

Durango Natural Foods Co-op 2015 Board Application Form

The following information will be used to create the board election ballot. Phone number, address, and email will be used internally only.

Name Root Routledge Phone 970-382-0711

Address PO Box 830, Durango, CO 81302 (physical address: 746 E 7th Avenue)

Email Address Root@AlpineAnalytics.com

Your DNF member number: [444350008451](#) [from DNF Member Card; but Evid should verify]

Your occupation: **Industrial Business Management Consultant**

Your education: **BS Mech. Engineering, MS Statistics, MBA, PhD Industrial Engineering**

Previous Board of Directors or other related experience:

Extensive direct management experience and management consulting

Please answer the following questions in 300 words or less:

1. Why do you believe members should choose you to represent them?

I represent a new vision for DNF, which is outlined in the attached document, titled: "Top Priority Agenda for a New DNF Board of Directors—Campaign Pledge for a New, Safe and Healthy Co-op; by Board Candidate Root Routledge, 3/7/2015."

In brief, the new DNF Vision is to: *Redefine DNF's management structure with a modern more effective management approach and a complete rewrite of the DNF Bylaws that will ensure our security as a locally owned food cooperative and democratically empower the general membership and member-employees for a healthy future.*

2. In what areas do you think the board should be putting its attention in the next five years?

Organizational health with a well-functioning management structure; operate under an entirely new set of Bylaws; grow membership; establish solid outreach programs with excellent relations with our suppliers and among our members and customers, and the local community.

3. What else, if anything would you like to share with the membership?

I want the Board to share my attached document, noted above, with the entire membership. This application and attached document is being sent simultaneously via bcc to the 205 petition signers, as well as other members for whom we have independently gathered email contact information from sign-up sheets we have had at member-attended meetings (not from any formal DNF list). But that's only about 14% of the total membership; so please share my agenda vision document, as requested.

I'm surprised not to see, as of today March 8, 2015, any notice of the election and Board member application process either in the recent email blast or on the DNF website. You must want members to know about the application deadlines, process and packet. The website is where you could make available personal statement attachments from Board applicants, such as my attached document. We would like a photo of you for the ballot. This will be scheduled to be taken the week of April 6th by Jules, the DNF marketing outreach manager. That will be fine; please remind me in advance.

Please submit this form to the "Board elections" wooden box in the store or send via e-mail to board@durangonaturalfoods.coop by 5pm April 3, 2015

575 East 8th Avenue. Durango CO 81301 970-247-8129

www.durangonaturalfoods.coop

Top Priority Agenda For a New DNF Board of Directors



April 25th, 2015 DNF Board of Directors Election Campaign Pledge for a New, Safe and Healthy Co-op

By Board Candidate Root Routledge
Accompanying his "2015 Board Application Form"

Dear DNF Members,

With five Board of Director (BOD) seats open this election cycle, for the first time in years we the DNF members have a remarkable opportunity to overcome past election apathy and obtain a voting majority of forward-thinking member-representatives on the Board in a single election. With fresh new energy and membership-engagement, we can take our Durango Natural Foods Co-op (DNF) in a new direction for a healthy and flourishing future as a locally owned food co-op in our small but vibrant town of Durango, with a strong local food system. But it will continue to take a caring concerned attitude by members and our continued involvement in DNF's future. That is what this letter to accompany my application (copy attached) is about. I will present my thoughts and seek your support, encouraging other likeminded members to join me and apply for the DNF Board of Directors this election.

If we want a better future for DNF, we must not be naïve about the context of this upcoming Board election, the Board's management structure, and this Board's most recent attempt even to differentiate themselves in their election materials with their new identity moniker "DNFC", abandoning the "DNF" everyone has been using for 40 years. With this election there are two very different visions for DNF's future before you:

1. **DNFC Vision:** Retain the current Board management structure originating from past century thinking and simply indoctrinate new Board members into "its system of governance" (see the Board's "2015 Election Information Packet") and carry on as before; or
2. **DNF Vision:** Redefine DNF's management structure with a modern more effective management approach and a complete rewrite of the DNF Bylaws that will ensure our security as a locally owned food cooperative and democratically empower the general membership and member-employees for a healthy future. Below I will lay out this vision, which I am running on.

Background: As you perhaps know, I am one among several DNF members who vigorously stood up against the attempt this past summer to sell our local DNF co-op to a co-op conglomerate in another state, named La Montañita Food Co-op (LMC). Evidently, according to the [current Board's timeline reconstruction](#) and a personal letter last fall to the National Cooperative Growers Association (NCGA) President by former DNF Co-General Manager, Kimberly Wiggins, this was initiated and promoted by the NCGA itself and a co-op consultant hired by the DNF Board, Mark Gehring of Cooperative Development Services Consulting (CDS), who from their perspective see small local co-ops like DNF as weak targets for takeover "for their own good," by larger financially strong co-op franchises with the claim that co-ops with annual sales below \$5 million will always struggle just to make ends meet (our current sales are about \$2 million). This is the corporate capitalist model of evermore concentration of ownership, managed by larger non-local entities; far from the models put forth by, for example, the Business Alliance for Local Living Economies (BALLE). The problem is, as outsiders looking at us as simply another

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little store, they just didn't consider what the membership wants before launching their effort to get us to sell ourselves to a large conglomerate—however, they easily convinced our Board to sell DNF.

The sale (euphemistically and inaccurately promoted by the Board throughout as a “merger”) was enthusiastically endorsed by DNF Board President Geoff Wolf, who unbeknownst to the general DNF membership proceeded with the Board to prepare DNF for its sale, spending several thousand unbudgeted dollars on legal, accounting and consulting services in the process. In ready form, it was finally announced to the general DNF membership on August 12th (notice sent out the evening before) with the opening words: “The board of Durango Natural Foods (DNF) is excited to share with its members, staff and community plans to merge DNF with the La Montañita Food Co-op headquartered in Albuquerque.” We went “huh?” When did all this happen and why?

This became a highly contentious and divisive issue from summer through the fall of 2014; one that has impacted our community, the individuals involved, and the health of our organization; and, in the words of the current BOD and its president in meetings and communications, it has not yet laid to rest the potential for another future attempt to sell DNF. Some, including me, have been outraged by this attempt to sell our co-op; others, who sided with the Board, have been upset at our response to save DNF and remove the current Board. We responded by creating DNF member petitions to stop the sale, retain our existing management structure for stability and competence, and request this current Board step down. We were successful in stopping the sale, for now; but not in being able to prevent the subsequent damage to our organization, nor in the removal of this Board. During a 10-day period we obtained over 200 petition signatures from members who agreed with the petition objectives; which in anyone's memory of our local DNF co-op, was an unheard of level of active democratic engagement by members. This April 25th election for five open seats (on a board of seven) is finally our opportunity to see a positive culmination of our efforts. DNF needs active involvement of its members; we just about lost DNF!

Future: Let me be candid and frank at the outset; I am not attached to being on the Board. In fact, I hope that several of you will run for one of the five open seats. Yet, I have been deeply engaged with DNF and its future as one of the core DNF democracy activists, so with my application I am sharing with you an alternative vision for DNF and its future health. I'd rather be explicit about what I'm running for and why, and have you make some other choice; than simply try to step into the current Board structure as one of five new members with two from the old Board and argue about, “What should we do now?”. The shift outlined below may be too radical a change for some of you, perhaps even most; nonetheless, my interest is in recovering DNF and empowering the membership for the future with new Bylaws and a new management structure. If that is accomplished this election with or without my participation, it would please me a great deal. I have no interest whatsoever in being a caretaker Board member under the old structure, which has led to these past controversial events and its associated rancor. We now need to move beyond the past and look to the future.

I have laid out below, in outline form, my thoughts for a **top priority agenda as a new Board**. On behalf of the general DNF membership and our member-employees I pledge to you that, if elected, I intend for

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a new Board to be open and transparent about our direction, successes and setbacks. Under new leadership the Board will be accountable to you, the DNF member-owners. Let me begin that process by sharing with you this vision about what is needed now; and where, in my view, our co-op organization needs to be led. I want you to know, if you vote for me, *what* you're voting for—not just who—and my intent that the future of DNF be in the hands of competent, caring DNF members who will secure its local status and future health.

This initial agenda and vision has two principal aspects related to the future wellbeing of DNF: i) Healing our organization with a new approach to its management; and ii) rewriting the DNF Bylaws from scratch. These would be complemented by an engaged and energetic DNF member and community outreach to grow our membership and business. Below is a summary top-level overview outline; followed by a more detailed (but incomplete) breakout.

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Compared to the current longtime Board management focus and structure, I am proposing some fairly radical changes to the way the Board is structured and managed; as well as the management role the Board would have with the organization. In my view these are necessary, regardless of the composition of the new Board, for a healthy organization. So, in this preliminary outline I will share some explicit reasons and my thinking behind them. My use of the pronoun “we” and the verb “will” presume, of course, that the five new Board members would be in concurrence with this direction, which may not be the case. I also assume the remaining two members from the old Board, unless they voluntarily step down, would not. That is why I am very explicit about this vision and agenda.

Again, this may be too large a stretch for some and that is understandable. So, if you don’t agree with this new proposed direction, of course you can express that by not voting for me; but please do vote in the election. Let me again affirm, I have no interest simply to serve on a new Board under the current ineffective and dysfunctional structure, which does not serve the short-term or long-term wellbeing of a stable, safe, healthy and democratically functioning DNF in the future. If you are uncomfortable with a direction along these lines, you should not vote for me.

I. Election of Officers

A. Four Officer Positions: All four are open to be voted in by the newly elected Board

1. President of the Board
2. Vice President of the Board
3. Secretary of the Board
4. Treasurer of the Board

B. Management Council Structure

New Board management will not be constrained by the old structure and ways. We will be actively engaged with the goal of a healthy thriving organization, internally and externally, from the beginning. The new Board will quickly determine roles and working arrangements at the start.

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II. Redefine Management Structure

A. Active Engagement with the Operational Health of the Organization

1. Old Structure: DNFC Policy Governance

The DNFC Board of Directors (Board or BOD) currently operates under a “Policy Governance” structure. Under this structure, the DNFC Board sees its role in the management of the organization simply as hiring, managing and firing the General Manager (GM). It reviews performance parameters in written policy to evaluate the GM. This is clear directly from the wording in their “2015 Election Packet;” in the section titled: “DNFC BOD Responsibilities.”

The DNFC BOD operates using Policy Governance, a governing style that clearly defines the role of the BOD and GM. This style of governance allows the BOD to have its arms around the store without having its fingers in it. *It should be noted that the BOD is NOT involved in the day to day operations of the store.* Training will be provided to new BOD members in this system of governance. [original emphases]

The current Board sees both itself and the GM as if the organization were some complex corporation, rather than a locally owned co-op run and managed by its members and member-employees. They see their joint role being a lofty one of “high level strategic visioning and long-range planning” guided by an “ends policy.” And along with that, they view as important the GM’s engagement with the bigger national world of food co-ops, which is why they immediately sent Brian Gaddy to the national NCGA meeting for a week to make connections at the national level, right after they selected him as the new GM—all while the store went unmanaged (no one was even delegated to be in charge temporarily), with employees and middle managers struggling in the chaos that resulted, not only from an absentee new GM, but from the simultaneous firing of Co-GM and DNF Financial, Accounting and Bookkeeping Manager, Kimberly Wiggins, a few days earlier. Further, one of their four listed BOD jobs, this DNFC Board states, is literally to “Perpetuate itself through recruitment, training and ongoing professional development, including monitoring and self-evaluation.” This is a program of replication and indoctrination; there is no room for innovation. There is no mention of any active engagement with the organization itself, including even capital budgeting.

This DNFC style Board is not involved in organizational issues, organizational health, or providing guidance in the operations of the store. Thus, the Board is disengaged with the operational functioning and health of the organization and its employees. Unless issues, such as low morale and high turnover, somehow surface by or from employees, who in a “hire-and-fire” organization typically are fearful of going beyond and above the GM to bring the issue up (when the GM, for example, may be uninterested, unconcerned, unwilling or unable to address such issues), the “hands-off” Board is clueless about what is going on inside the organization. Only when things get so bad that organization financial performance measures suffer would they possibly become aware, yet not know why; its only recourse is to fire the GM, find another, and try again, repeating the pattern while hoping for better results. That’s how a punishment/reward mentality creeps into a board with a dominant authoritarian president who only sees himself as “managing the general manager,” holding the power of fear to fire him or her with no

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notice for whatever spur of the moment reason they conjure up (this Board having done this more than once); while being completely disengaged from actual operations.

This is an ineffectual management structure from the past century. As the Bylaws are rewritten, we will define a modern management structure that best ensures the future health of the organization. Regardless of the Bylaws rewrite timing, we will operate differently from the beginning regarding our involvement with the healthy operation of the organization as a whole, ignoring previous Board policies. Our DNF organization has been functionally damaged and been ill with low morale and high turnover issues and it needs our direct attention.

2. New Structure: [DNF Management Council](#)

This will be developed as part of a rewrite of the Bylaws. Briefly however, the focus is on a healthy organization and mentoring or guidance relationships between the Board and store managers, bringing expertise and wise guidance where and when needed. That does not mean “meddling” or “micro-management;” it means a caring engaged involvement with the organization as a management team member, while empowering and mentoring employees to ensure the co-op’s health and to help solve problems or improve processes where needed. We will work as a team with the organization from the very start. This will take some adjustment by the organization staff; but I would expect it to be able to address many of the concerns employees currently have.

It will certainly impact the decision authority and autonomy that the current GM position has under the current disengaged and distant “Policy Governance” structure; in fact, it may even obviate the need for a GM. Let me also be very clear at this point; unlike the current Board and its president, I am not of a “hire-and-fire” reward/punishment authoritarian mentality. Some DNF activists, unfortunately have expressed their desire to fire the Board-selected GM, Brian Gaddy, once we regain control of DNF because “he can’t be trusted and sided with the Board.” And further, right after he took over the GM position September 1st, while our petition effort to keep the same management structure and remove the current Board was just getting going, from his new lofty title of GM and tucked closely to the Board he was promptly quoted in *The Durango Herald* (September 5, 2015; “Foods co-op names its general manager”) denigrating the dignity and intent of over 200 DNF members, stating in response to an interview question, that “He’s been too busy at the store and dealing with ‘fringe drama’ involving the co-op to consider long-range plans.” Nor, these same well-meaning but off-base individuals have said, should we involve any previous Board members, as they all have attempted to sell DNF. This kind of thinking must become a relic of the past; we all need to heal now for the wellbeing of DNF.

Personally, as a DNF member-owner I’m tired of seeing competent employees in essential positions performing crucial organizational functions fired at will for vindictive reasons, immediately damaging our functional capability. Brian certainly did not have the business management qualifications to be stuck into a GM position, immediately sent off by the Board on a junket to hobnob with people at the national scene, while floundering trying desperately to learn the job of a GM (and how to manage)—in addition to everything he was doing as a Co-GM running the operations side, and then without anyone to run the financial and accounting functions after Kim’s abrupt firing; functions which Brian knew

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nothing about. That was not Brian's failure; it was a Board management failure. Brian is an experienced grocery and store operations manager and I'm sure has been a solid contributor to the DNF operation. To his credit, he even called me to see if there was some way to mend this "rift between the petitioners and the Board," in his words. And after my venting a bit about this Board and their disgusting behavior regarding the damage they have done, pointing out that not only was there nothing to mend, but he himself had denigrated our own petitioning members with his statement to the media; he apologized to me and said that he wished he hadn't said that, which I thanked him for.

My approach is to retain good employees and help them improve. Whatever management structural decisions the new Board would make, including Brian's future, will be based on rational management decisions, matching talent with needs—not on more punishing of people and the autocratic "hire-and-fire" paradigm of fear.

Further, I've actually encouraged Colleen Caver to run for the Board. Colleen had only been appointed to be on the Board a while before all this "merger" stuff happened, so was relatively new; she also stepped down from the Board early last fall due to personal reasons. Colleen used to be the produce manager at DNF, is very well liked, and for years has been well connected with the local farmers and our local food production system. I hope she does run for one of the Board positions; DNF needs her.

B. Mentoring Roles of Board Members

This will be an early focus as we get started. It would be great if our new Board has members with experience in healthy living, DNF store management, outreach, and the local food system and farming community. All of these are integrally connected with what we do with our store.

C. External Relations

Our Board needs to be well connected with our community and local farmers. We will focus on opportunities and issues, with a theme of fruitful and fair relationships with our suppliers and among members of our community.

Board members will work with appropriate store personnel on community outreach and visibility for DNF. With the enthusiasm that our petition effort created, we plan to take that energy further and increase our membership growth rate.

D. Other

These are initial top priority efforts, not intended to be a complete list of issues, concerns or opportunities that we know we will face.

III. DNF Co-op Organization: Healing and Damage Repair

Our organization has suffered significant damage due to the recent struggle over the past year. Both employees and members have been distressed and disillusioned by the Board's effort to try and sell DNF to a co-op conglomerate in another state. Although we were on track in late-summer of 2014 toward some positive financial performance; that may have taken a setback in the fracas and firing of key

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individuals in crucial functions. It will be interesting to see how the financials actually work out for this past year and what track we are on for 2015. In addition, the organization has experienced very low morale and high turnover of employees, which needs direct Board attention.

On the positive side, DNF was recently recognized by the Green Business Roundtable with a leadership award due to its conscious efforts in its management of environmentally sound practices with the store, its suppliers and its customers and members, by what it offers. We need to build on that.

Root has extensive lifetime experience (he is 68) in business, industry, and government as an engineer, analyst, manager, and industrial business consultant; as well as an MBA. He will bring his business management expertise and experience to the table and focus on understanding our DNF organization, its current status, and what it needs in the immediate near term to help it be successful. He will be actively engaged with the management of DNF.

The intent of this outline is for setting initial priorities and guiding thoughts in that initial effort. It means a new Board is not starting “flat-footed;” but has a vision of where we need to go and is ready to lead. I would love it if at least four others would join me in this vision and run for one of the open Board positions. The future is wide open and there is no reason we can’t heal our organization, while we prepare to move onto a flourishing future.

A. Analyze Operational Status

1. Structure and Functional Competence
2. What’s in the way of success?
3. Financial Performance: 2014 and 2015 Projections

B. Organizational Needs: Ensure competencies match organizational needs

1. Functional Needs of the Co-op
2. Organizational Structure and Reporting Relationships
3. Positions and Job Descriptions: Duties, Responsibilities and Authorities
4. Current Internal Competencies
5. Current Contractual Services
6. Training Needs
7. Staffing Needs: Repositioning assignments and/or additional staffing
8. Employee Growth Opportunities

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C. Organizational Morale: Rebuild and Strengthen

1. Overall Morale
2. Cooperative Team Environment
3. Employee Empowerment
4. Active Encouragement of Employee Suggestions
5. Driving Fear Out of the Organization

D. Employee Engagement

1. Listen to Employees: Assess overall concerns and morale
2. Employee Frustrations: Understand employee needs and job satisfaction

IV. DNF Bylaws: Complete Rewrite

Our current Bylaws are antiquated, convoluted and do not serve the long term interests of our member-owners. As we have recently experienced, they empower the Board of Directors and *disempower* the members. They cannot be fixed by editing or adjusting this clause or that clause, because their entire focus is wrong. They are simply a hodge-podge legacy of the past. We will make it a high priority to completely rewrite the DNF Co-op Bylaws from scratch, with member involvement; and have the membership review and approve them by vote.

A. Establish Bylaws Criteria

We will organize a team of Board members and DNF members to rewrite the Bylaws, following the structure outlined below.

Of principal concern will be two things: First, right up front in a preamble, we will establish who we are and define our status as a locally owned co-op *in perpetuity* such that no Board in the future will have the power or audacity to repeat what has happened recently and treat our co-op as if it were some entity *they* control and can invest thousands of unbudgeted dollars of our limited funds preparing to sell it—without notifying the membership until it was virtually complete! The only way to sell DNF would be for the members to initiate a change in the Bylaws.

Second, the new Bylaws will focus on empowering the member-owners. We want to embed a member-driven democratic structure into the Bylaws, not just flowery ineffectual words we purport to go by, but in reality ignore, as it is now. As we have seen, the Bylaws have been used as a legal mumbo-jumbo screen of section quotes, which can simply be exploited by a Board to ignore the democratic will of the membership and hang onto its power and control of our organization. The new Bylaws would include making it much easier for a reasonable number of members, say for example 25 or so, to be able to call a member meeting for whatever reason they deem necessary, including the recall of Board members (obviously it would be something beyond trivial; where smaller issues on any topic can be brought up to

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the Board by other means). The idea is that we want the membership to *feel* empowered, as well as actually *being* empowered.

The current Board exploited the phrase “for appropriate purposes” (which only they hold the power to define) from the Bylaw sections regarding member-called meetings, thus excluding by definition the very idea of a recall of the Board of Directors—they themselves. Further, as it stands now, it takes an ever out of reach *percentage* of a growing membership to call any member meeting, which we found is a challenge almost impossible to achieve—although we did it with 14% this time, even though the current Board simply brushed off our efforts and ignored the concept of democratic power and accountability to the membership.

The Bylaws *content outline* below (as part of the criteria we will go by) is an initial cut to get us started on rewriting the DNF Bylaws from scratch.

1. Bylaws Preamble
2. Co-op Legal Requirements, Secure Member Ownership, Financial, etc
3. Co-op Democracy and Empowerment of Member-Owners
4. Board of Director Elections and Member-Initiated Removal of Board Members
5. Purpose, Function, Structure and Management of Board of Directors
6. Issue and Grievance Processes
7. Other stuff (meetings, etc)

With regard to section 5 above; it is important to explore this Board management issue here in some detail, as it will have a major effect on the health of our organization. We will not be tied to any legacy structure of the past; we intend to bring to DNF healthy engaged management. All the rules which co-op organizations are expected to adhere to will be examined, from State Law, to the Cooperative Principles, to co-op collectives we belong to; and we will ensure we meet or exceed those requirements.

From there it's a clean slate. It is *our* organization and we members will decide how to run it; not some aloof out of touch board with idle time on its hands; or worse, some national organization interfering with our business, like arranging with the Board to sell it. The role and function of the Board will be creatively examined with the focus on building and sustaining a healthy organization that encourages and sustains excellence in relations with staff, management, our customers, suppliers, and community, especially at the local level.

A new Board culture will be built from scratch; one that will be more engaged and helpful to the needs of building and running a healthy organization with a stronger connection to DNF staff and members. The Board will be formed in terms of a non-hierarchical “Management Council” with a Board elected Council Leader, while making sure that the traditional Board functions of president, vice president, secretary, treasurer, etc, are addressed per any legal requirements.

The idea of a management council is to be actively engaged with store management in a consultative and mentoring way; not a meddling way. This means the Board as a whole, or individual Board

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member(s) will meet as needed; not as a regularly scheduled “formal public Board meeting,” but doing work, listening to staff and being engaged enough to understand where the needs, problems, and opportunities are and what resources it takes to address them—financial, knowledge, staffing, and/or external contracted functions, and so forth. In management circles, it is well known that the employees who live with dysfunctional processes best understand the problems and possible ways to improve them; the theme is referred to as “continuous quality improvement.” We want to facilitate that kind of employee empowerment. Of course we will have periodic formally scheduled meetings to update and hear from the membership, as well as occasional letter updates from the Board. But we are not a “parliament”, so don’t expect it to look like the current Board; we are a working Board engaged with our organization as individual Board members and in Management Council working meetings as needed, which will not be of the “open meeting” variety the current Board sees as its working platform.

The old structure is how this current Board slid down the path of actually trying to dissolve our local co-op; only letting the members know about it when they were ready to complete the deal, just shy of a favorable quorum vote (a minimum of 16 out of 30 members would have closed the deal; except a few of us threw a wrench into those plans by ringing the alarm bell loud and clear). While recently on their agenda of important items was, “*How should we define the word ‘local’?*”

In terms of structure, the new Board structure will consist of **five elected Board members**; elected by the members through a well-designed election process that encourages involvement and makes it easy for members to vote, for example by modern secure online methods, as well as more traditional methods. This elected five will all be voting members and form the **core executive committee**. They may meet in executive session whenever they deem necessary, for example to deal with delicate legal matters or personnel issues, and other such things.

The Board will also have an **additional two voting seats from the DNF staff**. One will be filled by a senior manager, appointed by the Board. The other will be an employee representative, elected by the employees. Except when executive sessions are needed, they will be equal actively participating and voting Board members. It is expected that when issues related to some particular department are at hand, the Board will invite the respective department manager and/or line employee to directly address the Board where we can all hear directly from the affected department and engage in mutual problem solving. This will encourage employee engagement, engender trust, and help fear factors subside; where fear and mistrust often arise when everything is channeled through one dominant higher level position. We need a more manifest and safe *open door policy*—the focus is problem solving, not blame.

That gets us started with a basic structure, once the Bylaws are rewritten and passed. There are many other Board management functions, of course, such as capital budgeting, etc, that will be developed in more detail as we settle into our positions.

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- B. Establish the Rewrite, Review and Member Approval Process
 - 1. Rewrite Project Team: Establish size and composition of team and project goal
 - a) *Project Leader: From Board*
 - b) *Project Team: Board Member Volunteers, and*
 - c) *Project Team: Solicit DNF Member Volunteers*
 - 2. Project Management
 - a) *Project Management Process*
 - b) *Project Objectives*
 - c) *Milestones*
 - d) *Timeline*
 - e) *Project Status Review Process: Keeping the Rewrite project on track*
 - 3. Draft Review Process
 - a) *Criteria Established as Above: Board Approval*
 - (1) *Bylaws Content: Structure and Details*
 - (2) *Bylaws Amendment Process*
 - (a) *Amendment Initiation Process*
 - (b) *Amendment Writing Process*
 - (c) *Member Voting and Approval Process*
 - b) *First Draft*
 - (1) *Board Review and Comments*
 - (2) *DNF Member Review and Comments, and*
 - (3) *DNF Employee Review and Comments*
 - c) *Second Draft*
 - d) *Final Review Draft*
 - e) *Member Vote and Adoption of New Bylaws*
- C. Do the Work per Above Process
- D. Celebrate New Bylaws

Top Priority Agenda For a New DNF Board of Directors April 25th, 2015 Election

V. DNF Member and Community Outreach

- A. DNF Member Community: Build our membership
- B. Reaching Out to Durango and La Plata County Community, and beyond
- C. Strengthen Connection with Local Food Supply Farmers & Growers
- D. Strengthen Connection and Cultivate Long Term Regional and National Suppliers

VI. A bit about Root as a DNF Board Candidate

Root Routledge is 68 years old and has extensive experience in industrial business and process management, and in manufacturing engineering and quality assurance, working directly in business and government for 20 years (Weyerhaeuser, U.S. Forest Service, and Hewlett Packard). As well, he has been an industrial business consultant for almost 25 years, since he formed his consulting and training firm Alpine Analytics in 1991. Relevant to the management needs for the future of DNF under the structure laid out, Root holds an MBA and a PhD in Industrial Engineering, and has been living in the Durango area for over 20 years and been a longtime customer and member of DNF. He is a Vietnam veteran, having served as a navigator with the rank of Captain in the U.S. Air Force from 1968 to 1972.

Durango Natural Foods Co-op

Board of Directors – 2015 Election Information Packet



Revised February 27, 2015

All applications are due April 3rd, 2015 by 5:00 p.m.

Our ends statement:

DNFC is a member-owned food cooperative committed to providing quality organic local products and educating our community on the value of healthy living. We

- Engage the community in cooperative principles
- Participate in a sustainable local economy
- Educate consumers about the broad impact of their choices
- Provide tools for living a healthy lifestyle
- Respect the environment through our actions

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Thank you for your interest in joining the Board of Directors (BOD) of Durango Natural Foods Co-op (DNFC)!! We hope this packet will help you understand DNFC's history, mission and current goals, as well as the role of the DNFC BOD.

For 40 years, DNFC has been providing the community with quality natural, local and organic products, education and service. In 2009, the DNF membership voted to convert from a Colorado not-for-profit corporation to a Colorado cooperative corporation. DNFC is governed by its members, for its members, and is supportive of the community at large. It has grown from a buying club to a member-owned retail store that is grossing nearly two million in annual sales.

In addition to a committed membership, a large part of DNFC's success can be attributed to the loyalty and commitment of the store's General Manager (GM) and staff. Every day, their belief in DNFC's mission, their customers and each other makes DNFC a warm, inviting place to shop. Their knowledge of the products allows customers to leave more informed and better able to take control of their own health, as well as, the health and success of the local community and planet.

Another important part of DNFC's success is the support of its BOD. Each member brings a variety of professional and personal experiences to the group, forging a BOD **committed to fulfilling DNFC's mission, maintaining its quality and financial stability, and providing strategic planning for its future.** As such, it welcomes fresh ideas, energy and talent.

Sitting on DNFC's BOD is a responsibility and requires commitment. The right person needs to have a deep belief in DNFC's mission and the time to listen, learn, and contribute to its exciting future. All BOD positions are voted on by the membership, or by the standing Board, if the position is uncontested.

If you are interested in a seat on the board, please complete the application form located at the back of this packet and either submit it to the "Board election" wooden box in the store or email it to board@durangonaturalfoods.coop.

2015 Board election schedule:

Friday April 3rd: Applications due by 5 pm

Monday April 13th: Paper and electronic ballot ready

Saturday April 25th: Annual meeting: candidate forum, in person voting

April 25th- May 5th: 10 days to vote via electronic or paper ballot

Tuesday May 5th: Voting ends at 8 pm

Friday May 8th: Election results verified by a third party and results announce via email blast and posted in the store.

Monday May 18th: Monthly Board meeting including newly elected Board members; Board officers will be elected.

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The Cooperative Identity

Definition: A cooperative is an autonomous association of persons united voluntarily to meet its common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values: Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of its founders, DNF cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles: The cooperative principles are guidelines by which cooperatives put their values into practice. DNF is a cooperative grocery store, founded on the Cooperative Principles.

- **Voluntary and open membership** Cooperatives are voluntary organizations, open to all persons able to use the services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- **Democratic member control** Cooperatives are democratic organizations controlled by their members, who actively participate in setting the policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, cooperatives members have equal voting rights (one member (household), one vote) and cooperatives at other levels are also organized in a democratic manner.
- **Member economic participation** Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.
- **Autonomy and independence** Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
- **Education, training, and information** Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute to their effectiveness. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.
- **Cooperation among cooperatives** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
- **Concern for the community** Cooperatives work for the sustainable development of their communities through policies approved by their members.

History

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In the spring of 1973, a few grassroots visionaries chose to establish a local buying club to share low-cost, quality food and soon rented its first 10 x 30 ft. room located in the back and northern side of 700 Main Avenue. DNF operated on all volunteer efforts and donations using an unlocked, red fishing tackle box as its cash register. In 1974, it was legally registered with the state of Colorado to become Durango Natural Foods, Inc. In 1975, it moved to a 600 sq. ft. rented space in the alley of 2nd Ave. and 7th St. DNF invited a Social Services Program, the Single Purpose Application Referral System (SPARS), to initially share the premises.

In addition to manning the store, DNF volunteers worked with the community through SPARS by providing services and transportation for the elderly and the disadvantaged. Its first organic community garden flourished on the ground where The Mears House now stands. DNF organized a network of local farmers and producers to supply, as much as possible, its bulk grains, beans, nuts, seeds, fruits, vegetables, herbs, honey, beef, and eggs.

In order to accrue sufficient assets to buy its own building, DNF first invested its savings in a duplex at 3100 & 3104 West 2nd Ave. Using this property as collateral, members stepped forward to loan the down payment in March 1979, and purchased the northern half of its current 575 East 8th Ave. property. Community involvement continued through helping the Local Organic Produce Project (LOPP), the Soup Kitchen and San Juan Resource Recovery, among others. Education, too, has been one of DNF's priorities so throughout its history, informative newsletters have been sent plus a wide variety of classes and training videos have been offered.

In July 1987, DNF planned a parking expansion and improved handicap accessibility by first selling the duplex in order to buy the adjoining property to the west; it built a wheelchair ramp entrance and removed the house on the west property in August 1990. In January 1999, DNF purchased the adjacent property including an older house to the south. After removing the older house, it constructed a new adjoining building for larger retail and storage areas including a deli.

In 2006, the BOD planned the installation of the automatic glass sliding front doors, the filling of the depression in the parking lot and the painting of the building's exterior. Most existing member loans were consolidated and the commercial bank loan was increased by an additional \$50,000 to pay for the improvements. In 2009, members voted to replace the membership structure with an owner-equity system. Patronage dividends (the profits of the business) may be shared with member-owners in profitable years.

Currently, under Brian Gaddy's management as the General Manager, the store is looking toward a positive future and is continuously making strategic decisions to better serve its owner-members.

DNFC BOD Responsibilities

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The BOD governs in a way that emphasizes vision, strategic and proactive leadership; it provides clear distinctions of BOD and management roles; it deliberates in many voices but governs in one voice.

The BOD's job is to:

- Create a shared vision and “ends” policy that guide strategic planning
- Develop effective communication between the cooperative and its member/owners
- Hire a GM and direct and evaluate the GM's performance by monitoring against written policy
- Perpetuate itself through recruitment, training and ongoing professional development, including monitoring and self-evaluation.

The DNFC BOD operates using Policy Governance, a governing style that clearly defines the role of the BOD and GM. This style of governance allows the BOD to have its arms around the store without having its fingers in it. *It should be noted that the BOD is NOT involved in the day to day operations of the store.* Training will be provided to new BOD members in this system of governance.

The BOD receives support and training as needed from the National Cooperative Grocers (NCG) and Cooperative Development Services (CDS).

Frequently Asked Questions about Board Service

How often does the DNFC board meet?

BOD meetings are generally held on the third Monday of the month, from 5:30-7:30 pm. The meetings are currently held in the DNFC Office.

As a board member how much time am I expected to commit?

Outside of monthly BOD meetings, a minimum of 3 hours a month is necessary to work on other BOD tasks, readings (i.e. monitoring reports) and committees. DNFC board members serve 3 year terms with staggered start dates to allow for continuity of leadership.

How many DNFC Board members are there?

The bylaws currently state a requirement for 7 BOD members. There are 5 vacant seats this election; three 3 year terms and two 2 year terms.

Do I have to be a member-owner to serve on the DNFC Board of Directors?

Yes, cooperative ownership-membership is required

What does it cost to be a DNF member-owner?

An active owner pays an investment of \$100 (either in one payment or in \$20 yearly or quarterly installments) and is then eligible to participate in elections and hold elected office. Only members current in their payments are considered active.

Do DNFC Board members receive any additional benefits?

BOD members receive a 10% discount on all purchases. And they have tons of fun!

If you have any additional questions, please contact the BOD at board@durangonaturalfoods.coop.

Durango Natural Foods Co-op 2015 Board Application Form

The following information will be used to create the board election ballot. Phone number, address, and email will be used internally only.

Name _____ Phone _____

Address _____

Email Address _____

Your DNF member number:

Your occupation:

Your education:

Previous Board of Directors or other related experience:

Please answer the following questions in 300 words or less:

1. Why do you believe members should choose you to represent them?

2. In what areas do you think the board should be putting its attention in the next five years?

3. What else, if anything would you like to share with the membership?

We would like a photo of you for the ballot. This will be scheduled to be taken the week of April 6th by Jules, the DNF marketing outreach manager.

Please submit this form to the “Board elections” wooden box in the store or send via e-mail to board@durangonaturalfoods.coop by 5pm April 3, 2015

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