



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5846
April 6, 2021
Consent Calendar

AGENDA BILL INFORMATION

TITLE:	AB 5846: Appropriate Funding to Restart the Thrift Shop	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Appropriate \$100,000 to restart Thrift Shop operations and authorize the City Manager to commence planning for operations to resume.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	City Manager
STAFF:	Jason Kintner, Chief of Operations/Public Works Director Ali Spietz, Chief of Administration
COUNCIL LIAISON:	n/a
EXHIBITS:	n/a
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

This purpose of this agenda bill is to appropriate \$100,000 to restart the Thrift Shop and authorize the City Manager to commence planning for operations to resume. The \$100,000 reserve was included as part of the 2021-2022 Adopted Budget to fund the re-opening of the Thrift Shop, but the funds were not appropriated. City Council action is needed to authorize use of these funds.

BACKGROUND

The Mercer Island Thrift Shop has been operating since 1975 with proceeds supporting community services provided by the Mercer Island Youth and Family Services (YFS) Department.

In 2019, the Thrift Shop generated \$1.98 million in annual revenues, averaging \$165,000 per month. In 2020, the Thrift Shop was projected to generate nearly \$2 million in revenues, which represented 65 percent of the YFS Department's annual resources. With the onset of the COVID-19 pandemic, the Thrift Shop closed in mid-March 2020.

The Thrift Shop resumed limited operations on Sundays only in August 2020, using a skeleton crew of staff and limited volunteers to sell off existing inventory. Sunday Sales have been grossing about \$4,000 per day since re-opening last summer. Until recently, the Thrift Shop was operating under Phase 2 operating

guidelines, which limited Thrift Shop capacity to no more than 21 people (staff, volunteers, and shoppers) at a time.

The Governor recently announced a move to Phase 3 operating guidelines, which allows for up to 40 people in the Thrift Shop at a time. Gross sales jumped to \$8,000 the first weekend operating under the new Phase 3 guidelines.

Thrift Shop donation acceptance resumed at the end of October at the Mercer Island Community and Event Center (MICEC). The available space at MICEC allowed for donations to be accepted and “held” for 48-hours to meet COVID-19 quarantine requirements. Once the 48-hour period concluded, volunteers and staff completed the processing and donated goods were routed for sales at the Thrift Shop. Donations are accepted on Saturdays only and have recently been limited to just one or two days per month given the high volume of donations received and the time necessary to process the goods.

The MICEC will be re-opening at the end of June for summer camp programs and the facility will no longer be available for Thrift Shop donation processing.

The 2021-2022 Adopted Budget includes a \$100,000 reserve to help fund the restart of Thrift Shop operations. Given the Statewide move to Phase 3 operating guidelines and the re-opening of the MICEC at the end of June, the timing is right to plan for re-opening the Thrift Shop.

EXPANSION OF THRIFT SHOP OPERATIONS

Resources are needed to support the Thrift Shop operations. The authorized funds will be used for the following:

Short-Term:

- Re-hire temporary staff and recruit additional volunteers to expand Thrift Shop operations. The goal is to expand operating hours by July 1 and continue to build back to previous operating levels through the remainder of 2021. Much is still dependent on Statewide operating guidelines.
- Identify a temporary location for donations processing due to the re-opening of MICEC. COVID-19 operating guidelines may allow for donations to resume at the Thrift Shop location. If not, a temporary off-site location will be needed in the short-term.

Long-Term Operations Strategy:

- Develop a long-term operations plan, similar to the restart planning work being conducted for the Recreation Division. Additional consulting and/or short-term staff support will be needed for this work. This planning work will include:
 - An updated comprehensive financial analysis including a strategy to develop a Thrift Shop operations reserve.
 - A long-term operations plan to include a staffing structure and incorporation of a volunteer program.
 - A revised budget recommendation for 2021 and 2022 for consideration by the City Council. (Note: The City Council will need to amend the 2021-2022 budget to account for the expansion of operations. This may be done in phases over the course of the biennium.)
 - A marketing and community engagement plan.

The resources allocated will not be used to fund additional permanent staff positions (FTEs). Decisions on the staffing structure and additional permanent staff positions will be part of a future budget discussion with the City Council.

NEXT STEPS

Staff will return to the City Council to discuss the long-term strategy and to present a revised budget recommendation as part of the Mid-Biennial budget process this fall.

RECOMMENDATION

Appropriate the \$100,000 reserve to restart Thrift Shop operations and authorize the City Manager to commence planning for operations to resume and to prepare a long-term operations strategy.