



Summary of Board Minutes

July 25, 2023

The regular meeting of the Board of Directors of Freeborn Mower Electric Cooperative (“FMEC”) was held at FMEC’s headquarters office, located at 3366 Bridge Avenue, Albert Lea, MN 56007, on Tuesday, July 25, 2023.

All board members were present for this meeting.

Dennis Anderson, Vice Chair	District 1
Jay Neitzell	District 2
Steve Garbisch, Treasurer	District 3
Richard Schaufler	District 4
Frank Fryer, Secretary	District 5
Matt Maras	District 6
Jack Korman, Chair	District 7
Bill Trygstad	District 8
Larry Irvine	District 9

Jack Korman, FMEC Board Chair, called this meeting to order at 8:00 a.m. and led everyone in reciting the Pledge of Allegiance.

Chair Korman called for any agenda edits or additions. Hearing none, the board voted to approve the agenda for the July 25, 2023, monthly board meeting as presented.

Jay Neitzell, District 2 Director, provided the safety share on being safe in extreme heat. Some noted tips were to drink fluids and stay hydrated, be cautious not to overexert, use common sense, and wear a hat and lighter clothing.

This month, the board discussed the Key Ratio Trend Analysis (KRTA), a set of financial and operating ratios developed by CFC for distribution cooperatives to understand better how their co-op has performed historically and against other cooperatives in the nation.

Motion carried to enter Executive Session at 8:03 a.m. During this session, an update was provided on pending litigation regarding a defamation claim filed against Freeborn Mower Electric Cooperative. Motion carried to adjourn the Executive Session at 8:22 a.m. *Minutes have been recorded and are filed at the cooperative office.*

The below general topics items were discussed with no action being taken.

- **GreatCo-ops** – An update was provided by Jim Krueger, President & CEO, on the training provided to all FMEC managers.
- **MN Legalization of Cannabis** – Steps are being taken to update FMEC policies and procedures regarding this legislation that will be effective on August 1, 2023.
- **ACRE/REPAC** – Discussion on the importance of educating the FMEC board, employees, and membership on supporting legislative candidates.

Motion carried to approve the Consent Agenda as presented. This includes approval of the monthly board minutes and executive session minutes from the June 27, 2023, board meeting, the approval of new members, authorization to make payments to estates, the audit committee and treasurer's report, and the safety and management team reports.

FMEC will receive the prestigious Freeborn County Ag Hall of Fame award on August 2 at the Freeborn County Fair.

Bill updated the board on the DPC meetings he has attended since our last meeting. The DPC Board of Directors will participate in a strategic planning session on August 16. He also noted that he took part in Annual Fiduciary Training, which was beneficial. The DPC financial reports were reviewed.

Motion carried to approve Jay Neitzell's attendance at the NRECA Region 5&6 Meeting, which will be held in Des Moines, Iowa, September 12-14, 2023.

All board members were encouraged to take advantage of the Board Leadership Classes offered through NRECA either in person or online. All classes can be found at www.cooperative.com.

Angie Kolker, Director of Finance, presented the monthly FMEC financial reports for June 2023, and Bryan Skogheim, Director of Business Development & Energy Solutions, fielded questions regarding the monthly C&I reports.

Motion carried to authorize Jim Krueger, President & CEO, to negotiate changes proposed by Steve Hovey, FMEC Attorney, to the Retirement Plan Investment and Consulting Agreement as presented to FMEC by Intellicents. Said agreement would authorize Intellicents to take on the discretionary manager fiduciary responsibility for no net addition of fees to the 401(k) plan.

Motion carried authorizing Jim Krueger, President & CEO, to sign and execute the CoBank revolving line of credit loan documents.

Angie Kolker, Director of Finance, provided a report on the 2022 Key Ratio Trend Analysis (KRTA). This report is compiled from 812 distribution cooperatives' data annually by NRUCFC since 1975. These Key Financial and Statistical Ratios show the results and trends for FMEC as compared to its peers.

Motion carried to approve a \$75,000 REDL&G Loan as requested by ProManufacturing with the terms as follows:

- \$75,000 financed for 120 months with an interest rate of 4.5%
- Equipment to have a shared collateral position between Arcadian Bank and Freeborn Mower Electric Cooperative
- Personal Guarantees are required

The 2nd quarter subsidiary reports were reviewed for MN Three, LLC, Southern MN Electric Cooperative, and Heartland Security Services. The Open Balance report for the USDA REGL&G Loans and Grants was also reviewed, along with the FMEC Energy Improvement Loans that are still outstanding.

The ORU Board of Trustees met on July 10, 2023. The second quarter disbursements and treasurer's report were reviewed, showing that \$25,494.97 was distributed to various local organizations.

Motion carried to write off the bad debt from July 2022 to December 2022 in the amount of \$37,056.11.

Motion carried to amend policy 4.009 – Line Extension.

Work Orders #1279 & #990623 and Special Equip. #601 were presented to the Treasurer for signatures.

Motion carried to adjourn this meeting at 12:11 p.m.