



# BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5999  
January 4, 2022  
Regular Business

## AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 5999: 2022 Thrift Shop Work Plan	<input type="checkbox"/> Discussion Only
<b>RECOMMENDED ACTION:</b>	Approve the 2022 Thrift Shop Work Plan.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

<b>DEPARTMENT:</b>	Finance
<b>STAFF:</b>	Matt Mornick, Finance Director
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	
<b>CITY COUNCIL PRIORITY:</b>	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.

## SUMMARY

This agenda bill provides the City Council an opportunity to review and confirm the proposed fiscal year (FY) 2022 Thrift Shop Work Plan.

### BACKGROUND

During the 2021 mid-biennial budget review, the City Council approved a \$1.24 M expenditure budget increase (\$263k increase in 2021 and \$980k increase in 2022, for an amended FY 2022 Thrift Shop budget of \$1.28 M) to the Mercer Island Thrift Shop to continue rebuilding operations. This expenditure budget includes resources to restore operations to pre-pandemic levels, including funding a new full-time Thrift Shop Manager position, bringing the total full-time and limited-term equivalent positions to 13.40. The new Manager will be tasked with overseeing all Thrift Shop operations and providing the leadership necessary to return to pre-pandemic baseline levels by FY 2023 and to complete other work items as assigned.

Prior to the COVID-19 pandemic, the Mercer Island Thrift Shop division was nested in the Youth and Family Services Department. While the division remained in the Youth and Family Services Department as part of the 2021-2022 biennial budget, the Thrift Shop has been supported by multiple teams over the past year.

In September 2021, the Thrift Shop division joined the Finance Department, where staff provided direct assistance with the Thrift Shop's financial operations and support to the Interim Thrift Shop Administrator. Emphasis has been placed on creating and implementing strategies for a rolling restart of the Thrift Shop, expanding hours of operation, hiring, and training new staff as resources and COVID-19 protocols allow.

Staff is currently working to recruit key positions within the Thrift Shop, including the new Thrift Shop Manager position. To inform this recruitment, staff seeks input from the City Council on the proposed FY 2022 Thrift Shop Work Plan.

### **PROPOSED THRIFT SHOP WORK PLAN**

Emphasis in the Thrift Shop over the past year has been to restart Thrift Shop operations and services. The Thrift Shop team was tasked with rebuilding both staff and volunteers, restarting donation collection and processing operations, and reopening the retail shop with focus on regaining revenue and market share. Staff also restarted marketing efforts to educate customers and donors on new service hours and locations.

For the upcoming fiscal year, the primary focus is to continue rebuilding operations while remaining flexible given the ongoing COVID-19 pandemic impacts on Thrift Shop and City operations. The proposed 2022 Thrift Shop Work Plan is proposed as follows:

1. Design a staffing model that supports the front of house operations (retail sales), back of house operations (donation collection, donation processing, online sales), and overall administration (community engagement, financial planning, marketing, facility management, and human resources) and prepare a recommendation for consideration as part of the 2023-2024 biennial budget proposal.
2. Re-establish donation processing operations at the Thrift Shop Retail store location by March 2022, providing training and compliance with COVID-19 safety protocols that builds on lessons learned over the past year while continuing to explore alternative locations for donation collection and processing.
3. Meet monthly revenue goals as outlined in the Thrift Shop FY 2022 revenue forecast.
4. Grow volunteer service hours 33% more than 2021 (7,200 est. total hours for 2021) by increasing the committed service hours among core volunteers to 12 hours per month through training, communication, and outreach.
5. Increase community engagement and support with a minimum of two new organizational partnerships by December 2022.
6. Prepare an annual report to the City Council on Thrift Shop operations and present in Q3 2022 as part of the 2023-2024 budget process.
7. Recommended for the 2023-2024 work plan: Develop a multi-year business plan to improve operations, expand volunteer hours, grow brand awareness, and continue to build the customer base. Some of the pre-work for the business plan is underway, including a Strength, Weaknesses, Opportunities, and Threats (SWOT) analysis. This planning work may require consulting support – the needs will be evaluated once the Thrift Shop Manager is on board and has had an opportunity to complete an assessment.

### **NEXT STEPS**

The Interim Thrift Shop Administrator will continue overseeing the recovery of Thrift Shop operations while recruitment for the new Thrift Shop Manager is underway. Feedback from the discussion this evening will be used to draft a job description and a recruitment plan for the Thrift Shop Manager position. City leadership is optimistic that the Manager position will be filled by the end of the Q1 2022 but recognizes this is a very competitive job market and it has taken six months or more to fill most City positions recently. The City will engage the outside recruiter for assistance with this position, given it is unique to local government.

The City is currently recruiting for a Customer Service Lead, a Production Assistant, and an Apparel Production Assistant as well. As such, many of the Thrift Shop work plan items will have a gradual progression towards full implementation in 2022 as positions are filled.

## **RECOMMENDATION**

Approve the FY 2022 Thrift Shop Work Plan.