



Fourth River Workers Guild

New People January 2016

By Ron Gaydos

I met with David Stokes, 28, one of the six worker-owners of Fourth River, a cooperatively owned construction and landscaping company. We met at Bantha Tea (pictured) on Penn Avenue, which Fourth River built out.

Fourth River Workers Guild began when four people taking the Permaculture Design Course decided to make something happen before they lost momentum or enthusiasm after they completed the course. Ben Ledewitz, a member of the group, was doing a lot of research on governance and the cooperative business space in general, and leading study with friends on John Buck and Sharon Villines' book We the People, a major work on cooperative governance. Ledewitz's mother, architect Stefani Danes, had extensive experience in community development, and was asked frequently to advise them. They explored all kinds of businesses, and since Dave Stokes had construction experience, and others were open to it, they started organizing a company in that field.

The group started to meet regularly, with cooperative governance as an early focus, and decided to get to work. Their first job was just to paint a garage, but it was more an experiment in a new kind of company, so it was the beginning of Fourth River Workers Guild!

Gradually, they took on new members. Two of the original members left: one moved away from Pittsburgh and another decided it was not for him at the moment. As they worked, they formed their company structure, how worker-owners are compensated, and how ownership shares are determined. After two years, it is still evolving, but Fourth River has worked out an effective structure for operations and governance.

It's a limited liability company, with by-laws written into the incorporation that spell out its cooperative nature. Pay rates for owners are determined by consensus based on the skills each owner can apply to Fourth River's work. Each member's ownership percentage is determined by the total number of hours worked for the company.

The owners also determine by consensus how to use profits put into savings. They can share profits as a dividend, but they typically reinvest profits into new equipment, training, or relevant conferences, but they also anticipate using this fund in the future to help further develop the cooperative business ecosystem. Such investment may assist a potential partner company to get into a stronger position, allowing it to do business with Fourth River. It may also go into mentoring new cooperatives, or even providing financial assistance to new cooperatives. Stokes pointed out that “our job gets easier the more robust other [like-minded] businesses in the area are.”

Even though the company is small – the other four worker-owners are Brennan Komlenic, Brandon Ference, Seth Nyer, and Shane Eazor – a hectic work environment can distract the group from governance matters. They handle this through bi-monthly policy meetings where they discuss possible changes in policies, decision making, and worker-owners’ roles.

An example of these meetings’ outcomes is the decision to appoint Ledewitz as the Manager, so workplace decisions can be made without having to constantly consult the whole group on operational matters. Stokes made it clear, and Ledewitz agrees himself, though, that he’s not “the boss”.

Another example is the method by which new worker-owners are taken on. Interested people with the skills needed are hired as short-term employees for 60 work hours. After that the prospective worker-owner and Fourth River decide whether or not to have them join. If so, worker-owners pay a \$1,000 equity share into Fourth River, either as a one-time payment or a 10% pay deduction until their share is capitalized.

Their experience has blessed them with many lessons. One huge lesson was the necessity of learning, or rather re-learning, cooperative culture in our typically hierarchical business environment.

Another is that this “requires humility and openness, to try to be sincere and let go of ideas and intentions put forth to the group, so it can be considered for the good of the group”, according to Stokes. He added that this is not a plug-and-play model, but “has to be organically developed among the participants.” This from four young men in a society demanding “the lone warrior” personality from boyhood on? These guys are on to something!

One final lesson Stokes wanted to relate is that governing by consensus takes time. Starting simple and progressing slowly, and then building from there, is a prime principle of permaculture and sustainable business development. While every participant will have their own perspective and pace throughout the process, Stokes said it doesn’t take as long as you might think it does.

Looking forward, Stokes offered a few things that he and his fellow Fourth River owners thought the cooperative business ecosystem in the Pittsburgh area needs. They ranged from shared services like marketing, web sites, and bookkeeping to joint purchasing, to greater progress in the Pittsburgh area in sustainable, triple-bottom-line development. They would also like to see workshops, business coaching, and speakers who are leaders in inclusive, cooperative business.

Fourth River Workers Guild worker-owners are not “gurus” yet, as Stokes said, but they have a lot to offer the Pittsburgh area in the construction industry and to cooperative business.



Fourth River worker-owner Dave Stokes with Bantha Tea owner Brett Boye and manager Jack Ball. Fourth River built out the façade and interior. Photo by Ron Gaydos

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