
MEETING MINUTES

CU*Answers Annual Stockholders Meeting

JW Marriott Grand Rapids

Grand Rapids, MI 49503

June 21, 2017

8:00 P.M. ET

STOCKHOLDERS

PRESENT AT THE MEETING WERE REPRESENTATIVES FROM:

1. AAC Credit Union
2. AAA Federal CU
3. Allegan Community Federal Credit Union
4. Alpena Alcona Area Credit Union
5. ATL Federal Credit Union
6. Awakon Federal Credit Union
7. Blue Ox Credit Union
8. Brewery Credit Union
9. Bridge Credit Union
10. Calcite Credit Union
11. Cincinnati Ohio Police Federal CU
12. Comm Star Credit Union
13. Cumberland County Federal Credit Union
14. Day Air Credit Union
15. Delta County Credit Union
16. Des Moines Police Officers Credit Union
17. Element Federal Credit Union
18. First United Credit Union
19. FOCUS Credit Union
20. Forest Area Federal Credit Union
21. Frankenmuth Credit Union
22. Glacier Hills Credit Union
23. Greensboro Municipal Federal Credit Union
24. Heartland Credit Union (Springfield)
25. Honor Credit Union
26. Isabella Community Credit Union
27. Kent County Employees Credit Union
28. Lenco Credit Union
29. Madison County Federal Credit Union
30. Members Source Credit Union
31. Michigan Legacy Credit Union
32. Monroe County Community Credit Union

33. North Central Area Credit Union
34. Notre Dame Federal Credit Union
35. Peninsula Federal Credit Union
36. Port City Federal Credit Union
37. Public Service Credit Union
38. Quest Federal Credit Union
39. Ripco Credit Union
40. River Valley Credit Union
41. San Antonio Citizens Federal Credit Union
42. Sarasota Municipal Employees Credit Union
43. Service 1 Federal Credit Union
44. Services Center Federal Credit Union
45. Shoreline Credit Union
46. Sioux Empire Federal Credit Union
47. Tahquamenon Area Credit Union
48. TBA Credit Union
49. Tri Cities Credit Union
50. Unison Credit Union
51. Verve a Credit Union
52. Western Districts Members Credit Union

OTHERS PRESENT WERE REPRESENTATIVES FROM:

1. Randy Karnes, CU*Answers, CEO
2. Tricia Karnes
3. Bob Frizzle, CU*Answers, CFO
4. Jody Karnes, CU*Answers, CIO
5. PJ Haehnel, CU*Answers, VP Administration
6. Stephanie Hufford, CU*Answers, Manager of Administration
7. Patrick Sickels, CU*Answers, Internal Auditor
8. Scott Page, CU*Answers, CU*Answers
9. Scott Collins, CU*Answers, EVP Sales/Marketing
10. Geoff Johnson, CU*Answers, EVP Client Interactions
11. Jim Vilker, CU*Answers, VP of Professional Services
12. Barb Cooper, CU*Answers, Process Implementations Manager
13. Laura Welch-Vilker, CU*Answers, VP of Client Services and Education
14. Joe Tomaszewski, Crowe Horwath
15. Derrick Smith, CU*South
16. Jeana Dunaway, CU*South
17. Jim Fletcher, CU*South
18. Margie Walker-Horsch, CU*South
19. Starla Honea, CU*South
20. Barb Cooper, CU*Answers
21. Bret Weekes, eDOC
22. Esteban Camargo, CU*Answers
23. Peter Banard, rkGoBig

ABSENT FROM THE MEETING WERE REPRESENTATIVES FROM:

1. Advantage Credit union
2. Aeroquip Credit Union
3. Alpena Community Credit Union
4. Bay Area Credit Union
5. Besser Credit Union
6. Birmingham Bloomfield Credit Union
7. Chief Financial Federal Credit Union
8. Chiphone FCU
9. Chiropractic Federal Credit Union
10. Commodore Perry Federal Credit Union
11. Community First Federal Credit Union
12. Community West Credit Union
13. CorePlus Federal Credit Union
14. District Government Employees Federal Credit Union
15. Diversified Member Credit Union
16. Evergreen Credit Union
17. Farm Bureau Family Credit Union
18. FEDCom Credit Union
19. Filer Credit Union
20. Firefighters Credit Union
21. First Financial Credit Union
22. First General Credit Union
23. First Ohio Community Federal Credit Union
24. First Trust Credit Union
25. Florida Hospital Credit Union
26. Fox Communities Credit Union
27. Generations Family Federal Credit Union
28. Governmental Employees Credit Union
29. GR Consumers Credit Union
30. Gratiot Community Credit Union
31. Great Lakes Federal Credit Union
32. Great Lakes Members Credit Union
33. Greater Metro Federal Credit Union
34. Greater Niles Credit Union
35. H.P.C. Credit Union
36. Harris County Federal Credit Union
37. Heartland Credit Union – Madison
38. Horizon Utah Federal Credit Union
39. Kalsee Credit Union
40. Kellogg Community Federal Credit Union
41. Kenowa Community Federal Credit Union
42. Lake Huron Credit Union
43. Lakes Community Credit Union
44. Lakeshore Federal Credit Union
45. Lower East Side People's Credit Union

46. Members 1st Community Credit Union
47. Metro North Federal Credit Union
48. Michigan Coastal Credit Union
49. MidUSA Credit Union
50. Muskegon Co-Op Federal Credit Union
51. Muskegon Federal Credit Union
52. Newaygo County Service Employees Credit Union
53. Northern Hills Federal Credit Union
54. NorthStar Credit Union
55. Northwest Consumers Federal Credit Union
56. Park City Credit Union
57. Parkside Credit Union
58. Pathways Financial Credit Union
59. Post Community Credit Union
60. Preferred Credit Union
61. Progressive Credit Union
62. Prospera Credit Union
63. Rogue River Community Credit Union
64. Safe Harbor Credit Union
65. SB Community Credit Union
66. Superior Choice Credit Union
67. Thornapple Credit Union
68. Thunder Bay Area Credit Union
69. Traverse Catholic Federal Credit Union
70. VacationLand Federal Credit Union
71. Washtenaw Federal Credit Union
72. West Michigan Credit Union
73. West Michigan Postal Service Federal Credit Union
74. Western Division Federal Credit Union
75. Wexford Community Credit Union

Quorum present? **Yes**

CALL TO ORDER

- Chairman Scott McFarland, Honor Credit Union, St. Joseph, MI, called the meeting to order. He welcomed everyone to the JW Marriott and thanked everyone for coming.

MINUTES

- The minutes of the June 22, 2016, Annual Meeting were reviewed.

Action Item: A motion by Dennis Degenhardt, Glacier Hills Credit Union, and supported by Don Mills, Alpena Alcona Area Credit Union, was made to accept the minutes of the June 22, 2016, Annual Meeting. Motion passed.

CHAIRMAN'S COMMENTS

- Chairman Scott McFarland message this year was "Preparing for a New Race." As Owners and Operators of Credit Unions, How Do We Anticipate a New Race (A New Credit Union Industry)?
 - The Chairman's asked if the owners felt a Different feel today –responses were; energy, employee participation, owner's participation, future leaders sharing.
 - It's a Cooperative Thing.
 - It's not just a business...it's a business molded by owner's.
 - Molded by owners with a win-win customer perspective.
 - Negotiating win-win takes a strong, dynamic owner's voice.
 - There is an exciting future ahead

- The Board of Directors were recognized for their dedicated work. Linda Bodie, Tom Gryp, Don Mills, Jeff Jorgensen, Dean Wilson, Vickie Schmitzer and Scott McFarland.

- Welcome to four (4) new owners in three (3) States.
 - Commodore Perry FCU, Oak Harbor, Oh; Community West CU, Kentwood, MI; Metro North FCU, Waterford, MI; and Park City C*U, Merrill WI.

ELECTION OF BOARD

Regular Election

The nominating committee this year included Linda Bodie (Chair), Element Credit Union, Charleston, WV; Tom Gryp, Notre Dame Federal CU, Notre Dame, IN; and Don Mills, Alpena Alcona Area CU, Alpena, MI and Jeff Jorgensen, Sioux Empire Federal CU, Sioux Fall, SD.

There are 127 Class A shareholders entitled to vote at this meeting. A notice of the meeting, proxy statement, and form of proxy were mailed/mailed to all shareholders on May 1, 2017. Electronic Voting is now the main option for voting.

Linda Bodie, Nominating Committee, announced there were two (2) director positions available. The two (2) incumbent candidates were running for re-election uncontested: Vickie Schmitzer (Incumbent), Frankenmuth cu, WV; and Dean Wilson, (Incumbent), Focus Credit Union, Milwaukee, SD. For a 3-year term to begin October 1, 2017 through September 30, 2020.

The candidates were introduced and each said a few words.

Action Item: A motion by Scott McFarland, Honor CU, and supported by Don Mills, Alpena Alcona Area CU, was made to cast a unanimous consent to re-elect the candidates. Motion passed.

The candidates were re-elected unanimously.

FINANCIAL STATEMENT

- Bob Frizzle reviewed the Financial Statement and presented “Preparing for a New Race.” What do the numbers for 2016 imply about the future? What do we know from where we are in 2017? The presentation was also distributed to all stockholder’s present. For those not able to attend, the presentation will be posted on the CU*Answers website, www.cuanswers.com.
- Bob highlighted from the presentation:
 - Burn it down with an attitude of revolution for evolution, not what they usually teach CPA’s...but it’s a cooperative thing
 - Net Income & Patronage Dividends
 - 2016 numbers worth celebrating
 - Year-end 2016 dividend payments – these numbers can flex, and Bob predicts they will again in the future
 - 2016 return on investment \$4.3M
 - Understanding the formula is important to how we set the boundaries for our future
 - Think about 2017 year-end
 - Investing in a community and building a network
 - Projecting shareholder value
 - The importance of our per-share price
- Joe Tomaszewski, Crowe Horwath, LLP, was available for any questions.

Action Item: A motion by Dean Wilson, and supported by Don Mills, was made to accept the Financial Statement as presented. Motion passed.

CEO COMMENTS

- This year’s theme for the CEO’s comments was, “Preparing for a New Race, What Will We Take Forward to the Future on the Way to the Racetrack?”
 - Thinking about the future, think radically, challenge momentum and design to succeed
 - 2020 is our firm’s 50th anniversary, who do we need to be, what vehicle will take us to the future and how will we prioritize future spending
 - Lower our prices and fuel our customer-owners
 - Why maintenance is the thing to worry about in a long race
 - Letting go, to grab new ideas and invest in innovation
 - Changing the trajectory of our investments
 - Changing the trajectory of our investments
 - Evaluating the SWOT of our core revenue models
 - We have a track record of running marathons together, no matter the conditions, the weather... or how heavy Randy happens to be that year
- Randy thanked everyone for a great year and Great Spirit.

MISCELLANEOUS

- Chairman McFarland acknowledged Jody Karnes and PJ Haehnel on their upcoming retirements and thanked them for their dedicated service and friendships.

Action Item: A motion by Dean Wilson and supported by Don Mills was made to adjourn. Motion passed.

Scott McFarland, Chairman

Don Mills, Secretary/Treasurer