Chairman Volentir called the meeting to order at 9:00 a.m. Chairman Volentir welcomed everyone to the 88th Annual Meeting of Credit Union of Denver. He ascertained that a quorum was present as required by Article 12, Section 5, of the Bylaws, and that if there are no objections Roberts Rules of Order, Newly Revised, would be the parliamentary authority.

Chairman Volentir noted the minutes of this meeting will be recorded by Ms. Janna Fuentes.

The Agenda as printed will be adopted for this meeting unless there are any objections or corrections. Hearing none, the Agenda is adopted as printed.

On behalf of the elected officials, Management and Staff, Chairman Volentir welcomed all those in attendance to the 88th Annual Membership Meeting of Credit Union of Denver and introduced himself. He also introduced the Board Members, Management, and guests as follows; from the Board of Directors we have Kathy Leclerc, Vice-Chairman; Michael Chevarria, Secretary/Treasurer; Lee Allen, Director; Ken Beebe, Director; Gary Grimstvedt, Director; Donna Piazza, Director and Joe Walchuk, Director.

Other officials seated in the front row are Dave Domagala who is the Chairman of the Credit Committee and Ken Maxey, our newest volunteer on the Credit Committee. He thanked Mr. Maxey for attending. Our CPA Auditor from Jones Mertsching CPAs, Flower Mertsching; Chief Operations Officer, Pattie Miller and Chief Financial Officer, Scott Collins. Also seated at the head table is President/CEO, Keith Cowling.

Chairman Volentir announced that later in the meeting there will be an open forum when any member wishing to do so, may address the meeting for not more than three minutes. He appointed Ms. Pattie Miller as the timer for the open forum.

Chairman Volentir appointed the Supervisory Committee Chairman, Credit Committee Chairman and the Vice Chairman of the Board of Directors to serve as the Annual Meeting Minutes Review Committee for this meeting.

The minutes from the 2018 Annual Meeting have been previously approved, and copies of those minutes were provided for members.
Chairman Volentir noted reports of the Chairman of the Board and President/CEO, Treasurer, Supervisory Committee and Credit Committee were contained in the Annual Report and provided for members.

Chairman Volentir opened with his remarks and stated last year he talked about the three-legged stool of the credit union and how the credit union works between the Association, the credit union and the members. Obviously, if any one piece of that stool fails, then the whole stool falls, it doesn’t work. This year, he actually had something he wanted to talk about in more depth, but he stated he will instead be brief. He stated he wanted to talk about the volunteers that surround him. Everyone at this table, Mr. Domagala and Mr. Maxey, are essential to what happens. He noted nobody gets paid for doing this, he thinks we all do it for a number of different reasons, but it is an essential part of the credit union. He noted this is going to be his last year as Chairman and he wanted to express his appreciation for everyone at the front table and Mr. Domagala as they have worked together for a long time. He added he appreciates the professionalism and the friendship that he has gained from everyone present.

At this time, Chairman Volentir turned the floor over to Keith Cowling to present the CEO report.

Mr. Cowling thanked Chairman Volentir and welcomed everyone to the 88th Annual Meeting. He thanked everyone for coming out on such a beautiful 4th day of May, and if you are a Star Wars fan, may the fourth be with you.

Mr. Cowling stated as you can see from the Annual Report, we had another very successful year in 2018. Total assets grew by over $43 million to end the year at nearly $800 million in assets. We had a net increase of almost 2,500 members, loans outstanding grew by just shy of 10% and deposits increased by over 5%. He added one of the ways we measure our financial performance is to compare our numbers to our peer group of credit unions, both nationally and in the state of Colorado. In fact, every quarter we compare several of our financial ratios to the other ten largest credit unions in the state. We call it our 11 Largest Credit Unions in Colorado report and it includes Credit Union of Denver plus the other 10 largest credit unions. He stated at year-end 2018, we had the second highest net worth ratio on the report and at 12.19% our net worth ratio was almost a full percentage point higher than the national average.

Mr. Cowling continued stating in 2018 we also had the second highest return on assets. He added return on assets is the credit union’s net income as a percentage of our average assets during the year. And while credit unions are not-for-profit, net income is still important as it is the only way to build capital and maintain the financial strength of the credit union. He added since credit unions are member-owned financial cooperatives, we can’t sell stock like a for-profit bank so we have to build capital through earnings. And although earnings and capital are important, making a lot of money is not our purpose. Our purpose and our passion is to provide our members with
as much value as possible. He noted one of the ways we do that is by keeping our expenses low so we can return more to our members in the form of interest on deposits, fewer fees and great service.

Mr. Cowling asked how that strategy has been working for us. He answered; of the 11 largest credit unions in Colorado, we had the lowest expense-to-asset ratio and the highest dividends-to-income ratio in 2018. He stated that means our expenses were the lowest as a percentage of our asset size and we returned the highest percentage of our gross income to our members in the form of interest on deposits than any of those other credit unions. He added our fee income as a percentage of our asset size was less than half of the national average for our peer group.

He continued stating some other ways we provide value include our Reward Checking Account. As of year-end, we had about 2,900 Reward Checking Accounts and last year we paid these members $80,000 in interest and cash back. He added we refunded more than $23,000 in ATM fees and most of what we refunded were the fees charged by other institutions when our members used their ATMs. In total, we paid these members over $100,000 in 2018. And our 13-month special CD paid close to the highest rate anywhere at that term. In 2018, we opened up about 3,900 13-month CDs for $155 million and we paid our members over $3.9 million in interest on CDs, including IRA CDs.

Mr. Cowling noted last September we relaunched our High Yield Money Market Account that is currently paying an above market rate as high as 2.0% APY depending on the balance. By year-end we had 175 High Yield Money Market Accounts for over $20 million. And as of April 30th, just this past Tuesday, we more than doubled that and we are now up to 360 accounts for $41 million and we are adding new accounts almost every day.

Mr. Cowling stated as far as service, we realize you have lots of options on where to take your financial business. So as a member of this credit union we want to make sure that you have fast, friendly service from knowledgeable employees who truly care about you and that includes being ready to help when our members are facing difficult times. For example, during the recent government shutdown we granted over 60 loans where we offered zero percent interest for the first 90 days to members affected by the shutdown. We also did over 100 loan modifications so members could defer their payments on loans they already had with the credit union. We also waived the early withdrawal penalty on a few members’ CDs. Mr. Cowling stated several people told us how much they appreciated the credit union’s assistance. It is that feedback that we get from phone calls and emails and letters from our members that help us monitor and also enhance our service.

Mr. Cowling continued stating we recently had a member named Renee who called in because she had some fraudulent transactions on her debt card. After we took care of the
problem she called back to tell us how amazing and patient our staff was in helping her and then she told us that she knows when she calls in “You will go the extra mile and you show you care.” She added it is because of service like this that she has kept her account with us even though she now lives in Aurora.

Another example; Jenn Bailey is one of our Card Service Representatives. She recently helped a member named Vic transfer his credit card balance from another institution and Vic responded with an email that said “You Rock, thank you! P.S. if every and I realize this is a huge if, but if every bank did business like Credit Union of Denver, the world would be a better place for all. Thanks a million.” Mr. Cowling added and we didn’t even pay him for that one!

Another example; in March a member who is visually impaired called in because he was unable to get cash out of an ATM to pay his cleaning lady. Turns out he hadn’t set up his PIN number yet and our card system was temporarily down so we could not set up the PIN for him. Instead of just saying, hey, we are sorry our system is down, our eCommerce Supervisor Sam Varillas got the member’s permission to withdraw the cash at our teller line then drove it to downtown Denver to hand deliver the cash to our member.

The last example; we received an email from a member names Larry whose father had recently passed away and Larry was the trustee. Peggy Dickinson, our Member Service Manager helped Larry with all the details and logistics and Larry responded with a lengthy email thanking Peggy. Among other things he wrote “My Father has a total of 22 accounts at 15 different institutions. I will say with absolutely no reservations that you have been the single most helpful person that I’ve encountered thus far, and I’ve contacted 14 of the 15 institutions. I haven’t taken my father’s passing all that well so your just being you has made this trustee ordeal a lot more bearable.” He went on to write “I think you should have a notation placed in your personnel file that indicates what a great sense of customer service you have and that, in my opinion, you are more than worthy of your next raise, whenever that will be next considered for you. More than ever before in this internet world, personal customer service representatives such as you will eventually define what companies prosper and what companies fail. Again my sincerest thanks Peggy. Larry.” Mr. Cowling added, so as much as the numbers matter and it is important that we are financially strong, it is our people that make the difference. He stated he is so glad that we have employees like Jenn, Sam and Peggy who truly care about our members and go above and beyond to help make their lives better and easier and he believes as long as we focus on serving our members, the credit union will continue to grow and prosper.

In closing, Mr. Cowling thanked the Board of Directors for the privilege of serving as the CEO for the past 19 years and for the leadership and dedication that has helped to make the credit union strong and successful and a great value for our members.
At this time, Chairman Volentir thanked Mr. Cowling and added he has been around for a long, long time and he will say that the member service culture that Mr. Cowling talked about with his examples has been completely evident from the very first day he walked in the room with the Board. Month after month we hear examples of this time and time again of just how far the credit union will go out of its way to serve its members. It doesn’t really matter if we are making a fortune off of a particular member or if the member has some really difficult situations in their life. It is just refreshing and rewarding to be involved in an organization that when you walk out the door at night you feel like you have made a difference. He thanked Mr. Cowling and the Management team and virtually all of the staff of Credit Union of Denver.

Chairman Volentir moved on to the election results with Michael Chevarria, Chairman of the Nomination Election Committee.

Mr. Chevarria stated he was Chairman for this year’s nomination process. He reported this year the Call for Nominations process resulted in fewer candidates as there were openings for the Supervisory Committee and the exact number of candidates as openings for the Credit Committee. Therefore, the candidates are considered elected by acclamation and no election by the membership was needed for these two committees. He noted for the Supervisory Committee; Jacque Ganger, Robin Morthland and Laura Avila were elected by acclamation. For the Credit Committee; Ken Maxey and Tara Washington were elected by acclamation. Mr. Chevarria continued stating the Board had three open positions. He noted the three incumbents plus two additional nominees ran for the open positions and announced the three incumbents were re-elected to their seats. He stated nominees not elected were notified by phone following the confirmation of the election at our Board of Directors meeting on April 30th. He extended heartfelt congratulations to the newly elected volunteers and to all who took the time to run.

Chairman Volentir thanked Mr. Chevarria and asked if there was any new business to be considered during the meeting.

Since there was no new business to consider, he announced we would move to the open forum portion of the meeting. Anyone desiring to address the meeting may do so at this time and the Chair would recognize all members desiring to speak. The time per speaker would be limited to three minutes and he requested that speakers identify themselves and indicate the individual to whom they would be addressing their question or comment.

Mr. Leo Kinney stated Mr. Cowling’s comments earlier about personal service were really appreciated and in the day and age we are in, where everything is electronic and you don’t get to talk to anybody anywhere any other place except here, he appreciates the personal service and other people do too as it is obvious from the comments that Mr. Cowling had there. He added at our last meeting he asked about the 13-month CD and the possibility of rolling that over automatically at the maturity date. He asked if we looked into that and has comments on that.
Mr. Cowling answered yes, he recalled Mr. Kinney’s question from last year and although the answer is still the same in that the reason we don’t roll it over automatically into another 13-month CD is the 13-month isn’t typically a standard term. But what we have tried to do is make it easy for folks to renew that, in when we send out the maturity notices, we send out a form that you can fill out to renew it.

Mr. Kinney responded right.

Mr. Cowling added his dad lives in Wisconsin and he has trouble with email so this works out good for him. He just fills out the form, sends it back and says renew a 13-month CD and we take care of it. He added another option for folks that are more email/technology-wise, we can take care of it on DocuSign over the internet. He summarized that we have ways to do it, but Mr. Kinney is exactly right, it still doesn’t automatically roll over because we have the option to change up that term, but we just haven’t done so because that 13-month has been so popular. He stated there are some other credit unions that he has seen change terms and from a competitive standpoint, if we need to change, we have the flexibility to do that because we don’t always offer a 13-month CD.

Mr. Kinney stated okay, thank you.

Mr. Cowling thanked Mr. Kinney and said we really try to have the electronic services that everybody has, like our mobile app, but our philosophy, when we talk with the Board of Directors at our planning session is that as much as we want to offer the best technology we can, if somebody comes in person or calls in, we want to make sure they can talk to a person and get an answer and get their problem taken care of right away. He thanked Mr. Kinney for recognizing that.

Mr. Kinney added he might also say that rates here for CDs are among the highest that he has seen in newspapers or any other place. They are among the highest and he appreciates that.

Mr. Cowling stated thank you for recognizing that.

Chairman Volentir thanked Mr. Kinney and asked for any other comments.

Mr. Beebe added that he worked with Mr. Kinney many, many years ago and he doesn’t believe he has ever missed a credit union Annual Meeting. He is always here. He doesn’t remember him asking questions in the early years, but he has sure picked up the pace and he is doing quite a good job. He added as we sit here, a couple of us before every Annual Meeting, ask if Leo will be here with a question and he held true today!

Mr. Kinney thanked Mr. Beebe.
Hearing no other comments or questions, Chairman Volentir asked if there were any announcements.

With no announcements, Chairman Volentir continued stating the business of this meeting is concluded and hereby adjourned the 88th Annual Meeting of Credit Union of Denver at 9:22 a.m.

ANNUAL MEETING MINUTES REVIEW COMMITTEE:

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Kristina Sapp       Carl Bingham
Vice-Chairman, Board of Directors   Supervisory Committee Chairman

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Dave Domagala
Credit Committee Chairman