



# 87<sup>th</sup> Annual Meeting Minutes

**2000 Tiger Lane, Albert Lea, MN**

**Tuesday, March 26, 2024 | 5:00 PM**

On the evening of March 26, the 87th annual meeting of Freeborn Mower Electric Cooperative was held at the Albert Lea High School. Unlike the past several years, this year's meeting was held on a weeknight instead of a Saturday morning. The change allowed more members to attend and provided greater flexibility. In total, there were 418 attendees, out of which 243 were voting members.

Prior to the business meeting, attendees had the opportunity to interact with employees, view educational displays, and socialize with friends and neighbors.

Following the Pledge of Allegiance, District 7 Board Chair Jack Korman called the meeting to order at 6:30 p.m. He welcomed those in attendance and introduced the following FMEC Board of Directors. Additionally, he acknowledged the FMEC employees and FMEC Attorney Steve Hovey.

Dennis Anderson, District 1

Richard Schaufler, District 4

Bill Trygstad, District 8

Jay Neitzell, District 2

Frank Fryer, District 5

Larry Irvine, District 9

Steve Garbisch, District 3

Matt Maras, District 6

Pastor Eileen Woyen provided an invocation, and Rich Murray, Mayor of Albert Lea, warmly welcomed attendees and spoke about the city's great partnership with Freeborn Mower Electric Cooperative.

During the meeting, the Board Secretary, Frank Fryer, informed that the Notice of Meeting was printed in the March edition of County Lines, and the 2023 Annual Report was sent to every cooperative member on February 29, 2024. As per Article 2, Section 5 of the bylaws, 50 registered members are necessary to conduct a meeting. At the beginning of the meeting, we had more than 50 registered members present, which constituted a quorum, allowing us to conduct the general business of the cooperative.

Dennis Anderson in District 1, Richard Schaufler in District 4 and Jack Korman in District 7 were re-elected and seated on the board of directors.

The next item of business was the consideration of the 2023 Annual Meeting Minutes. A motion was proposed and seconded to approve the minutes presented in the Annual Report without reading them aloud.

President & CEO Jim Krueger was introduced and addressed those in attendance with a recap of 2023.

He highlighted 2023 under the meeting's Illuminating Our Core Values theme. Electric sales were slightly lower than projected. However, bottom-line margins were very strong. It was the cooperative's strongest financial performance in recent years. The most significant contributing factor to the increase in margins was the modernization of wholesale power costs. Operationally, FMEC invested nearly \$12 million in upgrades and repairs to strengthen our distribution system.

Krueger explained that although most costs have increased, the most significant annual expense for the cooperative will continue to be the wholesale power supply. Furthermore, rising interest rates have made securing financing for this capital-intensive business more expensive. It is anticipated that FMEC will need to make smaller and more frequent adjustments to its rates in the next couple of years to better align revenues with expenses.

He also discussed the importance of state and federal legislation in determining the cost of electricity, especially as the country moves towards an environmentally sustainable energy future. The stability of the power grid and the industry's capacity to meet future electricity demands during peak periods are closely related to energy policy decisions.

Chair Korman then called for any old or new business and asked for any questions from the audience. There being none, he proceeded to the scholarship drawings by introducing Peter Nelson, FMEC Director of Information Technology.

Ten students from the area received \$1,000 Luck of the Draw Scholarships for their post-high school education. The scholarships are funded by forfeited capital credits in accordance with Minnesota State law.

It was also announced that Kaci Wallin and Nolan Brooks will represent FMEC in Washington, D.C., as our Electric Cooperative Youth Tour delegates in June 2024.

The event ended with a variety of prize drawings for FMEC members.

Chair Jack Korman then asked for a motion to adjourn the meeting. A motion was made and seconded, and the adjournment was recorded at 7:15 p.m.

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Frank Fryer, Secretary