

Thursday, September 4th, 2014—Final four days of petition signing. Pat has table set up at DNF. Hastily organized “owner-Board meeting” set for this evening at the Public Library.

The hasty meeting is an emergency response to our petition drive, with the 1-day notice saying: “There are always many sides to any story. Let’s Co-Operate! Lend your voice to the DNF story at an owner-Board meeting where all sides can be heard.” Actually, they had an “all sides can be heard and we’re listening” such meeting August 18th. This new meeting ended up being stacked with Board supporters (about 40 attend); and so tightly structured, you could only ask questions by writing them on a card in advance, which the “moderator” then collapsed questions into general themes the Board members addressed at the end of the meeting; although several questions were read in their entirety. They refused to respond to any questions regarding the firing of Kim, because it’s a “personnel issue” they said, “not appropriate for public discussion with the members.” However, 10 days later one Board member, Jim Forleo, with Board concurrence, publicly trashes Kim in a disgraceful letter to both local newspapers; blaming her for the collapse of their proposed merger and stating falsely that “she used company resources for her own benefit to keep her job.”

In time-chronological order (not reverse email reply order)

Date: 9/04/2014 8:21 AM [Thursday, day of hasty Board meeting; petition signing going until Sunday evening]
From: Pat
To: Root
Cc: Guthrie & Kim
Subject: RE: To the owners from the DNF Board of Directors

I’m going to attend the meeting and Kim is covering the petition table. Definitely come!

Date: 9/04/2014 8:21 AM [Thursday, day of hasty Board meeting; petition signing going until Sunday evening]
From: Root
To: Kim
Cc: Pat & Guthrie
Subject: Today’s Telegraph Letters to Editor, Root and Others

Have you seen today's Telegraph? Get some copies to share and have them at the table, like Pat does, to show people; which they can get a copy inside DNF.

Pat and I are going to the meeting, but don't plan to say much of anything; just basically listen. We've heard through the grapevine that the Board is expecting us to be very emotional and spin this issue that way. We won't fall into any traps. Understand you're covering for Pat during that period.

Root

Date: 9/04/2014 Evening (5:30 – 7:30 PM) [Thursday 1-day notice Member-Board meeting; petition signing going until Sunday evening]

Meeting Notes and Summary: By Root

Subject: [Meeting notes summary:] **Board meeting title: “There are always many sides to every story. Let’s Co-Operate! Lend your voice to the DNF story at an owner-Board meeting where all sides can be heard.”**

Board members present: Self-introductions with brief statement why they joined the Board:

Geoff Wolf, President
Paul Kosnik, Vice President
Victoria Robinson, Secretary
Robert Fitts, Treasurer
Deborah Powell

Absent: Colleen Caver [personal schedule conflict]

Jim Forleo [traveling]

General theme of Board member comments: They all are volunteers and work long hours on behalf of DNF. They love DNF and have been members many years. They were sad the merger was called off because the merger got discredited before the Board had an opportunity to discuss it with the members. The letter of intent with LMC was just to start the discussion in order to ensure members had a voice.

Taking the corporate perspective of our co-op; **Geoff** focused on DNF’s “fiduciary responsibility to give dividends;” but we are very weak financially, so been no chance of giving out dividends.

Jim Forleo texted a message from his trip location that was read out loud by Geoff; a message which floored about half the group: “This is just a few members who are making this a personal attack, causing a civil war in our co-op; brother against brother.” [A week later he would write the infamous letter to the local papers, making a personal attack on Kim.]

Paul explained the organization chart, with “Member-Owners” above “Board of Directors” above “General Manager” above department managers and staff.

Vision and Policy Governance: Geoff read the vision and ends statements, and explained the Board’s duties under their Policy Governance structure.

Bylaws: Sections of the Bylaws were read regarding meetings, quorums, policy governance (“directors must be allowed lots of autonomy to do what’s right for DNF”). No one knew the date of the Bylaws (no date is internal to the document); but thought they dated to about 1995, 20 years before. Perhaps they need to be re-written, it was acknowledge, so that a small quorum of 16/30 couldn’t be all the approval that is needed to sell DNF.

Moderated Q&A: The meeting was designed to discourage any active discussion while giving the Board most of the floor time and control. Members had to write questions on a card, which the moderator would collapse and read a summary statement, to which the Board would respond. It was noted that the Board may not be able to respond to all questions, if they might incur liability for example. The question of Kim’s firing was rejected out of hand without discussion, because “it is a personnel matter.”

The expressed theme by the Board was that they “just wanted to have a discussion about the possibility of a merger.” It took weeks and weeks to prepare, Geoff said, before they could discuss the merger with the members. They didn’t want to alarm everyone as they wouldn’t have had answers ready. They needed to agree on a letter of intent before bringing it up with members; needed LMC commitment.

In response to a long range question, Geoff said that, although the merger with LMC is off the table for now, they were willing to open discussions again at some later date. “We would need to regroup first, then would talk about it.” When asked if the Board was “biased” toward a merger, Geoff answered: “We *are* biased. We still believe the merger was in the best interest of DNF.”

To the question of how DNF was valued in terms of what LMC would pay, Geoff stated after hedging a bit, that: “It was all in the letter of intent. We did do a valuation of DNF, went to accountant and came back; but the information is proprietary and confidential, so can’t share it with the members. The difference between our assets and liabilities is our net worth. However, LMC was not willing to write a check for that much; so instead we would get LMC dividends, staff would have a co-op career ladder with benefit package, LMC would invest some capital into improvements. That’s how we would get those dollars back. But we were just at the beginning of the conversation with LMC.”

Several questions and comments indicated support for Board; several did not. One pointed out that the petition itself created lots of discussion and co-op democracy; with this meeting as the example of how the Board was in fact able to present its case. Another emphasized that we would lose our local character under a merger to a larger conglomerate in another state. We have something more special and interesting than mere prices and our net financial worth; we members care collectively and there is more value in being rooted locally. That’s the nature of co-op style.

Geoff’s Wrap Up: “We wanted to be transparent; but we knew it was risky bringing staff in, them saying something to others, including members. Someone took that information and then divulged it... But, we are so happy about the turnout surrounding this issue; so few had attended earlier meetings.”

Geoff then asked Root directly to withdraw the petition and “let us do our job.” Root did not respond with a direct answer to that (neither he nor Pat speak for the petition signers; they spoke for themselves by agreeing with the petition demands). However, Root made several points:

“What we learned is that this Board is still ‘really excited’, to use Geoff’s own words, about some future merger; when the members are ready for it. So, what this petition boils down to is this: What vision do you have for your DNF? Leave it at risk; or recover it for the membership and get a fresh start. It does require some trust and who you place it in. We all got told that the chance to discuss it was ‘stolen’. Yet what is this discussion? Some write, some sign petitions, some help out, some speak out, some go to two well attended planned and impromptu meetings. This is what co-op democracy is about. If you’re about that, then this petition will bring it to you.”

“Local ownership,” Root pointed out after having mentioned BALLE or Business Alliance for Local Living Economies, “means local management and the carrying out of our vision about who we are. DNF becomes a community that participates in the management of the co-op. It then is a vehicle through which we express ourselves as member-owners. That’s what’s at stake.”

Geoff then thanked Root directly for doing this, which he said brought out so much interest in DNF and its future.