

House Committee on General, Housing & Military Affairs
115 State Street
Montpelier, Vermont 05620

2.10.2017

Dear Committee,

I am writing to voice my opposition to certain parts of bill H.93. We strongly oppose H.64.

I have used my position in the business community to be on the progressive side of most issues. I was outspoken in support of Earned Sick Time and I am also a board member of Main Street Alliance. I believe that speaks to where my values lie.

We believe in a livable wage. Our lowest paid employee, an entry level dishwasher makes over \$12/hr. I do have very strong concerns that moving to \$15/hr will contribute to much higher labor costs than just paying my several dishwashers a few more dollars an hour. Wages will need to increase throughout our entire organization to balance skill, aptitude and previous education. I believe that we can handle this if it is implemented gradually.

I also believe the many Vermont businesses cannot handle this increase and the bill will result in lost jobs, less new hires and fewer new projects for businesses in a financial position such as mine. Vermont has been very good to me but I have also looked at doing business in other markets within a several hour drive. The added labor costs will also reverberate throughout other industry-related businesses. Those costs will be passed on to us and we will in turn pass them on to the customer. Hoping that the customer goes along with this is an enormous risk. Raising prices is the very last thing we want to do and we are constantly looking for ways to cut costs while remaining true to our ethics. Most businesses will continue to still strive for the same profit margins so we will see price increases across most industries. The benefits cliff is an entirely different reason for concern but I will table that for the sake of a concise letter.

Putting ALL OF THAT ASIDE: Our biggest concern is the **Tipped Minimum Wage** following the increase in minimum wage.

I have not heard the argument regarding this increase. We are already responsible for bringing our service staff up to minimum wage should they not make enough in tips (a scenario that I have NEVER seen in ANY restaurant that I have worked) so why would an increase be necessary? This will also force new business models with more counter service which equates to less service jobs. We are already seeing this trend nationally; fewer employees & poorer customer service.

I cannot find any information on why Tipped Minimum would follow the Minimum Wage. We would like to be a part of this dialogue going forward and would ask for new language in the bill addressing the tipped minimum wage component.

It is of our belief that the biggest problems facing our employees revolve around affordable housing and healthcare, not the minimum wage.

Sincerely,

Eric Warnstedt,
Hen of the Wood & Doc Ponds
eric@henofthewood.com