

THE 85th ANNUAL MEETING OF THE MEMBERSHIP OF TOPLINE FEDERAL CREDIT UNION

The 85th Annual Meeting of the members of TopLine Federal Credit Union was held at the Minneapolis Marriot Northwest, Brooklyn Park, Minnesota. The meeting was duly called to order at 9:45 a.m. according to law and the bylaws of the credit union on April 6, 2019.

Chair Kaster led the members in the Pledge of Allegiance.

Kaster instructed the Secretary to incorporate proof of notice of this meeting into the minutes.

Board Secretary, Bill Hnath, confirmed 130 members were present, registered, and eligible to vote. The list of names attached to these minutes represents the official registration. With a quorum present, the meeting was declared legal by Secretary Hnath.

Chair Kaster noted the inclusion of the meeting rules in the Annual Meeting Program and hearing no objections, declared the rules adopted as printed.

Chair Kaster asked if there were any corrections to the minutes of the 84th Annual Meeting. With no corrections noted, a motion to approve the minutes was requested.

MSC – Unanimous: Monica Leitner/Richard Jacobsen to adopt the minutes of the 84th Annual Meeting.

REPORT OF THE DIRECTORS

Chair Kaster highlighted TopLine's investment in new technology in 2018. Also highlighted was TopLine's ongoing commitment to the communities where the membership lives and works. Kaster also spoke to the role and make up of the Board of Directors and Supervisory Committee. TopLine's commitment to making a positive impact was recognized with the Louise Herring Philosophy in Action Member Service award presented jointly by the Minnesota Credit Union Network and Credit Union National Association. Kaster closed by expressing his confidence in TopLine leadership, the guidance of the board of directors and Supervisory Committee, the commitment of staff and the support and loyalty of the membership.

Kaster thanked the membership for their continued confidence and trust in their credit union.

Chair Kaster introduced the members of the Board of Directors; members of the Supervisory Committee; President/CEO, Tom Smith; members of TopLine's Senior Management team and asked that all other staff members stand and be recognized.

Chair Kaster called for questions from the membership. There were no questions of the Chair.

Chair Kaster called on Tom Smith, President & CEO, to present the Report of the President.

REPORT OF THE PRESIDENT

Smith asked that all veterans who served in any of the uniformed services stand and be recognized. Smith reported 2018 was an exciting year for TopLine with the largest annual increase in loan growth ever at \$60 million, assets grew to \$464 million, net earnings were a record \$3.4 million while loan

delinquencies and losses remained significantly below industry averages. All contributed to a strong capital ratio of 9.48%.

Smith reported on the key strategic priority for 2018-2019 that involved investment in state of the art technology to provide an enhanced member experience with more convenient and intuitive access to accounts as well as enhanced security.

TopLine was honored to be named the Best Credit Union in Minnesota by *Twin Cities Business Magazine* for the 2nd year in a row, as well as receiving recognition from the *Star Tribune* for meeting national standards as a top workplace.

Smith spoke to the success of the TopLine Credit Union Foundation that hosted its 4th annual fundraiser that raised nearly \$26,000 that contributed to the distribution of 16 higher education scholarships. Two of the scholarship recipients were present to share their winning essay.

Smith thanked TopLine members and staff and asked for questions; there were no questions from the membership.

This concluded the report of the President.

Chair Kaster called on Supervisory Committee Chair, Bill Akuma, to present the report of his Committee.

SUPERVISORY COMMITTEE REPORT

Bill Akuma delivered the report of the Supervisory Committee highlighting the role of the Supervisory Committee for ensuring policies and procedures are in place to adequately protect TopLine's resources and for providing reasonable assurance that governing regulations, policies, and procedures are properly followed. Akuma went on to report that results of the internal and external audits performed during 2018 confirmed that TopLine is a sound, well-managed credit union that conducts its operations in accordance with generally accepted accounting principles.

Following his report, Akuma called for questions from the membership. There were no questions for the Supervisory Committee Chair.

OLD BUSINESS

Chair Kaster inquired as to any Old Business the membership wished to discuss.

There was no Old Business.

NEW BUSINESS

Chair Kaster inquired as to any New Business the membership wished to discuss other than the election.

There was no New Business.

ELECTION RESULTS

Chair Kaster invited Greg Schwartz from CliftonLarsonAllen to present the 2019 Board of Director's election results. Schwartz reported a total of 1,304 valid ballots were received.

Schwartz announced the following election results for the board of directors:

Jim Kaster
John Jacobs
Dawn Hansen

It was announced that Kaster, Jacobs and Hansen were hereby elected to a three-year term on the Board of Directors.

Kaster congratulated those who were elected to serve and expressed appreciation to all members who ran in the election.

Kaster called for a motion instructing audit firm CliftonLarsonAllen to destroy the 2019 election ballots following TopLine's 2020 annual meeting.

MSC – Unanimous: *Joe Kraljic/Kelly Breit to destroy the 2019 election ballots following TopLine's 2020 annual meeting.*

With no other business a motion to adjourn was received.

MSC – Unanimous: *Monica Leitner/Mike Rogosheske to adjourn at 10:30 a.m.*

The drawing for gifts was held immediately following the adjournment of the meeting.

Jim Kaster, Chair of the Board

Bill Hnath, Secretary

Becky Varland, Recording Secretary