From: Garrison, Michelle [CO] <MGarrison@coloradoea.org>

Sent: Wednesday, October 5, 2022 12:03 PM

To: Ginny Sawyer

Subject: [EXTERNAL] RE: Local Minimum Wage

Hello, Ginny,

From my perspective as a union staffer, I would support this measure, especially in the context of inflation hitting basic needs (food, gas, rent/home costs) very deeply the past year. I would suggest that an effort like this occurs concurrently to an effort to increase state and federal funding for public employers – especially schools. One thing to consider is how this impacts the wages of classified school employees, such as paraprofessionals, office staff, and food service workers, whose current wages are barely above minimum wage. While education unions support these individuals having a living wage, this can have a cascading effect on the wages of all school district employees. To be explicit, as the district must budget more for classified employees, this means that there is less money available for raises for licensed staff (teachers, school psychologists, social workers, speech-language pathologists, etc.). I would encourage the city to explore adding revenue streams, or finding additional ways to reduce the costs of basic needs (ie Attainable Housing, reductions in health care expenses) to help public employers continue to fairly compensate all employees, in tandem with raising minimum wage.

Michelle Garrison

UniServ Director, Two Rivers UniServ Unit
St. Vrain Education Association and Poudre Education Association

From: Ginny Sawyer < GSawyer@fcgov.com> Sent: Tuesday, October 4, 2022 1:29 PM

To: rrobinson@coloradoea.org; Garrison, Michelle [CO] < MGarrison@coloradoea.org >; Docherty, Fran [CO]

<FDocherty@coloradoea.org>

Cc: DeAngelo Bowden < dbowden@fcgov.com>

Subject: Local Minimum Wage

Hello,

I received your contact information as good resources for local union representation.

City Council is considering setting a local minimum wage (higher than the state wage.) For local cities to adopt their own minimum wage they must consult with surrounding local governments and engage stakeholders, including chambers of commerce, small and large businesses, businesses that employ tipped workers, workers, labor unions, and community groups.

I'm reaching out to you as labor union representatives to see you have any input, thoughts, concerns on this matter??

Thank you, and please let me know if you have any questions.

ginny



From: Julie Pignataro

Sent: Thursday, October 13, 2022 4:47 PM

To: Adam Vander Sande; Ginny Sawyer; DeAngelo Bowden

Subject: Re: Minimum Wage Concern

Hi Adam,

I am including staff that is working on this issue on this response to ensure that your comments are included with their research, which also includes survey data from the community, peer reviewed research from other communities via scholarly articles, and more. I appreciate you reaching out,

Julie Pignataro
City of Fort Collins
Councilmember, District 2

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From: Adam Vander Sande <adam@hotcornerconcepts.com>

Sent: Thursday, October 13, 2022 4:27 PM **To:** Julie Pignataro < jpignataro@fcgov.com>

Subject: Minimum Wage Concern

Dear Council Member Pignataro,

As an operator of 5 businesses within the City of Fort Collins, I am deeply concerned about the upcoming vote to increase minimum wage to \$19 an hour and how it will affect businesses and our community. I have yet to hear any clear communication on the why, the risk, and the desired outcome for this proposal. Quite frankly, if feels like this decision is being rushed without any proper due diligence being exercised.

The past 3 years has been difficult for all industries to say the least. Restaurant operators have been faced with inflated cost of goods, rising wages, pandemic shutdowns, and supply chain issues. A successful restaurant model operates with a goal of 5% – 15% profit margin. With minimum wage increasing every year from 2016 to 2020, many restaurants had to absorb the wage increase on the bottom line, reduce labor hours, and convert manpower to technology to survive. During those 4 years, the dramatic increase in labor costs outpaced the ability to increase menu prices in our market. It was an extremely difficult time and that was without many of the challenges that we face today. For example, our top 10 ingredients have increased 75% - 400% over the past 18 months along with increased costs on all supplies, utilities, and equipment. Most operators are just trying to take care of their employees and survive now. Many of us are concerned about the looming recession as well and are seeing that pricing power has little room left.

Here are some key numbers to help illustrate what I would face. All tipped employees are at minimum wage currently

- 2021 Total Labor Hours 199,134.24
 - \$13.65 an Hour \$217,056.32 increase
 - o \$15.45 an Hour \$575,497.95 increase
 - o \$19.00 an Hour \$1,282,424.51 increase

A common response is that most employers pay above minimum wage already. That is true, but it is irrelevant to use to support the decision. If I pay one of my employees \$20 an hour currently to reflect their performance and skill, it would only be right to reflect the increase for them January 1st. And the same would go for all my salaried employees that are not even accounted for in the numbers above. I fear if this proposal passes, it will drive small businesses out of our community.

An entry level entrée at our restaurants such as a cheeseburger is currently \$15.95. If minimum wage goes to \$19 an hour, a cheeseburger is going to cost \$28.50 just to keep us at the current state of survivability and that is only if inflation stops today. I am sure you can imagine what prices like this across our community will do for tourism, small business, childcare, and the cost of living.

Here are some key questions that I have

- What is the desired outcome of raising the minimum wage?
- Where can the economic report that was conducted be viewed? Is it public?
- Was research conducted on the impact to surrounding cities within our county?
- Has research been conducted on a city of our size raising minimum wage?
- How will this effect economic leakage for our city?

Can we get together over a cup of coffee soon to discuss further?

Thank you very much for your time.

Sincerely,

Adam Vander Sande
Chief Operating Officer
Hot Corner Concepts
109 North College Ave. #220
Fort Collins, CO 80524
hotcornerconcepts.com
adam@hotcornerconcepts.com

O: 970.266.2612 | C: 714.457.7445

Austin's American Grill | Moot House | Big Al's | Comet Chicken

From: Julie Pignataro

Sent: Thursday, November 3, 2022 4:12 PM

To: Cookie Shop; Ginny Sawyer; DeAngelo Bowden

Subject: Re: Minimum Wage Increase

Thank you so much for reaching out, Lynette. I am including the staff that are working on this issue on my response so that it can be included with all of the research they have been doing.

Julie Pignataro
City of Fort Collins
Councilmember, District 2

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From: Cookie Shop <infommcookie@gmail.com>
Sent: Thursday, November 3, 2022 3:10 PM
To: Julie Pignataro <ipignataro@fcgov.com>

Subject: Minimum Wage Increase

Dear Council Member Pignataro,

I am writing this letter on behalf of Mary's Mountain Cookies. Mary's has been a staple of Fort Collins since the late 80's. I am very concerned by the minimum wage increase vote that's coming up. I would like to give you an inside look at who I hire for my shop. The average age is 21 and CSU students. Every employee makes more than the minimum wage and with tips on average make \$25/hr. We pride ourselves on excellent customer service and a great product which is why the tips are good. Starting new employees at a lower cost helps to incentivize them to learn more and get raises. If they start off at \$18/hr, the drive to do more and learn more is gone. I feel that turn over rate would also increase which leads to returning customers having to explain their orders over and over again. We all enjoy going to our favorite coffee shops or restaurants and seeing familiar faces who know us and may even know our order.

Another major concern is the Cost of Goods, most of my products have doubled in price. If the minimum wage goes up and Cost of Goods are up, one option would be raising prices. I feel this only hurts the community and may force residents who have lived here their whole lives to not be able to afford items from my business and other local businesses. Our small town vibe is what makes Fort Collins thrive and such a fun place to live and own a business.

We took a huge hit during COVID-19, scrambling to do anything we could to keep the doors open. We even sold cookies out our front window. This would be another blow to our business. We love and care about each of our employees, there are other ways to show appreciation other than monetary. Thank you for taking the time to understand what this would do to my local bakery.

Sincerely,

Lynette Place

Mary's Mountain Cookies - Old Town-Thank you, Your Cookie Specialist Mary's Mountain Cookies - Old Town 123 N College Ave., Suite 106 970-482-5655

From:

Julie Pignataro

Sent:

Monday, August 8, 2022 2:43 PM

To:

David McClelland; DeAngelo Bowden; Ginny Sawyer

Subject:

Re: Support Restaurants - No Wage Increase!

Mr. McClelland,

Thank you for reaching out with your opinion. I am including city staff on this response so that they can combine it with other research that has been done thus far.

Julie Pignataro
City of Fort Collins
Councilmember, District 2

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From: David McClelland < David. McClelland. 564639115@p2a.co>

Sent: Monday, August 8, 2022 2:39 PM

To: Julie Pignataro < jpignataro@fcgov.com>
Subject: Support Restaurants - No Wage Increase!

Dear Councilmember Pignataro,

I am a restaurateur in Fort Collins asking you to consider the serious consequences to small businesses before voting to increase the local minimum wage.

After two-plus years of reduced operations and pandemic-related restrictions, not to mention skyrocketing food and labor costs, Fort Collins restaurants cannot manage a local wage increase right now. We are working as hard as we can to keep our restaurants afloat, and right now is the worst possible time to be considering a minimum wage increase. Any additional overhead will threaten the viability of my restaurant, and many local restaurants will be forced to close, changing the vibrancy of our City forever.

I urge you to forgo this discussion until we are in a better place and our businesses have had more time to recover.

Regards, David McClelland 925 E Harmony Rd Fort Collins, CO 80525

From:

Michael Wallin <mike@reddynamics.com>

Sent:

Tuesday, September 27, 2022 9:57 AM

To:

Julie Pignataro; Ginny Sawyer; DeAngelo Bowden

Subject:

[EXTERNAL] RE: Minimum wage debate - please vote No

Thank you, Julie. I appreciate the response and for considering my feedback. I absolutely want people in our community to have opportunities to better themselves. However, forcing companies to pay more will unfortunately just have a larger negative effect. Folks that want to work hard and better themselves already have those opportunities due to a thriving job market in our area. People that don't want to work will not be motivated by more money.

Again, thank you so much for considering my point of view.

MiWallin

Director of Strategic Partnerships

RedDynamics

970-232-4051 LinkedIn

From: Julie Pignataro < ipignataro@fcgov.com > Sent: Tuesday, September 27, 2022 9:50 AM

To: Michael Wallin < mike@reddynamics.com >; Ginny Sawyer < GSawyer@fcgov.com >; DeAngelo Bowden

<dbowden@fcgov.com>

Subject: Re: Minimum wage debate - please vote No

Michael,

Thank you for sharing this article. I have included some of the staff working on this so that your comments can be incorporated into the overall dialog which includes nationwide data, local surveys and interviews, and local research.

Julie Pignataro
City of Fort Collins
Councilmember, District 2

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From: Michael Wallin < mike@reddynamics.com > Sent: Tuesday, September 27, 2022 9:47 AM
To: Julie Pignataro < jpignataro@fcgov.com >

Subject: FW: Minimum wage debate - please vote No

This is a follow up to my previous email. Here is an article about one company, Chipotle, already investing in automation (and there are plenty of others) which will completely eliminate jobs. If companies are forced to pay a higher wage they will have no choice but to automate which will only cause more employment issues. Please don't raise the minimum wage. Thank you.

https://www.cnbc.com/2022/07/21/chipotle-announces-investments-in-startups-focusing-on-kitchen-automation-plant-based-alternatives.html

Mike Wallin

MiWell

Director of Strategic Partnerships

RedDynamics

970-232-4051 LinkedIn

From: Michael Wallin < mike@reddynamics.com >

Sent: Friday, September 9, 2022 10:39 AM

To: 'jpignataro@fcgov.com' <jpignataro@fcgov.com>
Subject: Minimum wage debate - please vote No

Good morning,

I'm writing as a long time citizen and businessman in Fort Collins. My family has lived in Fort Collins for the last 8 years and in Northern Colorado for the last 14. For a large chunk of that time I worked for a temporary placement agency helping to connect workers to local employers. From my experience raising the minimum wage will not have the intended effect. There are a few reasons for this.

First of all, due to the difficulty in finding a stable workforce, many employers are already paying above minimum wage. If you vote to increase the minimum wage to \$18/hour all this will do will push all the wages and thus cost of goods. Additionally it gives those that are entering into the workforce no incentive to seek more training/experience in order to better themselves. When we have a workforce that is incentivized to better themselves, I believe that is beneficial to all of us.

Think about all the wonderful brands that have started right here in Fort Collins (Otterbox, New Belgium, Odells, Topo Designs, Noosa, etc). All started by people with a vision for a great product and wanting to better themselves. If we just throw imaginary money at people there is less incentive to grow individually.

The second reason I would point to is that the Free Market works when you give it a chance. When CO voted to increase the minimum wage a few years back we were already seeing employers increase their wages in order to attract workers. Businesses recognized they needed to pay more and were paying more. When the minimum wage was raised all that did was setback those employers efforts to pay more.

Additionally this is going to put a strain on small businesses during a time when we are already seeing inflation hammer them. The large employers ('m looking at you Amazon) are more able to absorb these costs, while local businesses will be forced to raise prices or automate (which we are already seeing). There's a huge push for automation in the manufacturing world which we are already seeing right here in Northern Colorado. When businesses automate it obviously puts people on the margins of society out of a job.

Lastly, I would just say that it's not the government's responsibility to dictate wages. This is troubling to see this effort to force businesses to pay an arbitrary wage dictated by elected officials. Please vote No on raising the minimum wage in Fort Collins.

Thank you for your time.

Here is my list summarized:

Cost of goods go up
Allow the free market to adjust needed wage increases and it will
Additional financial strain on small businesses
Automation (which we're already seeing) will increase locally
It is not the government's responsibility to dictate what a business pays their employees.

MiWellin

Director of Strategic Partnerships

RedDynamics

970-232-4051 LinkedIn