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Dear El Dorado County Board Members:

Please read the enclosed letter and its attachment during your public comment section of the next Board meeting. I believe that these are issues that this Board needs to address, as the shutdown does not appear to be abating any time soon.

A Concerned Taxpayer

Dear Sirs:

This is an extremely difficult time for many of us due to the economic and emotional ramifications of the forced shutdown of most of our businesses due to the Covid-19 protocol. It is not until our government leaders experience the same stifling restrictions that the private sector is experiencing that they will be able to appreciate and weigh how long the shutdown should continue.

What has been missing from our news coverage are the steps that the Federal and State government are taking to minimize nonessential spending during the dramatic economic downturn as a result of Covid-19. All campgrounds, parks, beaches, and outdoor areas are absolutely closed and have been gated shut. Most of the offices are operating on a skeleton staff and all meetings, gatherings, and most face-to-face contacts have been cancelled or largely curtailed. All libraries are closed and patrons have been instructed not to return library materials until the libraries reopen. Yet, I know of not one public employee who has been furloughed or had their hours cut during this shutdown as they are all “telecommuting”. How do the myriad of park rangers and librarians “telecommute”?

Paying government salaries for no, or minimal, work being provided is simply a “gift of public funds” which we the citizens cannot afford at a time when the private sector has been forced to close its doors. This leads to deep resentment from those struggling from deep losses and fears that taxes will have to be raised to pay these workers due to decreased governmental tax revenue.

Attached is an innovative business model made by a company in the private sector to maintain the viability of their business while still providing essential benefits for their employees. While REI was forced to close its retail stores, it has maintained its on-line order system to attempt to keep the business afloat during these challenging times. Most progressive is the leadership approach their team is using--to lead by example.

Although considering the economics of Covid-19 is not popular, the shutdown is causing widespread physical and emotional damage which must be considered when crucial decisions are being made. Placing the government on footing equal to the private sector is necessary for informed decisions for the good of all the populace.

A Nameless Taxpayer



To our Co-op Community:

Three weeks ago, in the face of the growing outbreak of COVID-19, I shared our decision to temporarily close our 162 retail locations and continue paying all of our retail employees and maintaining their benefits through April 14. As that date approaches, I want to share what we're doing next.

Our hope is to begin a gradual reopening of our stores in the coming months. We plan to begin with curbside pickup hopefully in the next 45 days. And we look forward to welcoming you all back into our stores when it's safe to do so. As we did with our decision to temporarily close our stores, we're going to prioritize the safety of our employees and customers and closely track federal and local guidance.

While we cannot predict the future, we must make informed assumptions and plan accordingly to control what we can. We're particularly focused on the next few months because we don't know exactly when we'll be able to reopen our stores. We believe this will be the most challenging period for our business, and we have to make some immediate decisions that impact REI employees.

Those decisions begin with me and with my senior leadership team. I am forfeiting 100% of my base salary for the next six months, as well as forfeiting all of my incentive eligibility for 2020. Our board of directors is forfeiting their fees for the next six months as well. My entire senior leadership team will be taking a 20% pay reduction for the next six months and will also forfeit all of their incentive eligibility for 2020.

We have also made the decision to begin an unpaid 90-day furlough of the majority of our retail and field employees, beginning on April 15. During this period, all health and welfare benefits will continue as normal for all eligible furloughed employees. In addition, REI will also pay the employee portion of benefit premiums, which means we'll be covering 100% of eligible employee health and welfare premium costs for all furloughed employees for all 90 days for those employees. All furloughed employees will be eligible to apply for government-funded unemployment pay.

Our limited operations mean we are also making overall reductions of our headquarters workforce. All impacted full-time employees will receive severance along with outplacement services and support.

As the co-op's CEO, my job is to serve our employees and you, our members. This current crisis is testing us all, but we have worked to make sure our decisions and actions are consistent with the co-op's mission and values.

To everyone who has reached out with suggestions about ways to help the co-op and our people during this period, I thank you. We have considered every option, and I'm confident the actions we're taking are the most beneficial for affected employees. The best thing you can do to continue to support the co-op is to continue supporting the co-op—both our business and our community of non-profit partners across the country. In the coming days, we'll be sharing more about how to directly support that nonprofit network.

And even with our stores closed, we're working hard to continue serving your needs. Most orders through REI.com are being shipped for free. Customers who have questions about gear and local outdoor activities can get answers through our digital community, REI Conversations, and Co-op Journal will feature articles that help people find ways to safely get outside during these challenging times.

I am determined and committed to seeing the co-op through this. I am optimistic we will come out of this crisis as strong a community and business as we were coming into it. And I will continue to fight to ensure the co-op will be here for another 82 years to connect our members to a life well lived outdoors.

My best,

Eric Artz
President & CEO, REI Co-op



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DIVIDENDS**

REI VALUES

100% SATISFACTION
GUARANTEED

0% MEMBER
DIVIDEND*