

Good Morning!

Thank –you for taking the time to meet with us – Mary Jo & I appreciate your willingness to hear from people on issues that have significant impacts such as S.40 on all Vermonters.

- We brought props – this is a DeBanville’s Maple Walnut Whoopie Pie that we will discuss a bit later.
- Background on us. 40 years of presence in VT, 36 years a resident, 31 years a property owner and tax payer, 12 yrs living in the State full time – military service in intervening periods.
- Background on Store. 100 years of operation, successful, community based, 4 employees, general store, on the border of VT & NH in NEK....
- Personal Stories of 2 of our employees – Mary Jo to provide.

As we have provided you some written feedback – we hope you have had some time to review it – so we do not plan on going over that but rather use this opportunity to share some highlights – tell you some real stories and give you a sense what someone in our position – small business owner, nestled on the border of New Hampshire, in the most economically challenged part of the state is thinking when we see a 50% increase in wages in 7 years. We also like to share some stories with you that reflect our challenges.

To Recap our letter –and provide a springboard to conversation:

1. We want to pay our employees more than minimum wage and strive to do this as our business grows. We are not opposed to paying higher wages to those who deserve it. All (4) employees get paid at least \$10.50 an hour.
2. We believe the impacts of the wage increases as laid out in S.40 have not been fully researched. Vermont already has the 4th highest wage in the U.S. We think the diverse impacts of this increase have not been carefully analyzed.
3. We are concerned about wage increases in perpetuity along with this dramatic wage increase. This poses an even more complex set of challenges to all businesses.
4. We are concerned that the focus of the legislature is not trying to expand the opportunities for business through increased skills and higher paying jobs. Simply raising the bar at the bottom is not sustainable.
5. We believe not all jobs are intended to garner a living wage. The upward pressure on the minimum wage will cause further issues upstream and force small businesses to make choices that are detrimental to the fabric on what Vermont believes it values.
6. We see how Vermont discourages large business and now how disproportionately small businesses will be impacted by S.40.
7. Implicit in the letter is that:
 - a. Raising minimum wages places a pressure on all wages.
 - b. NH residents will seek employment in VT as the wage gap between VT and NH widens. This will not help Vermonters.
8. Vermont business on the borders will have a very hard competing against NH. We already have higher taxes in all areas, gas, alcohol, sales, meals & rooms, tobacco...and 40% higher min wage.

Those are some highlights – not all inclusive – we hope you have time to reflect on our provided letter as you deliberate the merits of S.40 and how the impacts could cause unintended consequences.

So the Whoopie Pie:

Actually this is one of DeBanville's Maple Walnut Whoopie Pie. We sell this at our store. Want to share a story about the Whoopie Pie in terms of impact of \$4.00.

First of all this DeBanville's Maple Walnut Whoopie pie is made from the following Vermont ingredients:

- King Arthur Flour
- Cabot Butter
- Cabot Cream Cheese
- Vermont Maple Syrup

So those are some of the raw ingredients – most all of the ingredients made by Vermont companies and then we add some love to it and it then moves along to make our customers with no calories!

So we did not want to create a conflict of interest in bring you all a Whoopie Pie – so we have brought a virtual Whoopie Pie Chart to explain to you how labor impacts real products.

You have all seen pretty of Pie Charts in what you do everyday - Let us pass around your first virtual Whoopie Pie Chart. Looking at the Whoopie Pie Chart you can see that we retail the Whoopie Pie for \$2.75. We then collect 25 cents for the State of Vermont prepared food tax and the out the door cost is \$3.00. You will also see the cost of materials and Labor & Overhead costs associated with the Whoopie pie as best we can determine.

Since you are hungry – we are going to pass around a second virtual Whoopie Pie Chart to you. On this one you see the impacts of wages and other factors force the \$3.00 Whoopie Pie to \$4.12 and think that is conservative – it might be \$4.50-\$4.75. Not sure this is sustainable for a small business. We rely on food products to help pay the bills due to the low margins of the other products.

We do not see this as sustainable for small businesses trying desperately to serve their communities and honor a 100 years of service with 100 more, employ local people, and provide needed services.

Thank-you for the time with this committee this morning – we are grateful to share our story – which shows some of the challenges with the mandated wage increases on small businesses in Vermont.

We are happy to take any questions..... and again thank-you!

Jim & Mary Jo Mazzonna

Handouts of our written feedback plus Whoopie Pie Charts provided.