



51st Annual Meeting

held at the Orpheum Theatre/5th & Elm Cafe and on Zoom
April 17, 2025

Owners Present - In-person: Puti Akbar, Lois & Rick Anderson, Molly Powers, Susan Burack, Angie Carter, Karin & Doug Cooper, Frank Fiala, Liz Fujita & Nathan Miller, Harry Gable, Kim Green, Jay Green, Michael & Angelika Hamilton, Denise Hansen, Gretchen Janssen, Rene & Phillip Johnson, Chad Johnson & John Kurkowski, Stephen Jukuri, Brennan Lauer, Don Lee, Sandy & Jeff Lewin, Rebecca & Brett Matuszak, Christopher McKim, Jay Mikrut, Faith Morrison, Douglas Polzien, Rachael Pressley, Joan Schumaker-Chadde, Susan Serafini, Emily Stanton & Kyle Griffin, Ethan Stout, Audra Thurston & Kyle Hiltunen, Whitney Warstler, Curt Webb & Keren Tischler **Online:** Elizabeth Benyi, Kristine Bradof, Deb Carter, Barb Hardy & Rick Loduha, Burdette Holmes & Susann Remington (in-person), Sean & Polly Havens, Susan & Chris Miko, Michelle Morgan, Anne & Ken Fisher, James & Theresa Spence

Note: *This list includes all individuals who signed-in in-person and virtually. There were five additional unidentified online attendees. On record, **60 individuals, representing 44 member households were in attendance. Quorum was satisfied by the 497 online votes cast.***

Call to order & Welcome - Rebecca Matuszak, Board President

The hybrid annual meeting was called to order at 6:02 pm.

Rebecca welcomed everyone, reviewed housekeeping items, introduced current board members and the General Management team, and reviewed the meeting agenda.

Guest Presentation - Overview of the Western UP Food

System Collaborative Dr. Angie Carter - MTU Dept. of Social Sciences & Rachael Pressley - Senior Planner, Western UP Planning & Development Region

Board Vice President Whitney Warstler introduced our guest speakers.

The Western U.P. Food Systems Collaborative (wupfoodsystms.com) connects the people, lands, and waters of the region's food systems through knowledge exchange, resource sharing, intergenerational and intercultural learning, and storytelling.

Angie and Rachael highlighted the Collaborative's achievements, including farm to school linkages, farmers market innovations, food access & justice programs, food producer and gardener support, and policy & planning work. Seeds being sown by the Collective include a compost subscription service for Houghton County residents, support for Keweenaw Bay Indian Community's completion of a model food code to encourage more tribal producers, a shared kitchen at the Hancock Community Hub, support for expansion of community gardens, beginning farmer cohort study/support and experiential learning with MTU students.

Review of Annual Meeting Minutes Process - Stephen Jukuri, Board Secretary

The draft minutes will be posted on the Co-op website calendar by Friday, May 2nd. Owners in attendance can submit corrections, amendments or comments to the draft minutes via email to contactboard@keweenaw.coop or in-person at the next board meeting at 6pm on May 14th at the MTU Lakeshore Center. The draft Annual Meeting minutes will be amended as needed and approved at the meeting.

Election Results - Stephen Jukuri, Board Secretary

All voting took place online from April 1 - April 15, 2025. Voting participation this year was excellent: 497 ballots were cast of 2,318 eligible voters, representing 21.4% of owners.

Owners voted for two Bring-a-Bag Campaign fund recipients from eight applicants, as well as three Board Directors from six candidates.

Bring-a-Bag Campaign

For every reusable bag (or box) customers bring to the co-op to fill with groceries, the co-op deposits \$0.05 into the Bring-a-Bag Fund. Each recipient organization receives these funds for six months. In a typical year, this amounts to approximately \$600 for each organization. We see this as a great way to reduce the waste stream while also supporting local charities. Organizations that were not chosen this year are eligible to reapply next year.

Applicants:

- Baraga County Shelter Home
- Copper Country Recycling Initiative
- Dan Schmitt Gift of Music
- Finnish American Folk School
- Isle Royale and Keweenaw Parks Association
- Kaleidoscope: Keweenaw Alternative Education Organization
- Phoenix House
- Unite UP - Unite Mental Health & Wellness

Chosen Recipients:

For the periods: Jul 1, 2025 - Dec 31, 2025 & Jan 1, 2026 - Jun 30, 2026

1. Copper Country Recycling Initiative (170 votes)
2. Baraga County Shelter Home (151 votes)

Board of Directors

We had six very strong board candidates running for three board seats (all three-year terms ending 2028)! Each of the 497 voters were able to cast ballots for three candidates. We appreciate the commitment each candidate made to run for the board. It's impressive to have six people follow-through on that commitment. The race was very tight.

Candidates:

1. Danielle Ahrens
2. Puti Ceniza Akbar
3. Liz Fujita
4. René Johnson
5. Sandra Lewin
6. Ethan Stout

Elected Board Members:

1. Liz Fujita (331 votes)
2. Danielle Ahrens (257 votes)
3. Ethan Stout (218 votes)

Stephen congratulated the elected board members and thanked them for their interest and willingness to support the co-op with board service. A special thanks to each of the board candidates and to outgoing board members Kim Green (9 years of service), Joan Schumaker Chadde (5 years of service) and Cathy Campbell-Olszewski (6 years of service).

2024 Financial Recap - Curt Webb, General Manager

2024 Financial statements were prepared in-house and are not yet final. Depreciation, Patronage Refunds, and Income Tax are pending accountant review. The 2024 financial audit will commence in May. Find more details in the 2024 Annual Report available online and in print form.

Curt has been a Co-op owner since 2001 and the General Manager since 2004.

Operating Revenue. 2024 was another strong year for the Keweenaw Co-op. Enhanced by our new store, which opened Oct. 16, 2024 saw 16.7 % annual sales growth (42% after opening the new store!) and \$6.4M in annual sales, with 64.4% of sales (\$4.1M) to co-op owners.

2024 saw a lot of change. There was labor in our former store while also working to open the new store. We expanded our staff for relocation and added to our employee benefit package. Yet we tracked on budget with expenses and ended with a financially respectable year. Curt

anticipated gaining labor efficiencies in the new store, and that has borne out. Overall, a strong margin and managed expenses combined to produce a 2.2% operating income, before depreciation adjustments.

Other Income/Expense & Net Profit. Other Income and Expense includes project-related expenditures. A large portion of the grant and donation income shown here was deferred revenue from 2023 - these funds applied to our new store capital asset which was placed into service in October 2024. The biggest thing to note is the addition of Interest Expense. We now have long-term debt (for the first time in 18 years), so we'll be looking at this expense for at least the next 15 years. Also note that Net Profit (\$147.8K) will be reduced when recalculated depreciation expense is applied.

Balance Sheet. The Balance Sheet at the end of 2024 continued to evolve as the co-op's relocation project was completed. *Assets* increased by \$3.85M, almost entirely attributable to our new store capital investments including property, renovations, and equipment. *Liabilities* increased as our payables have grown beyond just trade payables (buying product) to include project construction and equipment invoices. And we've added Long Term Liabilities in the form of project debt. *Equity* grew by 6.6% in 2024, including the addition of over \$45K in Owner Equity and over \$276K in Retained Earnings and Net Income in 2024.

Key Ratios. Key ratios show the position of our co-op at year-end. Our liquidity was momentarily below our benchmark goal due to the normal ebb and flow of project payments and loan reimbursements. These ratios quickly recovered to within an acceptable range when loan funds were received one week into the new year.

Both sales and customer count are up - we are pleased with the community's response to the new store. Annual customer count has now surpassed the trajectory it had been on prior to the pandemic.

Curt had a life-changing medical event in the midst of relocation last fall. He expressed gratitude to the co-op as a whole, to the board of directors and to the co-op staff for their ongoing support and understanding, and for giving him the room and flexibility to properly recover. Denise and Curt have been sharing management responsibilities since then. Thank you Denise!

2024 Highlights - Denise Hansen, Retail Manager/Acting General Manager

Denise highlighted what happened in 2024, in addition to opening a new store!

In 2024, **staff** moved over 1M pounds of food from trucks to shelves (26,350 pounds of which were bananas), serviced 147,514 owners and customers (33,372 of which rounded up at the register), reset 26 Co+op Deals sales cycles (averaging 300 items on sale per cycle), brewed 330 gallons of coffee (representing 3,523 cups of java sold), swept and mopped 185,000 ft² of store floors, and smiled over 1M smiles!

You helped by showing up! You brought your own bag 25,743 times (raising \$1,287 for Copper Country Habitat for Humanity & Omega House), you Rounded Up your transaction 33,372 times (totaling \$16,239 in donations), you became owners (260 new owners joined in

2024!), you liked and shared our social media posts, you showed patience as we transitioned from one store to the next and continue to support us as we learned.

Together we gave over \$10K in community donations and \$3K in sponsorships, and Double Up Food Bucks provided 807 Customers with \$8,133 worth of free produce! People have been enjoying our dining area all day long for book clubs, kids coloring, card games, live radio broadcasts and lots of pizza in 2024. We are glad to see our community enjoying the space as we had planned.

What's next? In the near future look for outdoor seating, parking lot restriping for more spaces, a native plant garden (compliments of Keweenaw Wild Ones) and an EV charging station. Finally, Denise unveiled a photo of the future Curt Webb Bike Garden, a vegetable-themed bike rack station due to arrive within 30 days!

Board Report - Rebecca Matuszak, Board President

Rebecca called out many individuals for their roles during 2024.

Denise was recognized (via standing ovation) for not only saving Curt's life but also for stepping into the Acting GM and Project Manager role phenomenally well, just one month prior to the new store opening.

The relocation project was Curt's vision and years of preparation were behind it. We're thankful it happened in your lifetime, Curt! Rebecca recalled the day board members toured the future new store with Curt. When asked if the space downstairs with the windows would be Curt's office, he said it would be the staff breakroom. To honor Curt, Denise had the idea to combine the bike rack with the garden and name it in Curt's honor.

Rebecca thanked the current board. We've had a tumultuous year, with a lot of change and a lot to keep up with. The board has been very patient with Rebecca as new President and patient with each other.

Special recognition was given to outgoing board members Kim and Cathy who, as trained therapists, worked with staff to make sure they were taken care of after Curt's medical emergency. Outgoing board member Joan Chadde was thanked for stepping in to fill a vacant board role and for organizing the Annual Meeting event.

Gratitude to former board members and current committee volunteers Cynthia Hodges for her work on the Capital Campaign and the Engagement committee, and Barb Hardy and Robyn Johnson for their pivotal roles on our Policy Committee.

Thanks to Ariele Plizzo, Co-op Marketing & Outreach Coordinator, for running Zoom and the slide show this evening, to the Orpheum for hosting us and everyone who made this happen.

Finally, Rebecca was applauded for all that she has put into leading the board this past year! Thank you, Rebecca!

Questions:

Owners were posed two questions. Rebecca summarized responses and read them aloud.

What do you value about being an owner?

- supporting healthy living initiatives
- local products locally-owned
- access/availability of items not found elsewhere
- sense of community/belonging
- investing in community
- organic food

What do you like/value about the new store?

- parking
- deli/eating area
- spacious isles
- it's bright
- fresh meat
- layout
- new items
- extra variety
- great selection without stimulus overload

Other Questions/Comments?

- *Can we get high chairs or booster seats for the deli seating area?* Yes!
- *Can we get more international food items?* Yes, if available.
- *Can we offer more sale items?* Denise explained that a benefit of being a member of National Cooperative Grocers co-op, is prenegotiated sale prices that are lower than we could negotiate on our own. Curt added that if the question was “can we make sure we have the sale products available?”, then yes. Ordering volume has been a learning curve for us since sales are up 40% since relocation. It should improve.
- *What is the status of the old storefront and outdoor murals?* Curt said the murals will be brought to the new store and the building is in the process of being put up for sale.
- *Can we put chia seeds in bulk?* Denise explained that since chia seeds fly all over, it is best for us to bag them.
- *Comment: So proud of what you all have done in making the new store possible.*
- *Comment: Congratulations! The co-op is Hancock's signature business!*
- *Comment: Staff very friendly and helpful, however not all remember to ask for member number and I am forgetful at times and would appreciate being asked.*
- *Comment: Still adjusting to changes in brands*

Rebecca welcomed all to share additional questions or comments with the management team or the board after the meeting and to join us for the **Spring Highway Cleanup at 5-7pm on Monday, May 12.**

Adjourn Meeting

Rebecca thanked everyone for their attendance, announced regular board meetings and welcomed owners to attend those meetings. The meeting was adjourned at 7:09 pm.

Minutes submitted by Keren Tischler, Board Administrative Assistant