

Heartland Credit Union  
84th Annual Meeting Minutes  
March 23, 2023

Chairman Rex Carlson called the 84<sup>th</sup> Annual Meeting to order at 5:30 pm at the Heartland Main office in Inver Grove Heights, MN. There were 28 members present via Zoom and in person, and Chairman Carlson declared a quorum.

Chairman Carlson presented the agenda to the members. A motion was made by Nanci Lilja to approve the agenda. Motion seconded by Connye LaCombe. Motion carried.

In accordance with Article XII, Section 2 of the By-laws, proof of notice of the meeting was read by Nanci Lilja, secretary of the board.

A motion was made by Noel Larson to dispense with the reading of the Minutes of the 83<sup>rd</sup> Annual Meeting. Motion seconded by Dale Lieb. Motion carried.

A motion to accept the minutes of the 83<sup>rd</sup> Annual Meeting was made by Connye LaCombe. Motion seconded by Nanci Lilja. Motion carried.

Board Member and Nominating Committee member Dale Lieb presented the Nominating Committee report and acknowledged David Seehusen as the other committee member. He reported that for the Board of Directors there were three, three-year positions available. The following nominees were placed into nomination:

- Christopher Keller
- Noel Larson
- Eric Spandl
- Gene Traxler

Chairman Carlson introduced the current members of the Board of Directors and Supervisory Committee. He also gave the Board Report, reviewing the success of the credit union with strong assets and positive audits. He also noted that the credit union's 2022 earnings exceeded \$1 million for the second time in Heartland history and assets grew to \$175 million.

### **Chair and Management Reports**

Chairman Carlson introduced President Kathy Harrington. Kathy reviewed the 2022 financial accomplishments and noted additional accomplishments, including the 1st year anniversary of the Hugo branch, being named by the local Hugo newspaper best financial, best customer service and best mortgage company. She noted that the Heartland staff set a record for volunteering 331 hours during the year.

Kathy reviewed Heartland's 2022 operational achievements, including adding mobile wallets, enhancing mobile banking, upgrading our mortgage software, transitioning to CPI insurance, replacing the FiServ connectivity and creating a disaster recovery site at our Hugo branch, implementing predictive analytics and partnering with Clover for merchant services for our business accounts. She also noted that Heartland purchased a lot in New Prague to build a branch and will soon be launching the ability to digitally issue credit and debit cards to members.

Kathy introduced Justin Houle, Vice President of Finance, who reviewed the financial highlights for 2022.

Justin noted the growth the credit union experienced in 2022 and stated that Heartland is in a strong financial position. He reviewed the income statement, noting total income and loan provision funding from 2021 to 2022.

Chairman Carlson thanked Justin and Kathy for their reports and recognized Kathy Harrington and her entire management team for their outstanding performance.

### **Supervisory Committee Report**

Carlson then introduced Connye LaCombe of the Supervisory Committee. LaCombe reported that in 2022 the credit union hired a CPA to assist with a financial statement opinion audit and, in addition, the Supervisory Committee conducts audit procedures on a monthly basis. She noted that the committee believes the members' interests in Heartland are being well-managed and that the credit union records are being maintained properly, honestly, and accurately.

A motion was made by Dale Lieb to accept the reports presented by the Chairman, Management, and Supervisory Committee. Motion seconded by Jeremy Hjelm. Motion carried.

Chairman Carlson asked if there was any old business. There was none.

Chairman Carlson asked if there was any new business. There was none.

Chairman Carlson asked for a motion to destroy the director election ballots after they are counted. Motion was made by Noel Larson to destroy the ballots after they are counted. Nanci Lilja seconded. Motion carried.

Chairman Carlson opened the floor for questions. There were no questions.

Chairman Carlson requested a motion to adjourn the meeting. A motion was made by Jeremy Hjelm to adjourn. Dale Lieb seconded. Motion carried.

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Rex Carlson, Chairman

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Nanci Lilja, Secretary