO Angie Head also spoke about accomplishments and noted 2018 had been a remarkable year. She said MAC has been in a building phase and added staff does an outstanding job of greeting and serving members. Angie stressed the fact that we are stewards of our member's money—a responsibility she and her team did not take lightly. She expressed pride in her staff and how what we do results in benefits to our members.

Angie was most proud of our continued relationship with the community, volunteerism, and commitment to charitable donations to those in the Fairbanks North Star Borough. MAC donated over 700 hours of staff time last year and we consistently donate over \$100,000 per year to the community. She thanked the Board of Directors for allowing us to use those funds to give back to the community.

We are only as good as our financial performance, Angie noted, and last year was a flagship year. She said we grew over 17% in loans, 5% in assets, and over 6% in membership. This means we can add more value and be competitive with anyone in town. In addition, we continue to offer some of the highest dividend rates in the state. Our team is committed to taking care of your money and providing better services.

ANNUAL MEETING REPORTS WERE APPROVED UNANIMOUSLY BY VOICE VOTE.

Election of Board Members

Nominating Committee Chair Kip Harmon reviewed the slate of nominees and explained the nomination process. Kip noted two seats were up for election. Kip and Aaron met with incumbent Anna Gould, and Dave Dershin, who was running for a vacant seat.

Dave spoke to the group and said he's been an educator in the community for many years. He's excited to hear Angie's enthusiasm about Fairbanks and noted he enjoys seeing kids grow into adults and fit into the community.

Anna introduced herself and said this was her second term on the MAC board. The last three years have been great. MAC is a wonderful team, employees fantastic, and their volunteer efforts amazing. She said MAC's board has fun while getting down to business of trying to make the best decisions for our members.

Kip said the committee had approved nomination of both Dave Dershin and Anna Gould. Linda asked if there were nominations from the floor and hearing none, she asked for a motion to accept the slate.

RUTH KNAPMAN MOVED, CAROLYN FURROW SECONDED TO ACCEPT THE NOMINATIONS, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

ACKNOWLEDGEMENTS

Linda spoke about Pat Felcyn who had been Supervisory Committee Chair for several years and expressed her appreciation for how Pat had mentored current committee members.

The meeting adjourned at 7:33 p.m. and Board members then met to reorganize.

Submitted by Susan Bessette, Executive Assistant.

APPROVED:

Linda Hilliard, Chair

Tim Erickson, Secretary

Message from the Chair

When I joined the Ft Wainwright Federal Credit Union board in 1999, I never imagined that 19 years later I would still be serving on the board much less as Board Chair for the past four years. What started as a short-term commitment turned into a “labor of love” and I will always treasure the small part I had in the changes and growth of what is now MACFCU.

I have always embraced change because no industry should remain static. It is through change that growth, expansion, sometimes even failure, and staff development happens. By always adapting to change the MAC Board has guided and directed our credit union to be a leader and a “business to emulate” in the financial market. The synergy between the board and the MAC staff strengthens that role every day.

Tomorrow we are moving to Tennessee and my commitment to this credit union is coming to an end, but we will remain members because we love this credit union. I want to thank my husband Gary Hilliard of 48 years because he has always supported me in whatever volunteer work I have done.

Thank you for electing me year after year to serve on MAC’s board. It has been an honor and a privilege to work with our CEO Angela Head, MAC’s entire staff, the Supervisory Committee and MAC’s board of directors. It has been a memorable journey.

Sincerely,
Linda Hilliard, Board Chair



Secretary's Report

The Board of Directors' basic responsibility 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 2019 board of directors for MAC Federal Credit Union 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 in October 2019, in a separate meeting between the board of directors and members of the management team. This meeting highlighted the successes of this past year and set additional priorities and direction for 2020 and 2021.

Meeting minutes for 2019 have been recorded, approved and filed at the credit union. Minutes from the Annual Meeting held at Wedgewood Resort in February 2019 are also included in this report. Thank you for your ongoing trust in allowing us to serve you into 2020 and beyond.

Sincerely,
Timothy D. Erickson, Board Secretary

Financial Highlights		
	2018	2019
Assets	\$110,248,921	\$119,322,838
Member Shares	\$88,963,431	\$96,022,237
Dividend to Members	\$728,517	\$1,080,105
Loans Disbursed	\$47,718,662	\$50,124,204

	2018	2019
Membership	14,104	13,266

Supervisory Committee Report

MAC credit union ended 2019 in sound financial health, and as chair of the supervisory committee, I pleased to report that. As far as the supervisory committee is concerned, financial security and soundness are our utmost priority. To that end, the committee performed and oversaw several audits and reviews throughout the course of the year. There are no material issues needed members' attention at the time of this report.

In addition, we engaged the service of Moss Adams (external CPA firm) to conduct financial statements opinion audit for the year ended March 31, 2019; they reported a clean audit opinion with no material findings. Their report reveals that the accounting around MAC's financial statements for the period was generally consistent with US GAAP.

Our federal regulators – the NCUA, through their field examiners also conducted financial risk and compliance examination for the reporting period ended September 2018. No material findings were reported.

The committee continues to work with the board to ensure the financial security and integrity are intact. On behalf of the committee, we appreciate the support from staff and management in executing our oversight responsibility. We take this role seriously, and it is our utmost commitment and honor to serve our members.

Thank you,
Dr. Alex Amegashie, DBA, MBA
Supervisory Committee Chair



President's Report

Welcome to the 2020 MAC Annual Membership meeting. We are so glad you are here and I am proud to stand before you to report on another fantastic year that resulted in positive growth in all areas and a continued commitment to our community.

First, our financials remain strong and growing. Capital was at an all-time high of 18%, ROA upwards of 1% and our overall delinquency on loans is at historic lows. We experienced significant growth in loans and deposits, all while keeping a commitment to helping those in our community other institutions have turned away. Our membership diversity has also reached levels showing not only strong military participation, but growth in the overall civilian sector which has helped us insulate MAC from major deployments or shifts in federal

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military spending affecting our area. However, we remain committed to the success and financial health of our military and their families, as this is our deep-rooted history and DNA.

Financial success brings about more opportunity to give back to our members and community. One of the ways MAC strives to accomplish this is by offering some of the highest certificate of deposit rates in the nation. Additionally, this success is also why MAC has the ability to offer competitive loan rates to almost every credit situation in our community. I am so proud that we are able to offer first time auto buyers a program that provides an affordable interest rate and financial counseling. Many of our newly stationed soldiers and airmen take advantage of this program and are given one on one financial counseling to help them start off right with a loan that's affordable.

Lastly, MAC and the MAC PAC have given over 100k and 700 hours of volunteer time to the local community this past year. This is up from last year and we are on track in the short time this year, to beat those metrics once again in 2020! We've partnered with many outstanding community organizations such as the BCDC, Fairbanks Rescue Mission, Denali Center, Fairbanks Food Bank, MWR, and many others. Our staff is world-class when it comes to opening their hearts, checkbooks and schedules to affect the lives of those in our community in a positive and meaningful way. Also, MAC leads the way in financial education through our support and coordination of local high school GET REAL Financial Reality Fairs. These events were held all throughout the Borough in local high schools educating hundreds of students on the realities of adult financial responsibility.

Looking forward I am excited about the future of MAC. We have many exciting projects in the works that are all focused on improving the lives of our members, staff and community. Expanded mobile options, enhanced loan products and industry leading deposit rates are just a few key areas where we will continue to focus. Our goal is to make doing business with MAC as easy and efficient as possible thru innovative products and services, and top-notch member service. Additionally, we understand the importance of balancing those initiatives with a hyper vigilant effort towards data security and employing state of the art technology and practices that keep your information secure.

In closing, it is you, our member, that's at the heart of all we do at MAC. Our efforts focus on always asking what's in your best interest and how to best position our credit union for continued growth and success. Thank you very much for your continued support and trusting us with your finances.

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 2- or 3-year terms. Terms are staggered so they do not all expire at the same time. The Board recently voted to increase the number of its members from seven (7) to nine (9) in order to be more effective.

The following table represents board terms as of the 2020 Annual Membership Meeting.

Current Board Members	Year Elected	Term Expires (end of year)
Kip Harmon	2017	2019
Jeremy Fillipi	2017	2019
Tim Erickson	2018	2020
Aaron Seekins	2018	2020
Anna Gould	2019	2021
Dave Dershin	2019	2021
Vacant*		
New Seat		
New Seat		

Current slate of candidates:

Kip Harmon – Incumbent Jeremy Fillipi – Incumbent	Jim Williams – New Traci Schachle – New
Kip and Jeremy are seeking another 3-yr term for their seat	-Jim is seeking to fill the seat (3-yr) vacated by Linda Hilliard* - Traci is seeking to fill one of the new seats for a 2-year term (to put her in the same election rotation as Anna & Dave)

Respectfully submitted,
Linda Hilliard, Nominating Committee Chair

Nominee Bios

Kip Harmon

Completing his third term on the MAC Board of Directors, Kip, and his wife, Dawn, have called Fairbanks home since 1988.

Kip shares MACs philosophy of giving back to the community. Kip is the board president of the Moore Street Senior Center. He has been past-chair of both the Fairbanks Downtown Rotary Club, as well as his current club, Sunrisers Rotary Club. He is past-chair for the United Way of the Tanana Valley, and spent 13 years on the board of the Fairbanks Youth Soccer Association, including three years as board president.

After working at UAF for 16 years, as well as 10 years as station manager at KATN and KJUD (Juneau), and two years at Mammoth Marketing, Kip is currently the sales and marketing manager with Alaska Fuel Distributors.

Kip earned his Bachelor's Degree in Mass Communications from Southern Illinois University-Edwardsville. Kip and Dawn have one daughter, Katie.

Jeremy Fillipi

Jeremy has been in Fairbanks for 24 years and has just completed his 4th year on the MAC Board of Directors. Jeremy graduated from Punxsutawney Area High School in Pennsylvania and came to Alaska.

MAC's mission statement of being committed to the encouragement of member financial well-being and the amount of community involvement, things that Jeremy also believes in, were the main reasons for joining the board. Founding member and past two term President of the local Business Networking International chapter in Fairbanks, Jeremy truly believes in a tight community network. Jeremy has continual involvement in the local community serving with the Breast Cancer Detection Center, Boys & Girls Club, March of Dimes, and Fairbanks Community Food Bank.

Upon coming to Fairbanks in 1998 Jeremy worked at Gene's Chrysler. With a short 2-year break in 2003 to run the Lithia Chevrolet store as General Sales Manager, Jeremy built the new sales team and store location up to a successful team. In 2005 he came back to run Gene's Chrysler as GSM. In 2008, Jeremy took over Gene's finance department as the Business Manager and remains currently.

Jeremy and his wife Danette have owned North Pole Allstate Agency since September 2016.

Traci Schachle

Traci has been a resident of Fairbanks for more than 26 years. Originally from California, she and Ehren, her husband of 24 years, have raised two wonderful children in Fairbanks and continue to love this community. She is a Realtor/Associate Broker with Somers and Associates Realtors, Inc. In the business for over 20 years, Traci's specialties include residential, commercial, starter homes to estates, and relocation.

Traci is a member and past president of the Greater Fairbanks Board of Realtors (GFBR). She is also a member of Alaska Association of Realtors (AAR) and National Association of Realtors (NAR). She serves on the AAR Realtor Political Action Committee as well as multiple committees for GFBR. Traci served as a board member of Spirit of Alaska FCU from 2019-2020.

Traci is an avid volunteer and continues to help organizations or friends and family in any way she can. Among her awards and accolades, are: Big Sister of the year-2000, Realtor of the year-GFBR 2012, and 2012 American Flag flown over Afghanistan was given to her as a thank-you for supporting our troops. Traci is an Accredited Buyers Representative (ABR), Certified Real Estate Specialist (CRS), Technology e-Pro, one of three Green Certified Realtors in the state, and received C2E in conjunction with her Commitment to Excellence for Real Estate.

Jim Williams

Jim was raised in South Texas and came to Fairbanks in 1989, assigned to Eielson Air Force Base. He married Sheila Sites -together they have two children, Sara and Sean.

Jim holds a Bachelor's degree in Computer Science and a Master's degree in Business Administration. Jim retired from the United States Air Force in 2007. His last assignment was with the 172nd Stryker Brigade Combat Team, Fort Wainwright, Alaska where he was awarded a Bronze Star for leading sustained combat operations in Mosul, Iraq.

Jim currently serves as the Fairbanks North Star Borough Chief of Staff, where he is responsible for the administration of municipal government operations and oversees service functions such as information technology, finance, public works, engineering, public relations, emergency management, parks and recreation, and library services.

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.

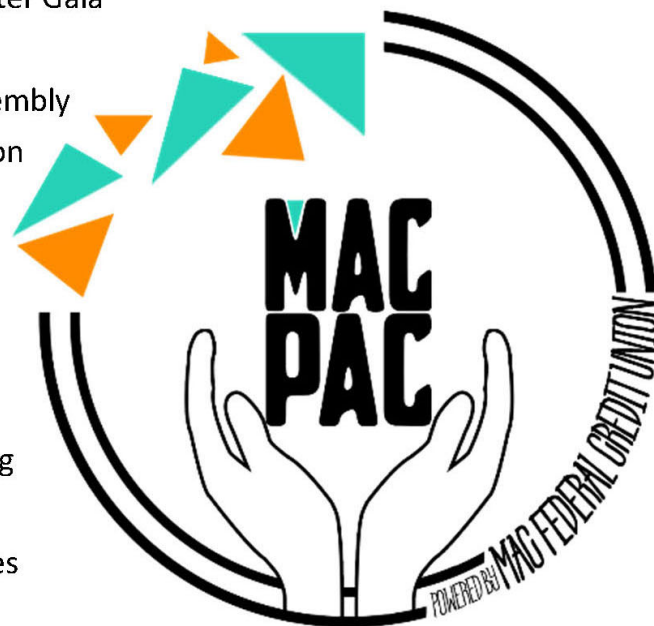
In 2019, MAC donated \$125,152 to the following community organizations, schools, recreational sports, and military activities:

ACCA	FOAST
ACUL	FRA First Friday
A. Gould – Anch Earthquake	Ft. Wainwright MWR
AK Scottish Rite Care Foundation	GCI Open North American
Alaska Goldpanners	Great Alaska Food Stock
Alaska Yoga Festival	Greater Fairbanks Comm Hospital
Amer. Cancer Soc. Relay for Life	Hockey Club Fairbanks
American Heart Association	Iceman – Air Force Ball
Arctic Man	Interior Youth Basketball
Army Emergency Relief	Joel’s Place
B. Roland Bowling Team	Lathrop Cheerleading
BCDC	Lathrop Football
Boys and Girls Club	Lathrop Volleyball
Chena Hot Springs Resort	Local High School Grad Parties:
Children’s Miracle Network	Ben Eielson
College Rotary Youth Exchange	Hutchison
Credit Union House	Lathrop
Curling Club of Fairbanks	North Pole
Denali Center	Monroe
Downtown Association	West Valley
Fairbanks Chamber of Commerce	Love INC
Fairbanks Children’s Museum	Loving Companions
Fairbanks Curling Club	Midnight Sun Swim Team
Fairbanks Food Bank	Presbyterian Hospitality House
Fairbanks Golf Course	Rotary Club
Fairbanks Ice Dogs	S Salon Wigs & Wishes
Fairbanks Rescue Mission	Sgt J.P. Presley Pain is Real Ruck March
Fairbanks Senior Center	Soldier of the Quarter
Fairbanks Youth Advocates	TSA Lunch Delivery
Fairbanks Youth Soccer Association	Turning Point – F&H Spin
Financial Reality Foundation	United Way

MAC PAC Activities

MAC FCU is comprised of approximately 50 employees. The motto of its volunteer team, the MAC PAC is *People Helping People*. In 2019, MAC FCU employees and MAC PAC volunteers gave more than 1,100 hours of their time helping nonprofit organizations in a variety of ways, including the following:

- ★ Paws for Purple Hearts
- ★ Boys & Girls Club Have a Heart Auction & Golf for Kids
- ★ Denali Center Prom, Christmas Shopping, Blanket tying
- ★ Red Cross Care Packages
- ★ Fairbanks Clean-up Day
- ★ Rescue Mission events, including Joshua Project
- ★ Be Her Hero—kits for schools
- ★ SOAP – FNA’s Street Outreach Advocacy Program
- ★ Breast Cancer Detection Center Gala
- ★ Ft. Wainwright USO event
- ★ Food Bank Turkey Boxes assembly
- ★ CRPS Ruck March participation
- ★ Loving Companions
- ★ Heart Walk
- ★ Plenty for All
- ★ Relay for Life
- ★ Stone Soup
- ★ Santa’s Helpers Gift Wrapping
- ★ Letters from Santa
- ★ Frosty Warriors Care Packages



Employees and members alike can join the MAC PAC and be part of our volunteer team, giving their time to local charities and events throughout the year. Volunteerism is promoted and supported at every level in the organization and our team takes pride in our community efforts and involvement.



Board of Directors:

Linda Hilliard, Chair
Kip Harmon, Vice Chair
Tim Erickson, Secretary
Aaron Seekins, Member
Jeremy Fillipi, Member
Anna Gould, Member
Dave Dershin, 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, Chief Operations Officer
Charlie Leonelli, Chief Admin. Officer
Jerenda Pancho, Chief Risk Officer
Rose Fulk, VP Accounting
Jason Witt, VP Lending
Nichole Dianoski, VP Technology
Jackie Haskins, VP Collections

