

SIXTY FIRST ANNUAL MEETING OF MEMBERS

MAY 16, 2024

WELCOME AND CALL TO ORDER

PROOF OF NOTICE OF THE MEETING TO BE INCORPORATED IN MINUTES
BY THE SECRETARY

ROLL CALL AND DECLARATION OF QUORUM PRESENT (15 is a quorum)

READING OR CORRECTION AND APPROVAL OF THE MINUTES OF THE
LAST ANNUAL MEETING (Page 2)

REPORT OF THE DIRECTORS BY THE CHAIRPERSON. (Page 3)

REPORT OF THE TREASURER. (Pages 5-6)

REPORT OF THE SUPERVISORY COMMITTEE. (Page 7)

SET COMPENSATION OF BOARD & COMMITTEE MEMBERS

OLD BUSINESS: NONE

NEW BUSINESS:

- Election of Board Members – Two open positions, each for a 3-year term
- Election of Supervisory Committee Members – One open position for a 3-year term

OTHER BUSINESS

ADJOURN

DINNER AND DOOR PRIZES

FIRST PACE CREDIT UNION
MINUTES OF THE SIXTIETH ANNUAL MEETING OF MEMBERS

Date: May 18, 2023

Place: The Moose Lodge 1088, South St. Paul, MN

The meeting was called to order by Chairman, Dan Gerten at 6:05 P.M.

The Proof of Notice of the meeting was read by Ray Kobler and incorporated into the minutes.

This was declared a legal meeting with 44 members present, 15 required.

ROLL CALL: Board & Committee members present: Dan Gerten, Brian Ecker, Quinton Vorhies, Ray Kobler, Mike Popek, Mike Morton; Office Staff: Julia Havens, Stephanie Schwartz, Emily Lagerstrom

1. The minutes of the last annual meeting were presented with no corrections or additions
2. The Board of Directors Report was given by D. Gerten
3. The Treasurer's Report was given by Q. Vorhies
5. The Supervisory Committee Report was given by M. Popek
6. Set compensation of Board & Committee members, presently at \$50/meeting. Motion made, seconded & approved to keep the same compensation amount of \$50/meeting.

OLD BUSINESS: None

NEW BUSINESS:

1. Elections were approved by unanimous ballot for the Board of Directors. The open Supervisory Committee position was filled by nomination from the floor.

A: There were two position open for the Board of Directors and two nominees on the ballot: Brian Ecker and Mike Popek. The Chair asked for nominations from the floor three times, and no further nominations came forward. Motion made, seconded, approved- Brian Ecker and Mike Popek were elected, each to a three-year term.

B: There was one position open for the Supervisory Committee for a three-year term and no nominee on the ballot. The Chair asked for nominations from the floor and Jon Lerbs was nominated. The Chair asked three times for any other nominations from the floor and no further nominations came forward. Jon Lerbs accepted the nomination to fill the open Supervisory Committee position.

2. The Board Chair, Dan Gerten thanked Jennifer Tiedman for her 32 years of service to the credit union.

There being no further business a motion to adjourn was made, seconded and approved. The meeting was adjourned at 6:25 P.M.


Chairman


Secretary

FIRST PACE Credit Union
Annual Report of the Board of Directors
For Year Ended December 31, 2023

Good evening and welcome to our 61st Annual Meeting. The Board of Directors, Supervisory Committee and staff, personally want to thank you for your continued support of the credit union. As your elected officials it is our duty to keep members best interests in mind when reviewing our operations, so that profits can be shared with you.

A brief overview of the past year:

2023 was a bit turbulent with hard decisions made in management and the direction of the credit union's future. After the transition of Jennifer's retirement, a proposed merge was made and acted on with another similar sized credit union that, in theory, would have been beneficial to all members of both locations. Throughout the process, circumstances arose in areas of vision, communication and collaboration to the extent that the merger was called off prior to enacting it. This resulted in a change in management and Chris was hired to come in and "right the ship" and re-establish a strong foundation for our future.

In 2024, we are being challenged with major changes within our vendors products and services, along with overdue upgrades with equipment. The most significant action being our core data processor is "sun-setting" the software platform we have been using for decades. We will explore the options and functionality of a couple of core processors with our focus being on value, disruption and better streamlined operations. Implementation of real-time debit card activity and single sign on access to EZ-Statements within our on-line service. One upgrade to be aware of immediately is that we did have to create a new Mobile App that will require the uploading process on your side – keep an ear open for when this becomes operational.

We encourage our members to continue to utilize our digital channels for managing their account statements, monitoring balances and transaction activity, account alerts, paying bills, depositing checks or transferring funds. By using our e-services, managing your money has never been easier and safer.

Please talk with family about joining the credit union so they too can enjoy all the benefits of membership. Our co-operative structure insures you will be treated fairly, because you're not just a member of the credit union, you're an owner too! Credit union profits are turned into member benefits by allowing us to offer better rates with fewer and lower fees.

As your board of directors, we look out for our members best interest and continue to look for ways to provide member value. It is our goal to be your preferred financial partner in life.

We hope you enjoy the evening, win a great prize, and think of FIRST PACE Credit Union first for all your financial needs.

Your elected Board of Directors:

Dan Gerten, Chairperson

Brian Ecker, Vice Chairperson

Ray Kobler, Secretary

Quinton Vorhies, Treasurer

Mike Popek, Board Member

We strive to enhance our member owner's lives through shared values,
offering financial solutions and building our future together.

SAVINGS FOR YOU AND YOUR FAMILY – Save With Us Today!

- Member owned and locally operated with personalized service for over 60 years!
 - Accounts Federally Insured to at least \$250,000 (by NCUA)
 - **Paperless EZ-Statements, Online and Mobile Banking for no extra cost!**
 - VISA Credit Cards & VISA Gift Cards – Reloadable and Virtual cards available!



LOANS – We Offer Competitive Rates and Terms!

FREE CHECKING ACCOUNTS – Easy Access to Your Funds!

OTHER SERVICES

- ★ Partnership with **The Servion Group** – Realty Services, First Mortgages, Title, Investment Services/Financial Advisors, Business Lending • **Military Discount-\$100 OFF Closing costs!**
- ★ Insurance Through our Partner **TruStage** – Auto & Homeowners, Term & Whole Life, Accidental Death & Disability
- ★ Relationship with **First Class Mortgage** – Mortgage Brokers



COMING SOON

Keep An Eye Out for Our New and Improved
Mobile APP!

FIRST PACE CU

Sign up for our News & Specials so you can be kept up to date on important announcements and promotions. Visit our website www.firstpacecu.com or call us & we'll be happy to enroll you!!

FIRST PACE Credit Union

Annual Report of the Treasurer For Year Ended December 31, 2023

2023 continued to bring challenges with inflation and a volatile interest rate market. The year-end financials are shown on the next page. Dollar amounts and ratios are reviewed monthly with some highlights below:

Expenses incurred with the retracted Merger and compounding compensation structures had a negative impact on our income. In 2024, most all of our vendors and services passed on price increases and the needs of new or upgraded systems and equipment will have an impact again. Like all financial institutions, we were – and are, challenged with low cash liquidity resulting in the use of our investment income to sustain our strong level of loan needs, meaning less income and inventory related to our investment portfolio.

Main determining functions of a successful Credit Union is growth in membership activity and deposits, loan demand and liquidity. Our focus is to solidify the investment portfolio, stabilize the offsets of income to expenses while continuing to offer competitive rates, fees, products and services. The NCUA considers you strong and secure when your Net Worth/Capital is at 7% or higher, we are well capitalized at 18.54%.

We encourage our members to utilize our products and services. Our staff is always here ready to help our members with their financial needs. Members who actively use FIRST PACE Credit Union keep us financially strong. Without members like you, we would not be successful and for that, we thank you!

Our website has the latest news and announcements, promotions, and financial tidbits to keep our members informed. If you have not signed up for our e-marketing you're missing out on the latest news, announcements, and a chance to win \$10. To sign up for our e-marketing, please visit our website or ask one of our staff to sign you up, it's that simple.

All accounts at FIRST PACE Credit Union are insured to at least \$250,000.00 by the National Credit Union Administration.

Respectfully submitted: Quinton Vorhies, Treasurer

DECEMBER 31, 2023

ASSETS	TOTALS	LIABILITIES	TOTALS
Loans	6,103,914	Member Deposits	7,652,576
Allowance For Loan Loss	-41,472	Other Liabilities	61,702
Cash & Investments	3,345,514	Regular Reserves	226,491
All Other Assets	113,450	Undivided Earnings	1,668,437
Total Assets	9,520,878	Total Liabilities, Shares, & Equity	9,520,878
		INCOME	
		Loan Income	284,043
		Investment Income	74,000
		Other Income	31,650
		Total Income	389,692
		EXPENSES	
		Operating Expenses	437,090
		Provision For Loan Loss	0
		Dividend Expense	40,931
		Total Expenses	478,021
		NET INCOME	
		Total Net Income	-88,328
		Net Worth	18.54%



REQUIREMENTS

- Member **AND** New Member receive \$25 each when a New Membership Account is opened with **Direct Deposit** within 30 days.
 - **BOTH** will receive an additional \$25 if a New **Checking Account** is opened and has debit card activity within 30 days.
 - USW Union Members and Credit Union Member's Families are eligible!

Member need not be present. Referral submits filled out form.

CHECK PAGE 8 for your first referral form. GET MORE REFERRAL FORMS AT www.firstpacecu.com

FIRST PACE Credit Union

Annual Report of the Supervisory Committee For Year Ended December 31, 2023

The Supervisory Committee is responsible for the financial oversight of the credit union's activities, as well as examining the credit union operations to assure that all policies and procedures are followed.

During 2023 the committee completed several audits according to the National Credit Union Administration and Minnesota Department of Commerce guidelines. These audits include verifying the credit union's corporate statements, general ledger accounts, cash, loans, investments, and share accounts. We also engage the services of a third-party auditor to assist us with additional audit functions. All audit functions performed by the Supervisory Committee and any audit findings are reported to the Board of Directors on a monthly basis.

As a state-chartered credit union, we are routinely audited by the Minnesota Commerce Department. Your Supervisory Committee, Board of Directors and management, meet with the state examiner at the end of the audit to discuss their findings and receive a copy of the financial examination report.

It is the opinion of the Supervisory Committee that the financial report provided to you this evening accurately represents the condition of FIRST PACE Credit Union. Our practice of safety and soundness with a high Net Worth give no cause for supervisory concern.

Respectfully submitted: Mike Morton, Chairperson
Ben Dachel
Jon Lerbs

NOTES:

REFERRAL REWARDS

Member need not be present. Referral, please bring this form with you when ready to open the account and:

- \$10 minimum to open account (cash or check)
- Copy of valid ID with current address (Birth Certificate or Social Security card for minors)
- Copy of USW union proof (work badge or paystub)-NOT NEEDED FOR FAMILY OF CREDIT UNION MEMBERS



Member Name: _____

Referral Name: _____

Date: _____

New Services

- Direct Deposit
- Checking

30-day date: _____

- Member **AND** New Member receive \$25 each when a New Membership Account is opened with **Direct Deposit** within 30 days.
- **BOTH** will receive an additional \$25 if a New **Checking Account** is opened and has debit card activity within 30 days.
- USW Union Members and Credit Union Member's Families are eligible!