From: Michaelann Gillis [mailto:michaelanngillis@gmail.com]

Sent: Wednesday, October 24, 2018 9:54 AM

To: #CI-StPaul Ward1 < Ward1@ci.stpaul.mn.us >; #CI-StPaul Ward2 < Ward2@ci.stpaul.mn.us >; #CI-StPaul Ward2 < War

StPaul\_Ward3 < <u>Ward3@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward4 < <u>Ward4@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward5 < <u>Ward5@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward6 < <u>Ward6@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward6 < <u>Ward6@ci.stpaul.mn.us</u> < <u>Ward6@ci.stpaul.mn.us</u> < <u>Ward6.mn.us</u> < <u>Ward6.mn.us</u> < <u>Ward6.mn.us</u>

StPaul\_Ward7 < Ward7@ci.stpaul.mn.us >

Subject: Vote for a tip credit

Hello! I would like to take a moment to encourage you to support a tip credit in the city of St. Paul. As a career server, I would like you to know this is more than just about money in my pocket. It's about preserving independently owned restaurants. We have seen an incredible boom in destination worthy restaurants in St. Paul and a vote for the tip credit is a vote to continue to see this growth. It will also make St. Paul the most progressive tip credit city in the nation! Be a leader in improving the lives of all restaurant workers! Thank you for you time and consideration in this matter.

Michaelann

From: Colleen [mailto:msbarowner@aol.com]
Sent: Tuesday, October 30, 2018 9:30 PM

**To:** #CI-StPaul\_Ward4

Subject:

Greetings Ms. Nelson,

My name is Colleen Humphreys, owner of The Sherwood Lounge on the east side of St. Paul. I am calling to ask that you

support the tip exemption program for continued economic prosperity of all people. We support raising wages for workers,

but we need a tip exemption program in order to maintain our business models, continue to hire and keep our current staff.

Thank you for your time, Colleen M. Humphreys The Sherwood Lounge 1418 White Bear Avenue N. From: Saed Wadi [mailto:saed@saffronmpls.com]
Sent: Thursday, October 25, 2018 4:58 PM

**To:** Thao, Dai (CI-StPaul)

**Subject:** Minimum Wage Tip Exemption

Dear City Council Member Thao,

My name is Saed Wadi, and I am a part owner of Grand Catch Restaurant in St. Paul. I am emailing you to thank you for supporting the tip exemption program for the continued economic prosperity of all people.

We support raising wages for workers, but we need a tip exemption in order to maintain our business models, continue to hire and keep our current staff. Thank you so much for your support.

Saed Wadi

From: Angela Marlow < marlowisthebest@gmail.com >

Sent: Wednesday, October 31, 2018 7:16 PM

To: #CI-StPaul Ward1 < Ward1@ci.stpaul.mn.us >; #CI-StPaul Ward2 < Ward2@ci.stpaul.mn.us >; #CI-StPaul Ward2 < Ward2 <

StPaul\_Ward3 < <u>Ward3@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward4 < <u>Ward4@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward5 < <u>Ward5@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward6 < <u>Ward6@ci.stpaul.mn.us</u>>; #CI-

StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>>; Benjamin, Adrian (CI-StPaul)

<Adrian.Benjamin@ci.stpaul.mn.us>

Subject: Over 1000 servers tipped wages excluding cash tips

Greetings St Paul City Council and the Mayor's office,

I wanted to let you know that we have collected over 1000 server's hourly wages in the last two days and more to come. I will be organizing this data by micro business, small business and over 100 employees (large) business. What I'm seeing is that the smallest of businesses have just as high average hourly wages as some of the larger businesses. I will send this data over on Friday for review.

We are collecting this data because we continue to hear that servers need one fair wage and many are not meeting the threshold. This data takes away any argument of that. I've seen nothing less than \$18.26 before cash tips and as high as \$59.56 an hour.

We want this data to clear up any argument about server wages. When you factor in that we are willing to exclude fast food and franchise restaurants and bars, then all that is left is local, independent small restaurants and bars. 350 in the city. This number excludes the liquor stores that we represent. These businesses want you to understand that they can and are proving that no server will be left behind. If you exempt, as opt in only, these businesses, you include only your local community based businesses in this industry. We ask that you not take away (even a chance of losing their current wages, based on changing a business model) these earnings from servers and bartenders.

I heard from the Mayor's office that this ordinance is specifically to get workers that have already been working hard and full time, the wages they have earned and deserve. A livable wage. WE AGREE! That's why we are asking that you adopt an opt in exemption for servers and bartenders. Help allow them to continue to have higher than a minimum wage. Allow owners an economic environment that supports workers wages and still allows for reasonable prices and a very slim profit for an owner. Many owners do not make \$15 based on the long hours they put in.

We want you to know we appreciate the openness and willingness to hear from the actual stakeholders in this industry. We know this is hard and complicated. We have done our best to work with our city government and the will of workers. We are willing to support many different creative options that work for everyone, even those that are against us. We want to be part of the team, and not left on the outskirts.

We ask that you hear these stakeholders and review the evidence.(if an opt in model, the city will get all of this same data)

Another reason we requested the information was to ensure that the averages we've been advised were solid. They are. Our servers and bartenders are all making well over \$15 an hour.

Please don't take that away or give owners the control of tips that customers want to go to the server they leave it for. Bar owners are against changing their model to control those funds, but if left with no other options, many will have to or risk closure. We are seeing it everywhere. How many cafeteria style restaurants without servers are you seeing? More and more. Let's help hold onto these positions and not give way to removal of jobs.

Again, thank you for your time and attention to this matter.

From: blia vang [mailto:blia\_vng@yahoo.com]
Sent: Thursday, November 1, 2018 11:15 AM

**To:** Prince, Jane (CI-StPaul) < <u>Jane.Prince@ci.stpaul.mn.us</u>>

**Subject:** tip credit

Hello, my name is Blia Vang. I am a St. Paul resident and a business owner on the east side of St. Paul. I am calling to ask that you support the tip credit program for continued economic prosperity of all people. We support raising wages for workers, but we need a tip credit in order to maintain our business models, continue to hire and keep our current staff. Currently I have over 12 staff. All my waiters and bartenders make well over \$20 per hour with tip. Thank you for your time and I hope that you will consider our plead.

From: Veronica Mendez [mailto:veronica@ctul.net]

Sent: Saturday, October 27, 2018 5:41 AM

To: Prince, Jane (CI-StPaul) <Jane.Prince@ci.stpaul.mn.us>; Taylor Shevey <taylor@ctul.net>

**Subject:** Minimum wage concerns

Dear council member Prince

My name is Veronica Mendez Moore and i am the Co-Director of CTUL, a workers center in the Twin Cities.

I am writing because my members and I deeply concerned about any possibility of different treatment for tipped workers. We are hopeful that the Council understands this concern and will listen to the wisdom that came from the Citizen League process and not introduce amendments around this.

Additionally, I am concerned that if restaurant owners do not get the tip penalty, they will ask for a measure that was taken in Minneapolis that weakened the ordinance. This measure was to count small business size by store front number rather than the whole company. This clearly defies the spirit of creating small and large business categories based on the fact that larger companies have capacity to pay more sooner. I urge you to not consider this kind of amendment that would put thousands of workers on a slow track when their employers can afford to pay them more.

The same concern is true about franchises. When we think about franchises like Wendy's or Burger King, we know these companies can afford to do better and that they should not be considered small businesses under any measure. thank you for your consideration. Able to check if you have any other questions or would like to follow up I have included my colleague Taylor Shevey and you may follow up with her.

Sincerely Veronica

Ward 3 resident Donald Donahue called in support of the \$15 minimum wage.

From: Angela Marlow [mailto:angela@mlba.com]
Sent: Friday, November 02, 2018 12:23 AM

To: #CI-StPaul Ward1; #CI-StPaul Ward2; #CI-StPaul Ward3; #CI-StPaul Ward4; #CI-StPaul Ward5;

#CI-StPaul\_Ward6; #CI-StPaul\_Ward7; Benjamin, Adrian (CI-StPaul)

**Subject:** Server wages data

Greetings City Council and the St. Paul Mayor's Office,

As promised, I am submitting the server wages that I have collected in the last 3-4 days by Friday! (well, a few minutes off) I am hoping to have more by Wednesday next week, but wanted to give you a preliminary look at about 53 businesses with 1146 servers. I indicate what size business and combine the servers from each particular business in one grouping. Additional notes were inserted about cash tips, size of business, and how they sent me their calculations.

It was quite a bit of work to put it all together. I hope it is helpful information. I do not have permission to share the names of the businesses, but I gave a breakdown of the size and got quite a variety of business sizes. Only 3 are larger than 100 employees. The rest will all fall in the micro and small business sizes. We received information from a variety of businesses including the immigrant community.

Again, just for review, all our businesses are willing to guarantee at least \$18-\$20 with credit card tips (mostly excluding cash tips). I believe there are two wages that fell just under \$18. The wages under \$18 then would be paid by the employer by the next pay period so that the server reached \$18 an hour. This allows that no server will be left behind and there is greater than \$15 for the one fair wage for all. None of these businesses are franchise or fast food, all are St. Paul businesses and we are willing to exclude franchise (BWW,Perkins, Baker's Square, etc.) We are willing to have this be opt in only so the three businesses that don't want to participate, don't have to (Buttered Tin, Kyatchi, and J. Selby's.) We

are also willing to pay a fee each year to be part of the opt in model for tip exemption. Of the 350 local, independent restaurants and bars, we have only heard from 3 that did not want a tip exemption.

Please feel free to contact me anytime.

Thanks so much!

--

Angela Marlow
MLBA Director of Membership and Services



From: Matt Clayton <theplantbasedeater@gmail.com>

Sent: Thursday, November 1, 2018 1:44 PM

**To:** Thao, Dai (CI-StPaul) < <a href="mailto:dai.thao@ci.stpaul.mn.us">dai.thao@ci.stpaul.mn.us</a>; Noecker, Rebecca (CI-StPaul)

<Rebecca.Noecker@ci.stpaul.mn.us>; Brendmoen, Amy (CI-StPaul) <amy.brendmoen@ci.stpaul.mn.us>;

Bostrom, Dan (CI-StPaul) <dan.bostrom@ci.stpaul.mn.us>; Prince, Jane (CI-StPaul)

<<u>Jane.Prince@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward3 <<u>Ward3@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward4

<Ward4@ci.stpaul.mn.us>

Subject: Tip Exemption for \$15 Minimum Wage

Dear Council Members,

I am writing today to voice my strong disagreement with the concept of a tip credit for the proposed \$15 minimum wage. I have been urged, by the MLBA, to reach out in support of such a credit with the following script:

Hello, my name is \_\_\_\_\_\_. I am a St. Paul Resident/Business/Worker and I am calling to ask that you support the tip exemption program for continued economic prosperity of all people. We support raising wages for workers, but we need a tip exemption program in order to maintain our business models, continue to hire and keep our current staff. Thank you for your time.

But I think it's important that you know that I do not think the MLBA nor the MRA speaks for me. The way to enhance the economic prosperity of all of the workers is to pay them a living wage as minimum wage. It's really as simple as that. Once you make this more complicated, it looses its power.

Other restaurants and bars have said that they cannot pay their workers \$15 a hour. This may be true, under their current business model. It will require them to raise the price of their food and beverages to support a larger payroll. But if everyone is making \$15 an hour minimum, then the price increases should be an anticipated part of the changing economic landscape.

If any of you would like to discuss this further, I'm open to dialog at any time.

Many thanks for your consideration.

matt

**From:** Wade Luneburg [mailto:wluneburg@here17.org]

Sent: Monday, November 5, 2018 9:25 AM

To: #CI-StPaul Ward2 <Ward2@ci.stpaul.mn.us>; #CI-StPaul Ward4 <Ward4@ci.stpaul.mn.us>; #CI-StPaul Ward4 <Ward4 <W

StPaul\_Ward7 < Ward7@ci.stpaul.mn.us>; #CI-StPaul\_Ward3 < Ward3@ci.stpaul.mn.us>; #CI-

StPaul\_Ward5 < Ward5@ci.stpaul.mn.us >

Cc: Yang, Daniel (CI-StPaul) < <a href="mailto:Daniel.Yang@ci.stpaul.mn.us">Daniel.Yang@ci.stpaul.mn.us</a>; Wade Luneburg < <a href="mailto:wluneburg@here17.org">wluneburg@here17.org</a>>

**Subject:** UNITE HERE Minnesota

#### Councilperson,

Thank you for your work and support of this important initiative for ONE FAIR WAGE to 15 dollars. In our view the path you chose along with Mayor Carter has been efficient, effective and transparent. In commissioning the Citizens League you brought levity and confidence to the stakeholders in City Hall, the community, workers, business and the labor movement. There was certainly a better understanding of the need for an increased municipal minimum wage at the conclusion, largely because of the process. The result of that work and "that every data point has a story" is compelling. Organizationally we were pleased to see the results and that the 21 person panel voted affirmatively and overwhelmingly to move workers forward in the City of St. Paul.

One of the most discussed and most divisive issues for the appointed panel was around a tip penalty/adjustment. A number days and sessions were dedicated to the issue. Ultimately, there were three recommendations put forward with the top two overwhelmingly calling for a Minimum Wage Ordinance that does not include a tip penalty/adjustment.

The "Tip Penalty" was abolished over thirty years ago at the Minnesota Legislature affirming that no worker deserves to be paid less than a Minimum Wage. Nor should a SINGLE INDUSTRY be allowed to pay workers less than the Minimum Wage. Over the past thirty years that status has led to higher standards for workers, and I believe, a healthier industry for our state.

Then, Mayor Hodges in 2017 spoke not just of the need to raise wages in Minneapolis but also of the need to build out a regional minimum wage. While the Minneapolis ordinance moved wages well past the State Minimum Wage, the balance of the provisions and rules largely conform to state law. The Minneapolis ordinance DOES NOT include the tip penalty/adjustment. Minnesota is a "one fair wage" state with NO tip penalty/adjustment. There is no precedent to include one here in St. Paul.

Beyond the actual economic damage done to thousands of tipped workers in St. Paul if a tip penalty were included, any schemes (tip penalties, longer phase-ins, super wages) are a disparate treatment of a particular class of worker, who are guilty of only earning a minimum wage from their employer.

This would include thousands of workers in the city, and hundreds of workers in publicly owned facilities who are servers, bartenders, concessions workers and vendors and the majority women.

We are also very concerned that a tip penalty on the books in St. Paul creates a potential precedent moving forward. In other jurisdictions where 15 advocates will be working, instead of clean proposals and language based on state law and that assists in building out a "regional" wage, it gives the industry a platform that doesn't exist now for their alternative schemes. Please don't allow a nose under the tent for the industry here in the City of St. Paul. This is not an industry in crisis, but actually a growing and resilient one. 1 in 10 Minnesotans work in hospitality of some kind.

Advocates for 15 are already moving forward to address wage inequity in a number of jurisdictions and the outcome of Tuesday's election may provide the ability to work on a statewide increase as well. Allowing a tip penalty/adjustment here in St. Paul dampens that work moving forward.

We thank you for your support of workers and their families in moving a 15 dollar municipal Minimum Wage!

Today, we ask you to support a ordinance that does not treat tipped workers disparately and instead pass a Minimum Wage ordinance that can be held as a new standard for the work yet to come. In solidarity,

Wade Luneburg, Sec./Treasurer UNITE HERE Minnesota 312 Central Ave. SE, Suite 444 Mlps.,MN. 55401

From: Paul Swenson [mailto:paulswenson@christoncapitolhill.com]

**Sent:** Saturday, November 3, 2018 9:43 AM **To:** #CI-StPaul\_Ward5 < <u>Ward5@ci.stpaul.mn.us</u>>

Subject: city minimum wage

Dear Counselwoman, I support a \$15 minimum hourly wage, without delays or exceptions. Thanks.

From: Jennifer Hansen [mailto:jenhansen5@icloud.com]

Sent: Monday, November 5, 2018 1:27 PM

To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us >

Subject: Tip credit

Council member Prince,

I am a tipped worker in St. Paul, and I 100% support the tip credit amendment.

Thank you, Jennifer From: Jamie Robinson [mailto:jamie@smokehousebrewpub.com]

**Sent:** Monday, November 5, 2018 1:29 PM **To:** #CI-StPaul Ward7 < Ward7@ci.stpaul.mn.us>

Subject: Please support a tip credit

CM Jane Prince,

As someone who has based my entire career, mortgage, car payments, and support of my family on the culture of tipping I am writing to express my strong support for a tip credit. A \$15/hr minimum wage without considering tip income will force a change in this model that will effectively decrease earnings of tipped workers as is happening on the West Coast. Please support a tip credit.

Jamie Robinson 1790 Selby Ave

From: Main [mailto:jscottcrandall@gmail.com]
Sent: Monday, November 5, 2018 1:49 PM
To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us>

Subject: Tip credit amendment

Councilmember Prince,

First of all, let me thank you for your leadership in proposing a tip credit amendment to the minimum wage bill. I will be there on Wednesday to show my support. So will many more of my brothers and sisters in the restaurant industry.

I am a career bartender and server of over 20 years. I live and work right here in St. Paul. I love this city and I love this industry. I know that a 55% increase in labor costs will have a dramatic and irreversible impact on our community. Many restaurants will not be able to adjust. Those that can will do so with a combination of cut jobs, cut hours, raised prices and service fees. The workers hit the hardest will be entry level and low experience workers. Jobs will go away.

Your tip credit amendment not only helps maintain the health and vitality of our restaurant culture and community, it truly insures that all restaurant workers will make at least \$15/hr with the opportunity to make substantially more.

Thank you for listening to the workers. Thank you for supporting our community.

I'll see you on Wednesday!

Jeffrey Scott Crandall Bartender-Eagle Street Grille From: Andrew Einberger [mailto:einberger.andrew@gmail.com]

**Sent:** Monday, November 5, 2018 4:58 PM **To:** #CI-StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>>

**Subject:** Tip Credit support

Hi Jane,

As a server and bartender I am fully supporting your amendment for a trip credit. I am blessed to be so passionate about the work that I do and be able to support myself financially with receiving tips. The whole culture of restaurants will change if there will not be a tip credit implemented. I thank you for caring and backing us up on this.

**Andrew Einberger** 

From: Kaleigh Cornwell [mailto:kaleigh.cornwell37@gmail.com]

**Sent:** Monday, November 5, 2018 1:02 PM **To:** #CI-StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>>

Subject: supporting a tip credit

Hello Jane,

I just want to take the time to sincerely thank you for supporting a tip credit to hopefully be passed in St. Paul here in the next days to come. You have genuinely taken the time to listen and hear what we have to say in fighting for our right to hold onto our industry and income we work so hard for in supporting ourselves financially. I have worked in the service industry for over 10 years for the city of St. Paul. Fingers crossed that our voices and your voice are heard among the community in supporting a tip credit for the city of St. Paul's service industry workers.

Thank you again,

Kaleigh Cornwell

From: Lori Luchsinger [mailto:loriluchsinger@yahoo.com]

Sent: Monday, November 5, 2018 12:37 PM
To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us >

Subject: Tip credit amendment

Council member Prince,

First, thank you so much for all of your hard work on the minimum wage issue. I appreciate your thoughtful consideration of all of the aspects you are tasked with determining. I also very much appreciate that you are really listening to the workers most directly impacted by this law. As a progressive, I am so often frustrated by those in power who claim to know what's best for me without actually reaching out to me and my interests and asking.

As a tipped worker for who has enjoyed a 40-year career and a good income doing what I love, I urge you to hear us when we tell you we don't need the raise. The repercussions of increasing our hourly wage would ultimately have the opposite effect of the well-intentioned effort to raise incomes and keep up with the cost of living. Please listen to those of us who know our industry. Allowing us a tip credit would be allowing us the highest tipped wage in the country and the possibility for non-tipped restaurant workers to also make more. My back-of-the-house coworkers could use a raise and if my employer has to raise my wage, no one else in the industry will make more than minimum wage. What is good for our employers is not automatically bad for workers.

When we tell you what we want for our industry, believe us. Please hear us and support a tip credit!

Thank you for your consideration, Lori Luchsinger Server in a fine dining St Paul restaurant

**From:** Sarah Sinderbrand [mailto:spsinderbrand@gmail.com]

Sent: Monday, November 5, 2018 11:33 AM

**To:** Prince, Jane (CI-StPaul) < <u>Jane.Prince@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward7

<<u>Ward7@ci.stpaul.mn.us</u>> **Subject:** tip penalty in St. Paul

Hello Councilmember Prince,

I understand that you are considering a tip penalty for the City of St. Paul. I am deeply opposed to this concept and ask you not to support such a proposal.

Tips are not wages. Unlike wages, tips are optional, offered at a customer's discretion as an acknowledgement of good service. I can choose to tip 25% or not to tip at all. Some of it likely depends on the service provided, but much of it depends on the person being served – that person's financial situation, philosophy on tips, understanding of low-wage work, even just their mood that day.

How would employers track and calculate to ensure that they make up the difference in wages for workers who do not manage to earn at least the minimum wage in tips? Would that be tracked and calculated per two-week period? Per day? Per shift?

Wouldn't it be simpler for employers just to pay a set standard wage for all workers for all shifts? Of course it would. The argument that employers will make is that they cannot afford it. But I'm not sure that asking customers to subsidize a low-wage business model through tips is a sustainable answer. I am happy to pay a fair price for goods and services; I am troubled to be asked to help make up the gap for a for-profit employer who is not paying a living wage to their workers.

Frankly, I am also not certain that every single employer of tipped workers would proactively take the steps to make sure that every worker receives at least \$15.00 an hour through tips, and then take the initiative to make up the difference. What would be the enforcement mechanism for tip penalty? There is a power dynamic in a restaurant, as in any workplace. If

an employer is not making up the difference, what is the worker's recourse? Is a worker really going to go to the boss and say, "You didn't make up the difference from my tips last week, you owe me \$X to make minimum wage"? I would guess that most workers would not feel safe initiating that kind of complaint - particularly lower-paid workers who are living paycheck to paycheck. I would have concerns about retaliation, or even just the fear of potential retaliation creating an environment where workers would not feel free to claim their rightful compensation. In a workplace with an unscrupulous employer — or even an employer with good intentions who is just not well organized — workers could easily lose compensation simply because they were afraid to raise the issue.

I am disappointed that St. Paul would consider opening the door to tip penalty in a state like Minnesota, which does not have one. Minnesota is and should remain a state with high labor standards in our nation, and I would hate to see our city take steps to weaken that. It is not consistent with the values of our Democratic-Farmer-Labor Party.

St. Paul is a vibrant city that draws residents and visitors to our excellent hospitality. Please resist this race to the bottom in wages and working conditions for some of the lowest-paid workers in our city.

Sincerely,

Sarah Sinderbrand

1827 Bush Avenue, St. Paul, 55119

From: Grace Alexander [mailto:gpapes@gmail.com]

Sent: Monday, November 5, 2018 6:31 PM

To: #CI-StPaul\_Ward5 < Ward5@ci.stpaul.mn.us>

**Subject:** Service Industry Workers \$15

Hi Amy Brendmoen,

I wanted to contact you to show my support for the \$15 Fair Wage campaign. My name is Grace and I am a restaurant worker and have been in the industry for almost a decade, this \$15 would be such a game changer for nearly all workers. Most workers have families and with rent being extremely high and unaffordable in the Twin Cities, this would help shift the struggle even just slightly. See these articles below. Yes, different restaurants might go out of business that happens naturally especially in an industry where things change constantly from hour to hour. What we should concentrate on are the folks who do the dirty work, they clean your dishes with three teeth in their mouth. The server who has a kid at home with a one bedroom apartment, but decided her kid should get the privacy so she sleeps on the couch. What about the employee who jumps from job to job because he can't afford his child support payments? What about the person who has served tables for 20+ years and might need a knee replacement, can't afford healthcare and uses cocaine to ease the pain? What about the cook who drinks every night because the ONLY benefit besides his measly paycheck, is his employer gives him is a "shifty" or an after-work drink? I implore you to take a look at these stats below and keep us in mind. We are making your food, we are making your drinks, we are cleaning up after you. We are the 14.7 MILLION workers.



Source: <a href="https://www.restaurant.org/News-Research/Research/Facts-at-a-Glance">https://www.restaurant.org/News-Research/Research/Facts-at-a-Glance</a>

https://www.kare11.com/article/entertainment/television/programs/kare-11-sunrise/high-rent-prices-continue-in-minneapolis/89-550289720

https://www.minnpost.com/politics-policy/2018/08/why-fixing-minneapolis-housing-crisis-going-be-lot-harder-people-think/

As I support this project and campaign, personally my first choice would be to get FREE health coverage for ALL service workers, ALL AMERICANS.

Last week a dear friend of mine committed suicide early Friday. His mental health was always consumed by not making ends meet financially. This is one of the biggest factors for young folks to feel abandoned by the system. If our health systems didn't fail us where we currently have to fundraise for *having* cancer or an accident or mental breakdown, we could begin the process of treating our bodies respectfully in the first place. If we didn't have to feel consumed by debt which I owe over \$40k in student loans that is not forgiven unless I DIE. If we have to be in debt just to live, I can see why some people don't even see the point, and do exactly what my friend did. The amount of alcoholism and drug abuse that happens in the "service industry" is unbelievable. I myself have been consumed by the need to drink heavily after work after a hard shift where patrons treat you like garbage.

I have friends who have been fired for being unreliable, unreliable because he was a patient receiving chemotherapy. I have friends who had to find a lawyer in order to receive their paycheck because they showed up to work and the doors were locked, the restaurant had closed. I have worked at a restaurant where I had to tell my tables to leave because the health department shut them down and I was out of work because of that.

I support my workplace family as much as I can and the fact that I have to FUND their recovery or FUND their memorial service because the folks who we elected to be our voice aren't hearing us and speaking for us is unreasonable. We are spiraling out of control while overdosing in tent camps in NOVEMBER in Minnesota. The fact that we don't have one payer healthcare is unreasonable, and I will be thinking of you as I bury my friend next week.

Please help us, PLEASE. We need this \$15, we NEED this healthcare. Please reach out to me at any time. Grace Alexander

City council members,

I fully support and believe a \$15 minimum wage is in the best interest of our citizens and community. We can not expect people to work a full time job that does not allow them the dignity and ability to support themselves and their families. Without a living wage we are leave hardworking people face a life of debt, unsuitably and depending on the government to help them out. A fair minimum wage is not only the morally right thing to do but also an investment in our community as the more money workers have, the more they spend on goods and services.

I sincerely ask the City Council to pass the "One Fair Wage" and to include tip workers. These tip workers are usually women and not including tip workers unfairly leaves women, many of whom are single parents, from earning a living wage. Please support our hard working citizens.

Thank you, Kathryn Mosher Eagan, MN 55122

Phone call: John Wolfe Owns Dixies, Emmetts, Saji Ya

"looking forward to working with you on the mimulus wage WITH tip credit"
Happy to show you financials to confirm what tipped employees earn, upwards of 25 – 28 and hour If no tip credit, they will be letting employees go

From: Don Arnosti [mailto:donarnosti@gmail.com]
Sent: Tuesday, November 06, 2018 11:16 AM

**To:** Tolbert, Chris (CI-StPaul) **Cc:** Meg Arnosti; Chris Tolbert

Subject: \$15 minimum wage...is a minimum. Thanks for supporting it!

Chris,

I've just read that you support \$15 minimum wage for Saint Paul. Thank you. I already think the phase in covers too long a period. Up to ten years? By then, more will be justified. Please press forward with moving up the minimum wage with modest phase-in and steps only.

While I and my immediate family will not be directly affected in terms of income by this wage, I support helping out lower-income earners in this manner. I recognize some costs to us may go up as the wages are passed along. That is fine. I understand basic economics.

We all do better, when we all have a livable wage.

Don Arnosti 1722 Princeton Avenue From: Jake Meyer [mailto:jake.albert.meyer@gmail.com]

Sent: Tuesday, November 06, 2018 1:03 PM

**To:** #CI-StPaul\_Ward3

Subject: Minimum wage ordinance comment

Councilman Tolbert,

My name is Jake Meyer and I live at 1148 James Ave in Ward 3 precinct 14. I am unable to attend the city council hearing tomorrow evening on the minimum wage, so please accepts these comments in the public record.

I support the \$15 minimum wage ordinance without a tip adjustment.

I would like to voice my support for the private right of citizens to take action on their own behalf in the event that the city cannot - or fails - to resolve pay disputes related to the minimum wage ordinance.

Thank you for your time, and for your work for St. Paul.

Best, Jake Meyer

**From:** Jennifer Schellenberg [mailto:jenniferlschellenberg@gmail.com]

**Sent:** Tuesday, November 6, 2018 12:24 PM **To:** #CI-StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>> **Subject:** What I sent to your colleagues today-

Council Member XX,

While I understand the philosophical conundrum you're in, the principle that tips should only be "on top" of our wage is only valid if we continue to make the same amount in tips. At the last reading of the ordinance Rebecca was speaking on another subject, and she said something that really got to me. She said, "How much have you lost of what you were trying to protect?" While there isn't a ton of studies on this subject yet, we can learn from what is happening on the West Coast. Did you read Tim Mahoney's paper on the Seattle trip? Servers are losing tips and overall income. Models are changing and it disadvantages the worker, not the owner. You see, owners will find a way to make it work for them if they can.

There is also the fact that we're talking about a 55% wage increase, not the index to inflation as we've seen over recent years. This coming right on the heels of a 31% increase a few years ago. This jump is not just business as usual and it shouldn't be treated as such.

I have heard one CM say, "The Harvard paper on SF did find that an increase in the wage increased the likelihood of a restaurant closing but only for restaurants that were rated 3.5 or below on Yelp, restaurants which the authors acknowledge are already struggling in other areas and are already more likely to close." Please, before you buy that narrative, apply that idea in a practical sense to your St. Paul business community.

I scanned my Yelp app this morning and collected what I could find of 3.5 star or lower rated restaurants in St. Paul. In ten minutes I found 88 restaurants that had 3.5 or less stars. Some of these places are the most popular places in St. Paul. I did not find a single (that's not to say it doesn't exist, but the Yelp app isn't always the easiest to navigate) 5 star rated restaurant. So according to how you might apply your understanding of that Harvard study to our local, no restaurants would be insulated and somewhere near a quarter would be likely to close. Does this seem like a positive outcome of this ordinance to you? Would you be comfortable with all of the businesses in your ward on this list (which is attached) thinking that you don't value their contribution to our local economy? Do you deny that these businesses offer good paying jobs to people in my community? And lastly, please picture your ward without these businesses. I would hope the vacant storefront images could convince you that we are not lying about the need for this exemption.

When it comes to the W-2 study I, too, read that it essentially says that the income evens out. What it means when it's saying it "evens out" is that we lose some of our free agency from our tipped income. If you had gathered anything from speaking to servers in your ward, I would hope that you heard us say that we don't want tips to decrease, even in lieu of a higher hourly wage. The conclusion of this study says, "Finally, while the results show that servers do not ultimately make more in total hourly wage, for most of the range of the tipped minimum they benefit from higher employment levels." Just before this conclusion the study says that with higher wages comes a decrease in overall employment whether through lost hours or less jobs. Again, none of the changes that will happen in our community will advantage the workers in our industry.

The amendment that we've been fighting for- excluding lower tipped workers and non-restaurant industries is us trying to find a compromise for those industries/sects that do not want this. Include everyone if you like. Better yet, include everyone, but do it with a superwage so lower tipped workers in any industry would not be affected. If you support a tip adjustment program with a superwage you will be guaranteeing that anyone who is paid under the lower adjusted rate (the "cash wage") will be guaranteed MORE than the minimum wage with their tips incuded! I beg of you to honestly answer me how you could be opposed to a nuance that would be so unique and so progressive. This amendment would truly leave no worker behind.

As a sidenote, our amendment would be the only amendment that would actually pay for it's own enforcement. The amount of revenue that this amendment would bring in to the city is more than 5x that which the city of St. Paul budgeted for this ordinance for 2019. It's a win-win-win for the workers, the businesses and the city. And the Full Service Restaurant community has said that we would be willing to fast track our industry with this amendment. You could get cooks, a huge sector of the immigrant community, to \$15 before anyone else in MPLS or STP would get there! How can you be opposed to that?

Lastly, I want you to know that I really, truly, am glad that the tip credit was eliminated in 1984. If it weren't for that decision I could be a \$2.13 employee right now. No one wants that. What I would love to see is St. Paul be a leader in tip credit reform. We can show the country what a responsible, progressive policy can look like that is unlike any other. Please don't deny us this sensible compromise because of a principle that our community rejects, or because it would be 'too complicated". Owners are ready to make this work, and tipped workers are overwhelmingly supportive of it.

Please, give our amendment serious consideration, as thousands of St. Paul tipped workers are counting on you to hear our voices.

Cheers,

--

Jennifer Schellenberg Bartender, Northbound Smokehouse & Brewpub President, Restaurant Workers of America



From: Jessica Sanders [mailto:jbrezman@gmail.com]

**Sent:** Tuesday, November 6, 2018 12:15 PM **To:** #CI-StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>>

**Subject:** Tip Credit Support!

Councilmember Jane Prince,

I support your ammendment for a tip credit! Career servers and bartenders need this to survive!

Thank you for fighting for us!

Sincerely,

Jessica Sanders

\*15 years server/bartender/restaurant manager

**From:** Bernie Hesse [mailto:bernie.hesse@gmail.com]

**Sent:** Tuesday, November 6, 2018 11:49 AM **To:** #CI-StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>>

**Subject:** No carve out 4 cafe/bars

### CM Prince-

please no carve outs for the restaurant owners/bar owners. this would create a slippery slope and also pour gas on the fire for those who want to penalize servers statewide. please don't give into the MLBA. you have fought for workers before and I know you will stand up for what is right.

many thanks, Bernie Hesse 1602 Thomas Ave Saint Paul, MN 55104 From: Christoph Haas [mailto:christohaas@mac.com]

Sent: Tuesday, November 6, 2018 9:57 AM

To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us >
Subject: Supporting exemption for tipped workers

Jane,

I have just read an article that states you support an exemption from minimum wage hikes for tipped workers. THANK YOU!!! You are listening to the people in the industry. You obviously know the importance of small businesses like restaurants on the East Side and your support for their owners is very commendable.

Thank you for keeping the Mayor in check. It's what we rely on the City Council for.

Be well. Chris Haas 211 Earl Street

Dear City Council,

Attached and in the body of this e-mail you will find a PDF of my letter in response to the letter from SPACC. The attached includes footnotes and citations. Please feel free to contact me if you have any questions or concerns.

Evann Zuckerman <u>evann.zuckerman@gmail.com</u> (818) 636 4180

November 6th 2018

City Council Members of the City of Saint Paul,

Raising the minimum wage is not a complicated issue—forty percent of people living in Saint Paul are living in poverty. Saint Paul's citizens are suffering and they need more money to make ends meet. What may be deemed complicated is sifting through legitimate concerns about small businesses and real people and wolf cries for help from special interest groups.

It is imperative that something changes in Saint Paul to prevent the nightmare of poverty deepening in this city. The City Council is now responsible for this task, and with the time and money the city has spent on understanding the issue, we believe you are well equipped to make the decision.

I am writing as a worker-leader of ROC-MN-a resource and organizing center for workers in the restaurant industry. We have over four hundred worker-members in the Twin Cities, most of whom are tipped workers in St. Paul. I am writing because we need you to make the right decision, and pass a \$15 minimum wage with no exemptions, no carve-outs, no tip penalty. After seeing the public letter from the Saint Paul Area Chamber of Commerce (SPACC), we felt it was necessary to respond to some of their proposed carve-outs.

Firstly, despite what restaurant owners and special interest groups will tell you, the restaurant industry is not in need of a handout or a break. The industry is thriving, and as the minimum wage has increased here in Minnesota, employment and sales in our industry have grown steadily and the number of restaurants has increased with it. Our industry has thrived under One Fair Wage while the same industry in neighboring states that have a tip penalty have not done nearly as well. Those in favor of a tip penalty have historically worked in opposition to workers' rights—they have led the fight against paid sick leave, fair scheduling, and raises to the minimum wage in the past. This is no different.

Here are the proposals followed by our responses to the suggestions in the SPACC letter regarding our industry.

### **Tip Adjustment Options**

- 1. Option 1: Exemption for Tipped Employees and \$15/hour by Jan 1, 2021
- a. Supported by Minnesota Restaurant Association (representing 2000 establishments within Minnesota), Minnesota Licensed Beverage Association (representing 480 businesses), and drafted in conjunction with owners representing more than 10 full service restaurants and servers in Saint Paul.
- b. All restaurants/bars/nightclubs with over 25 employees who have tipped staff members shall pay a \$15 minimum wage for all employees beginning January 1, 2021.
- c. All tipped employees in these establishments are paid at the current state minimum wage with employers guaranteeing a minimum wage, after including tips, of \$15 per hour.
- d. Tipped employee definition define "qualifying tipped employee" to mean an employee who regularly receives income from wages plus tips at a rate equal to at least 150% of the minimum wage."

  Draft ordinance does not include this definition

This is a proposed Super Wage a.k.a. Super-Tip Penalty a.k.a. Super Bad Idea. The Super-Tip Penalty is nearly impossible to enforce and has never been implemented anywhere in the country (Hawaii allows employers to take a 75 cent penalty from tipped workers' wages if they make over a certain amount, but the proposal here outlines a near \$5 penalty.) This policy would make St. Paul an island in MN and the nation, leaving the city to enforce a novel version of an already unenforceable policy

According to the Economic Policy Institute's recent report on the minimum wage nationwide, the restaurant industry already has the <u>highest rates of Wage and Hour infractions of any other industry</u>, accounting for over 25% of all minimum wage violations. <u>In a 2012 compliance sweep of nearly 9,000 full-service restaurants by the U.S. DOL's Wage and Hour Division (WHD), found 83.8% of restaurants had some type of violation; this included over 1,000 tip credit infractions that resulted in over \$5 million in stolen wages.</u>

A tip penalty is not enforced anywhere else in MN, which would mean that St. Paul would be the only municipality in the entire state required to enforce a policy that is notoriously abused by

employers across the country. Much of this enforcement would fall on city government, which St. Paul is not equipped to take on.

This proposal would require restaurant owners to calculate and ensure that workers are making over 150% of the minimum wage at all times and pay them a varied wage based on those calculations. This seems practically impossible as tips vary dramatically hour to hour and we have yet to see a proposed solution for this difficult problem. As with any tip penalty the complicated burden of enforcement would fall on workers to make sure they are being paid the correct wage at any given moment. Additionally this would require employers to ensure that tipped-workers receiving the subminimum wage work in a directly-tippable position for over 80% of their workday-- a federal rule known as the 80-20 rule. As tipped workers we know first hand how impossible this can be. Our environment is varied and fast paced and we never know when we will have to jump to a new position. All of our duties are enmeshed and separating them out simply is impossible. The Super-Tip Penalty would create an incentive for restaurants to move managerial and Back-of-House responsibilities to subminimum wage tipped-workers, taking away hours and wages from cooks, dishwashers and non-tipped support staff.

- 2. Option 2: Opt-In Exemption for Tipped Employees By Application
- a. Supported by Minnesota Restaurant Association (representing 2000 establishments within Minnesota), also proposed by Minnesota Licensed Beverage Association.
- b. Establishments in Saint Paul that want to employ a tip adjustment shall apply for exemption for servers and bartenders by application to the Saint Paul Planning and Economic Development Department.
- c. A fee can be applied to cover the cost of labor to enact this exemption.
- d. The criteria could be: "must be a full service restaurant or bar, must have no penalty or violations against labor laws, and can be for servers and bartenders only."
- e. Could also include proof of average tips and guarantee \$15/hour with tips. This can be calculated on a bi-weekly basis for simplicity in payroll calculations.

This idea of an "opt-in" tip penalty is disingenuous. By definition, a tip penalty is opt-in for businesses: in WI, businesses can either *opt* to pay tipped workers poverty-wages of \$2.13/hr or a they can *opt* to pay a living wage. Most businesses in WI employing tipped workers chose to utilize the subminimum wage because they can. The Economic Policy Institute has released several reports on the state of tipped workers finding that tipped workers always fare worse, with higher poverty rates, low access to benefits, and less take home pay, in places with any form of tip penalty.

Despite having near equal poverty rates for the general population, tipped workers in MN are far less likely to live in poverty than workers in WI. This is because they are protected from subminimum wages by a One Fair Wage policy established in MN over thirty years ago. One Fair Wage is a basic worker protection; St. Paul must not move backwards.

Though there are some tipped workers in full-service restaurants that are making a living wage today, they are a small (yet vocal) minority. BLS data shows that it is only the top 10% of

servers and bartenders who are making \$20/hr or more (think W.A. Frost or W. 7th gameday bartenders.) The vast majority of tipped workers in St. Paul are struggling to get by on their wages and tips combined.

The majority of workers will not "opt-in" to a tip penalty, but this proposal would take power and money out of tipped workers hands and put it into the hands of business owners.

- 3. Option 3: Extended Term
- a. Should any form of a tip adjustment be unacceptable, we propose that restaurants/bars/nightclubs be afforded the implementation timeline being proposed for Micro-Businesses: \$15/hour by January 1, 2029.

The vast majority of tipped workers in St. Paul are struggling to keep up with rising costs of rent, transportation and childcare. Delaying raises to tipped workers would stilt their capacity to survive in St. Paul and further incentivize workers to relocate to Minneapolis for (already) higher wages. St. Paul's low-wage restaurant workers need a raise yesterday.

In the metro area, the food service industry is one of the largest employers of low wage workers that would be impacted by an increase to the minimum wage. Creating a carve-out for one of the largest employers of low wage workers would carve out the effectiveness of a minimum wage ordinance in St. Paul. Making an exemption for the restaurant industry is counter to raising the minimum wage and supporting low wage workers.

Delaying raises to tip workers is fundamentally a gender equity issue. Today, over 70% of tipped workers in MN are women and nearly half of those women are mothers. Garnishing the wages of or delaying raises to tipped workers hurts working women and families in our industry. This would further disadvantage women workers in an industry that is currently the <u>largest source of</u> sexual harassment charges filed by women with the EEOC.

Thank you for your time, and we hope this information makes your decision to pass a \$15 minimum wage with no carve-outs and no tip penalty clearer. There is no other option for workers in Saint Paul.

Sincerely,

Evann Zuckerman and the workers of ROC-MN

From: David Skovholt < <a href="mailto:dskovholt@yahoo.com">dskovholt@yahoo.com</a> Sent: Tuesday, November 6, 2018 11:57:38 AM To: #CI-StPaul\_Ward1; Xiong, Mai Chong (CI-StPaul)

**Subject:** Min Wage Tip Penalty

Dear Council Member Thao:

I am a resident of Ward 1 and urge you to drop your support, as reported in the Star Tribune, of a tip penalty on the minimum wage ordinance. That anti-worker amendment would be very destructive and would go against the needs of Saint Paul residents and workers. Minneapolis did not do that and we

shouldn't either. Our ordinance should mirror the Minneapolis one so we can all move forward as a region, just like sick/safe time.

The recent new Seattle report about their minimum wage shows that business panic about this is unwarranted. We all do better when poverty is reduced.

Thank you.

Dave Skovholt 473 Iglehart Ave St. Paul, MN 55103

**From:** Alicia Stormer [mailto:astormer@gmail.com]

Sent: Tuesday, November 6, 2018 3:54 PM

To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us>

**Subject:** Jane Prince, Tip Credit

Jane,

Thank you for taking in account a tip credit. It is imperative to the service industry as we know it. As a tipped employee, I depend on my tips for my livelihood. My tips should be counted towards my wages.

I am very much for everyone, EXCEPT FULL SERVICE employees to make \$15/hr, back of house, counter people, hosts, baristas etc those people who do not depend on tips, should by all means should get \$15 an hour. We just need to concider that when freezing our tipped employees wages at the current minimum, the tips we collect more than make up the difference. Thank you for your consideration.

Server/bartender of 21 years

Alicia Stormer

From: Molly Murphy < molly murphy@live.com > Sent: Tuesday, November 6, 2018 4:40 PM
To: #CI-StPaul\_Ward1 < Ward1@ci.stpaul.mn.us >

Subject: Tip credit

Hello!

We need a tip credit.
St. Paul needs it.
Our culture needs it.
The dining experience needs it.
Brunsons Pub needs it.

Please.

We believe in fair wages and will happily pay \$15. Servers DO NOT NEED \$15. Plain and simple. I

Have a great day! Molly

## Ward 7 Phone messages

DATE	NAME	PHONE	ADDRESS	MESSAGE
10/25/2018	Maxine Maxon		East Side	Please don't' treat homecare workers differently than others. Home care workers work just as hard as other people. It is unfair that you think they shouldn't be part of this (wage increase). She is making sure everyone knows what you think.
10/31/2018	Shelly McGee			supports wage increase for waitresses
10/31/2018	Jim Johnson			Supports minimum wage for bartenders 7 waitstaff. Please do that. Support them.
10/31/2018	Ann Zuckerman			supports min. wage against tip credit, it is too harsh on tipped workers. Consider arguments against tip credit. We can't afford to be behind Minneapolis, knows you are thinking a lot about this and wanted to voice her support
10/31/2018	James O'Conner		2939 Bush	If you leave the tip, people can decide whether or not they can tip. If not, it will hurt people. Leaving it in is more of a choice for the customers

	Thor Makis		Strongly supports \$15 minimum wage with no tip penalty for restaurants, hotel, and healthcare workers. Slower phase in is unfair and treats tipped workers as though they are inferior and it makes it a tip penalty. One fair wage is the right policy for St. Paul. Can we count on your support for \$15 one fair wage next Wednesday?
11/1/2018	Cecelia Acosta	657 Plum	Supports Minimum wage increase
10/30/2018	Kay Woitas		If you support restaurants, that's good enough for her
10/30/2018	Linda Waltz	St. Paul Resident	Thanks for all you do. Support the tip resolution
10/30/2018	Lois Obermeyer Kolb		support tip wage incentive
10/30/2018	Sandra Butler	454 Burlington	Glen Borland called her and said she should ask you to "support tip wage incentive" She does not want to receive any more calls, so declined to give phone number.
10/30/2018	not given		Supports restaurant people - they should have a higher wage. She lives in Ward 3 and will call them too. Keep up the good work and thanks for educating people.
10/30/2018	Jan Schmeck	St. Paul	Supports restaurant people to get a \$20 wage
10/30/2018	Victoria		Thanks for all you do , she supports minimum wage

10/30/2018	Victoria			Thanks for all you do , she supports minimum wage
11/5/2018	Claire Thiel	2	225 Kim Place	Strongly opposed to any limit on Minimum wage. Believes it is necessary for children and the future. Please do not consider limitations
11/5/2018	Matt Gray			As a restaurant worker, he supports a tip credit

11/5/2018	Deanna		Be sure to tell everybody to leave a
			tip
11/5/2018	Rocky Wagner		You will have a lot of people telling you they want a tip penalty because employers are scared their overhead will go up, and it will, be passed on to workers. Labor accounts for 70% of expenditures in a restaurant
11/5/2018	Jake Sinderbrand	1827 bush	Happy to hear you are supporting private right of action. Tip penalty is an easy way for employers to steal wages and difficult for employees to claim rightful wages and make sure they are getting paid according to law. MN has fought off tip penalties for years -we have a happier and better paid workforce. hopes we don't mess this up in St. Paul
11/5/2018	Daniel	Dayton's Bluff	he is a minimum wage worker and struggles to pay rent & student loans. Upset that you passed a slow phase in. there tare tip penalties in 42 other states that prevent wage earners from earning minimum wage some times. This will hurt 50,000 minimum wage workers like me. he is calling on you to stand with him and workers not invite in favor of workers & against business interest.
11/5/2018	Erin	Hennepin county	Is a server in Lower town. Don't support tip penalty. It is often difficult to pay rent and loans. The living wage for her area is actually \$18, not \$15. You don't want to be a part of causing homelessness and bankruptcy.
11/6/2018	Alicia Ramirez		She and her husband are part-time service industry employees. Supports your amendment for a tip credit- it's important to them that this amendment goes through.
11/6/2018	Julia Hopkins	Dayton's Bluff	Would like you to consider one fair wage to be implemented without exceptions for a tip credit. She is concerned about working class in Dayton's Bluff, especially people of color who work in restaurants. We have a responsibility to take care of them and provide a living wage.

11/6/2018	Ashley Briscoe	Urges you to not bring forward the
		corporate-backed tip penalty,
		instead vote forone fair minimum
		wage for every worker in St. Paul

**From:** Jennifer Schellenberg [mailto:jenniferlschellenberg@gmail.com]

Sent: Wednesday, November 07, 2018 9:29 AM

To: #CI-StPaul\_Ward1; #CI-StPaul\_Ward5; #CI-StPaul\_Ward2; #CI-StPaul\_Ward3; #CI-StPaul\_Ward4;

#CI-StPaul\_Ward6; #CI-StPaul\_Ward7

**Subject:** Hypocrisy

In the ordinance and in the process:

https://www.twincities.com/2018/11/07/jennifer-schellenberg-10-things-wrong-with-st-pauls-minimum-wage-ordinance/

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Jennifer Schellenberg Bartender, Northbound Smokehouse & Brewpub President, Restaurant Workers of America

From: Gary Olson [mailto:ollgar@comcast.net]
Sent: Tuesday, November 6, 2018 10:25 PM
To: #CI-StPaul\_Ward5 < Ward5@ci.stpaul.mn.us>

Subject: Please support a minimum wage of \$15/hour WITHOUT a tip credit

Dear Amy,

Please support a minimum of wage of \$15/hour without a tip credit. It is in the interests of all people in St. Paul for working people to be able to support themselves. \$15/hour isn't even enough to pay for basic needs, given high costs of rent, food and medication; a tip credit would just make matters worse.

I know you care about the future of St. Paul, so I urge you again to support a \$15/hour minimum wage with no tip credit.

Thank you, Kate O'Connell 1506 Simpson Street St. Paul, MN 55108

From: Angela Marlow [mailto:angela@mlba.com]
Sent: Tuesday, November 06, 2018 4:03 PM

**To:** #CI-StPaul\_Ward4; Tony Parrish **Subject:** Data on \$15 min. wage

### Greetings Council Member Nelson,

Thank you for meeting with Tony Parrish this morning. We appreciate the opportunity to talk about the impacts on our independent small businesses in the liquor industry. Below is some data that may be helpful in understanding this industry and the data that is out there.

The "one fair wage" legislation in 1984 at the State level was passed. There is some discussion on whether or not we should be "married" to the past and here are a couple of points that are reasons why times have changed. There was almost no input from the hospitality industry, nor were the workers in the industry in the same awareness of how policy can affect their livelihood. In 1984, there was limited computerized point of sale records for businesses to understand the level of tips coming in for servers. There was a large amount of cash sales v. credit card sales with little ability to track tips. In addition, before larger corporate restaurants were buying futures in products and driving down prices, local independent restaurants had higher levels of profit margins. I think that these differences are becoming more and more relevant in this conversation. In Washington DC, we saw a voter initiative to repeal tip credit overturned by a Democratic City Council. They heard and believed the community that rallied to listen to the stakeholders of the industry. In New York, they gave a \$10 minimum wage with \$5 allowed to be used as tips to count towards the \$15 minimum wage. In Seattle, there is a \$12.25 an hour minimum wage for servers with the ability to count \$2.75 of tips towards a \$15 minimum wage. All three of these Cities/States believed in fair wages for all people. But....they also understood that the restaurant industry has always operated with very slim margins. The competition is stiff, but because humans naturally like variety in foods, many restaurants will open, filling up storefront spaces and creating environment for community to gather.

-There is some research on cities that passed a minimum wage above \$10.00 that advise workers in the restaurant industry do not lose jobs and earnings are not reduced. I would encourage you to review the Northbound presentation from the Citizens League report. This owner opened his books and revealed that he will have to change the model of his business at around \$12.50-\$12.75 an hour. This is when most restaurants begin to move from positive profit margins to being in the red. Before \$12.50 an hour, restaurants will do things like remove the free meal and beverage and look at reducing or removing health care. This is what Tim Mahoney and Dai Thao heard when they visited with businesses in Seattle. In general, in Minnesota, we have a pretty steady 25% closure or transfer of liquor license for the restaurant/bar industry on a yearly basis. This is indicative of the slim margins restaurants and bars sit at. Businesses here in St. Paul have indicated similar evaluations of their change in model of business timeline. Around \$12-\$13 an hour, the business model needs to change. In Seattle, you see many restaurants now with a little outside pick up window with limited seating area inside. This removes servers and other staff. This is indicative of slim profit margins and a need to change business models. In Applebee's and other large corporate restaurants and fast food that are not represented by the MLBA, you see them already moving their model to iPAD and kiosk ordering as they see the labor moving higher and higher. The big corporations can make these investments and analyze the environment sooner than you will see local businesses make the moves. These are some considerations to think about when data has not revealed the impact the industry will go through on the way to \$15. I think it is difficult to find data proving without a doubt that the industry is impacted and is not able to make drastic labor advancements without major model changes because none of these cities have had any time built up to see the changes. Those that have hit \$15 earliest, had tip adjustments and we are just now seeing those affects begin to show up. But, they did see it in Seattle. The model of the restaurants has drastically changed. Servers have moved out of the city to find server work in cities that they do not have service fee models and commission based models. The servers advised Tim Mahoney

and Dai Thao that they do not necessarily make much less, but they are logging many more hours to get that same pay. That is not a positive move for this classification of workers. Information regarding the YELP review seems subjective from the Harvard report on San Fransisco. That review states that restaurants are more likely to close, but added that only restaurants with a 3.5 rating or less and that those restaurants are already struggling and more likely to close. There are 88 restaurants in St. Paul with 3.5 YELP rating or less. Popular places that aren't struggling like Kincaids, Pazzaluna, Mickey's Diner etc. If two people give a negative review and that owner had not worked on getting regulars to give 5 star reviews, I would not conclusively state that it automatically means that business is struggling or likely to close. It could be that the business made changes to address the negative review and or a variety of other things could be considered and I do not think making this direct correlation would be fact based. In the information regarding the SF study, I would suggest that higher employment levels could also be indicative that it was college students serving that then went off to begin careers and thus resulting in higher levels of employment. Again, there is not a direct singular correlation between the two and I would argue there is no proof that the employer paying the wage v. receiving tips directly results in higher levels of employment. It does not have any correlation from my understanding. I also was a server making \$2.13 an hour for many years as a single mother and what I can say is that I could have never gone to school full time and made my mortgage payment if I hadn't been able to serve and make \$57,000 serving with a flexible schedule. I never even considered driving 7 miles to receive \$7.65 an hour instead. It was literally irrelevant because the tips are what make servers work at a location, not wages.

We have offered an opt in model with guarantees of \$18/\$20 and exemption of fast food and franchise in this program. There is also a fee that would cover at least 6 times what the current proposed budget for enforcement is currently. We are willing to make changes to that option if there is a piece we missed in making this agreeable for all people. In terms of the enforcement, I would say that without the opt in model, the City does not currently have a plan to cover the cost of enforcement. This opt in model allows for over \$600,000 additionally to be applied to enforcement. Plus, the owner has to be able to prove the this guarantee of \$18/\$20 and be labor compliant etc., in order to even qualify for the program. This in itself is added enforcement that you would not be able to monitor without the opt in model. I would argue that our option allows for enforcement whereas, currently, there is no plan and thus results in a question of legitimacy of this ordinance. I would guess that this is already an issue on earned safe and sick time. Who is currently enforcing and at what level? Without an opt in model, who is reviewing what wages our restaurants are paying at all?

Statements from the opponent saying businesses that operate on slim profit margins shouldn't be in business is troubling to me. Any new business is going to struggle, work out kinks and in this industry either grow and expand, or have very slim margins. Many of these business owners have saved and spent countless hours for years without pay in order to provide jobs and community space for the City by opening a new business. I think that should also be taken into consideration. To say that they possibly do not deserve to be in business is taking away years of saving and working towards becoming a business owner and wiping away all those efforts. It is almost unheard of for a restaurant or a bar to have double-digit profit margins. I do not know of any as it is an industry standard. I would not think it is fair to cut out all micro, new and small business simply because they do not have higher margins of profits. To me, this is the essential issue. We are not a city that has a lot of major corporations that can stimulate the city local economy and if we jeopardize the community of local businesses and new immigrant businesses, we are not doing anyone justice. I do not think a majority of any population would be in favor of wiping out all small businesses that do not maintain a high margin of profits. The money that created all this poverty does not lie with the everyday local business owner. This policy aims

to harm the growth and prosperity of small and local businesses, while allowing no penalty to the large corporations whom already mostly are paying \$15 an hour and can absorb the hit of higher labor costs. I think if you did some calculations, there would not be a positive net effect of stimulation of the economy by simply raising wages for macro businesses. Most have already gone to \$15 and we have not seen any positive effect in terms of filling our restaurants.

If there is money to be spent supplementing and educating business owners, I would say let's take those dollars and some of the opt in money and put that towards an education grant to low wage workers. That will bring low wage workers out of poverty in a way that \$15 min. wage could never accomplish. There is much data that reveals a college education is the pathway out of poverty. It also then gives way to the college program the Mayor talks about. Resources to help educate and offer advice to business owners on the \$15 min. wage isn't appealing to the owners as at MLBA, we offer all kinds of services at discounted rates to assist in growing and analyzing their business. The majority of members do not participate in those offers. Consolidating back office means less jobs, just in a different area, so I am not confident that a solution is giving resources and education to businesses. One of the keys to bringing people out of poverty is taking back America's wealth from those that have it and educating our folks in poverty to have long-term success, goals and careers. A college program and resources for that would be productive in taking folks out of poverty long term. A minimum wage increase merely gives a short term boost to wages until prices increase at the same or higher rates.

I believe you received the spreadsheet of server wages and I am attaching the Seattle report given to us by Tim Mahoney with the Loon Cafe (also on the Citizens League committee)

I am also attaching the minority report we wrote in response to the Citizens League report. Please let us know if there is additional information that you think may be helpful.

Again, thanks so much for meeting with Tony Parrish today on behalf of MLBA. We really appreciate that. We want to work on building a long lasting relationship as we work with St. Paul City Council often on on things Liquor Licensee related.

Thanks so much.

--

Angela Marlow
MLBA Director of Membership and Services



City Council Letter.pdf



**From:** C Johnson [mailto:caleb.johnson65@gmail.com]

Sent: Tuesday, November 06, 2018 8:27 AM

**To:** #CI-StPaul\_Ward4

**Subject:** Minimum Wage Ordinance and Tipped Workers

Dear Council Member Jalali Nelson,

I'm writing as one of your constituents in Ward 4, specifically Merriam Park, in support of a minimum wage exemption for tipped workers. I've worked in restaurants as a food service worker and continue to work in restaurants as an enforcer of food code regulations and see first hand the issues created by an uneven playing field between tipped and untipped workers.

Specifically as it pertains to food safety, when the back of the house staff in food service make significantly less than the front of house staff it means less talented and competent people directly handling customers' food, which leads to increased risks of foodborne illness transmission. Without an exemption for tipped workers, kitchens will continue having difficulty filling critical food handling positions with reliable staff who take food safety seriously because the most talented staff will seek out tipped positions instead.

Please support any ordinance amendments introduced which exempt tipped workers from minimum wage requirements.

Respectfully submitted,

Caleb Johnson 2150 St Anthony Ave

From: ALLAN MALKIS [mailto:a.malkis@comcast.net]
Sent: Wednesday, November 7, 2018 10:43 AM
To: #CI-StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>>

Subject: Fifteen for all

Please support a \$15 minimum wage for all workers including tipped workers.

From: Carsten Haglind [mailto:tencars76@gmail.com]

Sent: Tuesday, November 6, 2018 6:42 PM

To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us >

Subject: Tip credit

Good evening. I am a bartender at 7th Street Truck Park on West 7th in Saint Paul and I fully and enthusiastically support the tip credit. This is a big deal to many of us. Thanks, Carsten Haglind

From: Justin Christensen [mailto:justintchristensen@yahoo.com]

Sent: Tuesday, November 6, 2018 4:28 PM

To: #CI-StPaul Ward7 < Ward7@ci.stpaul.mn.us>

Subject: We want a tip credit

Please give us a tip credit!!!

From: Brian [mailto:cncguy36@yahoo.com]
Sent: Tuesday, November 6, 2018 4:16 PM
To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us>

**Subject:** I support the tip credit!!

I support the tip credit! Not having this will ruin the industry!

Thank you.

**From:** Jennifer Saltos [mailto:jennifer.saltos@yahoo.com]

Sent: Tuesday, November 6, 2018 1:38 PM

To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us >

**Subject:** Tip Credit

Dear Ms. Prince,

I've been a server for most of my life. I am in favor of a tip credit please consider an amendment for this Sincerely.

Jennifer Wallevand

Hello,

I served on the Citizen's League Minimum Wage Study Committee.

Without exception, every city that has implemented an ordinance related to increasing the minimum wage has struggled with compliance.

The single most common reason for non-compliance is not due to bad actors, but rather a lack of awareness. Poor compliance related to ESST in St. Paul illustrates this point.

Allocating just over \$100,000 for year 1 outreach is a paltry, insufficient sum.

While monetary resources isn't the only element for successful implementation, the City of St. Paul also lacks a strategic plan for implementation.

A promise of higher wages to lower-wage workers hinges on the ability of the city to effectively reach critical stakeholders. That promise, will be broken, unless we do more.

Our Mayor has indicated that our budget should reflect our values. I see a disconnect between our values and what we have allocated for outreach.

I urge the Council, Mayor and City services to fully fund and develop a holistic approach to outreach and education in order to create a climate conducive to adherence for this ordinance.

Dillon Donnelly St. Paul. MN From: Shauna Allen [mailto:shrallen@icloud.com] Sent: Wednesday, November 7, 2018 12:39 PM To: #CI-StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>>

Subject: Tip Credit PLEASE!

Hi Jane,

I'm currently a bartender at Patrick McGovern's and have been in the industry for over seven years. I truly believe in, want, and need this tip credit. It will help to keep the industry alive and well for both patrons and employees! We all need to work together and truly hear the voices of those that are ACTUAL workers, am I right? I'm sick of hearing about these 15NOW "activists" that are paid and lying about their backgrounds. Tipped employees, like me, have been sacrificing time and effort, just like you, to support what we believe in. I wish so deeply that I could be involved today, however I have to work a shift and won't be able to show my physical support. Please don't let us down!!! This is SO very important to us! Thank you for your time and consideration.

Best, Shauna

From: Zoë Bird [mailto:zozettebird@gmail.com]
Sent: Wednesday, November 7, 2018 11:58 AM
To: #CI-StPaul Ward7 <Ward7@ci.stpaul.mn.us>

Subject: Support \$15 One Fair Wage and No Delays for Tipped Workers: No Tip Penalty

# Dear Council Member Price,

I am reaching out because I support the strongest possible \$15 One Fair Wage ordinance for workers in St. Paul. Right now 40% of St. Paul lives in poverty; our city needs to raise the wage now, for all workers, including tipped workers. I need you to pass a \$15 minimum wage ordinance with One Fair Wage for all workers in St. Paul without different treatment or delays for tipped workers. I need One Fair Wage and NO TIP PENALTY. Thank you for dedication to working people in St. Paul and your commitment to One Fair Wage.

Sincerely,

## Zoë Bird

**From:** Jennifer Schellenberg [mailto:jenniferlschellenberg@gmail.com]

Sent: Wednesday, November 7, 2018 12:36 PM

To: #CI-StPaul Ward1 < Ward1@ci.stpaul.mn.us >; #CI-StPaul Ward2 < Ward2@ci.stpaul.mn.us >; #CI-StPaul Ward2 < Ward2 <

StPaul\_Ward3 < <u>Ward3@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward4 < <u>Ward4@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward5 < <u>Ward5@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward6 < <u>Ward6@ci.stpaul.mn.us</u>>; #CI-StPaul\_Ward6 < <u>Ward6@ci.stpaul.mn.us</u>

StPaul\_Ward7 < Ward7@ci.stpaul.mn.us>

Subject: It's not a tip credit-

One last plea to each of you,

As you know, we are just one vote short of recognizing the unique models that restaurants currently operate under. At this point I feel like I'm banging my head against a wall, but I want you to realize if you don't already, that the amendment that Jane has contacted each of you about it not a tip credit.

- -Our program would exclude lower tipped workers (the majority of the opposition)
- -Our program would pay for it's own enforcement (with approximately \$600,000 in revenue for the city)
- -Our program guarantees that servers actually make MORE than the minimum wage if the tipped wage is applied to them

None of these nuances exist anywhere else in the country!

By voting for our Program/Amendment, you are not voting for a tip credit. You would be voting for the most unique compromise seen anywhere in the US. You have an opportunity to reach across the aisles and recognize both sides with a policy that will mostly satisfy both.

You have an opportunity to truly be leaders. I know you've heard us, now please act.

Jennifer Schellenberg Bartender, Northbound Smokehouse & Brewpub President, Restaurant Workers of America

### Phone messages:

- 1. Madeline Hallberg, (W3 resident) She is with ISAIAH. Supports 15 Min. Wage without exceptions or tip penalties. Urge council to pass soon.
- 2. Evan Weiler, 1811 Randolph, 1811 Randolph Supports \$15 Minimum Wage recommendation. Requests that council reach out to a college in the area or independent entity to monitor the ongoing outcome of an adopted \$15 Minimum wage; that it be studied.

From: Vanessa Cannon [mailto:walnessa73@gmail.com]

Sent: Wednesday, November 7, 2018 3:06 PM To: #CI-StPaul Ward7 < Ward7@ci.stpaul.mn.us>

Subject: Tip credit

Dear Jane, I was happy to see you were considering a tip exemption in St. Paul. I have served for over 17 years and understand the importance of supporting this. First, We make well above 15 dollars an hour

with tips. By taking tips away we will make far less money. Yes, this will happen because owners will need to add service charges to compensate for labor. Secondly, small businesses will be unable to pay this increase. By allowing for a tip exemption the cooks, dishwashers, hosts etc are able to get the raise. We 100 percent support this. They deserve a fair minimum wage. Small business will not make it. Studies have proven this. We want St. Paul to have diversity in restaurants. Thirdly, you have an entire industry telling you we are ok. We do not need you to raise our pay. Who say's that? I think you need to listen. This labor union talks about us being harassed in order to get tips. This makes me angry. I am successful because I am good at my job. I think any good server or bartender makes well above 15 dollars. If you are unable to do that, than this job may not be for you. As a person that lives in your district I hope you vote for this tip credit. Thank you, Vanessa Cannon

From: Christine Hazuka [mailto:cmhazuka@gmail.com]

Sent: Wednesday, November 7, 2018 1:21 PM

To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us >

Subject: Vote FOR \$15 min. wage with NO tip penalty

Dear Councilmember Jane Prince,

Thanks for everything you've done to help Dayton's Bluff. I live in your district at 1191 Margaret St and recently heard that you may introduce a tip penalty for the \$15 minimum wage proposal.

I urge you to Vote FOR the wage increase with NO tip penalty or other exemptions. I know there are businesses and restaurants on the East Side that we want to protect, but I really think that if there is more income and revenue coming into the city with a wage increase, then more people will be able to afford to go to businesses and restaurants across the city, including residents on the East Side.

I'd love to see my neighbors get the wages they deserve, and that means we need to have equity across the board and across jobs.

Thank you for your consideration on this tonight as you introduce and vote on amendments.

-Christine Hazuka 1191 Margaret St, St Paul, MN 55106

From: Romy Welter [mailto:romyaw@comcast.net]
Sent: Wednesday, October 31, 2018 10:49 AM
To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us>

**Subject:** Wage tip credit

Dear Jane Prince,

Please consider passing the wage tip credit provision! I'm not in the industry but I have friends who are

and they depend on tips to get by.

Thank you, Romy Welter 1681 Euclid St., St. Paul

From: charles lovejoy [mailto:charlesfish30@yahoo.com]

Sent: Monday, November 5, 2018 1:31 PM

To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us >

**Subject:** Pro tip credit

I am a 20 year veteran bartender in Saint Paul and I am definitely for a wage increase WITH a tip credit! Please, without one I fear my livelihood will be at stake.

From: Ryan F. [mailto:ryan.feider@gmail.com]
Sent: Monday, November 5, 2018 1:18 PM
To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us>

Subject: The 'Tip Credit' Debate

### Dear Councilwoman Price,

I'm taking a moment today to write to you to express my opinion on the 'Tip Credit' discussion. I've been to many of the hearings and various gatherings to show my support for it. I don't doubt by now you've heard countless viewpoints and stories from both sides. Out of respect to your busy schedule, I would just like to express this very simple notion: The 'Tip Credit' doesn't penalize anyone. In fact, what the two opposing sides don't seem to communicate well is that it's the best of both worlds. To allow a 'Tip Credit,' guarantees the \$15/hr wage. Exactly what 15Now and other proponents of raising the wage to one rate want. However, where the 'Tip Credit' model shines is that while it guarantees a minimum of \$15/hr, it allows for staff to excel and be rewarded well beyond that base rate. A person with many years of honing their skills can still feel that their hard work and dedication has meant something. It's a very rare notion in any other industry that you would pay your workforce with one blanket rate. A lawyer fresh out of law school doesn't demand the same pay rate as someone that has worked up to partner. An Apprentice Plumber yearns to one day to become a Master Plumber because there is pride in his/her chosen profession and one day they will be financially more rewarded. The service industry is no different. I'm sure you can imagine what the result would be as a society if all industries paid their employees one wage across all skill levels.

Thank you for your time. Sincerely, Ryan Feider

From: Eric Foster [mailto:eric@ward6stpaul.com]

Sent: Tuesday, November 6, 2018 9:43 AM

To: Prince, Jane (CI-StPaul) < Jane.Prince@ci.stpaul.mn.us>

Subject: Minimum Wage issues

Hi Jane,

While I haven't gotten too involved in the minimum wage discussions, since I'm both not a current business owner (though I plan to be in the not-too-distant future!), and not currently in the country, nonetheless, I feel I want to let you know my thoughts, since they may be somewhat different from what you're hearing from a lot of business owners.

I support the \$15 ordinance as it was originally proposed, without more extensive phase-ins and without a tip penalty/tip credit.

On the tip issue specifically, here are the reasons why I don't think we should change the way tips are treated:

-Minnesota has been a leader in this area, and its leadership has resulted in service industry employees doing better here in Minnesota than they do in many parts of the country, where they have subminimum wages. I'd also argue that Minnesota's stance has quite evidently NOT resulted in the death of the restaurant industry; quite the contrary, our restaurants are thriving and innovative. It's worth noting that the restaurant association and other similar lobbying groups (MLBA et al.) claim in other states that not continuing a sub-minimum wage will utterly destroy the industry. Minnesota's experience shows that they are wrong. I find it richly ironic that they can use the same tired talking points in Minnesota, where our current situation shows that these talking points are false, and expect to be taken seriously.

-carving out an exception for restaurants will inevitably lead to other industries demanding their carveout. It's a slippery slope.

-while a tip credit/penalty wouldn't change things very much for middle to high end restaurants (like Ward 6 was), where service staff routinely make well more than the minimum, and well more than \$15, it WOULD change things for other parts of the industry. I find that the discussion seems to begin and end with higher-end, better-off (not surprisingly predominantly white and middle+ class) service staff, but the fact remains that large portions of the service industry work in much different environments, where tips+sub-minimum wage will not necessarily lead to a \$15+ wage. It is precisely these restaurants that we need you and our other public servants to be worried about. In these restaurants, working conditions are poor already, staff are often treated in ways that are not legal or ethical, and the idea that management will just happily automatically add to wages to 'make up' the gap is just farcical. Wage theft, I can tell you, is rampant in the middle to high-end restaurant world (oh, the stories I could tell you about some of the TC's most famous chefs and restaurants treating their employees in blatantly illegal ways), so to assume it's not a problem at all.....well, it is. If staff at high-reputation restaurants aren't comfortable reporting their employers' illegal activity, why would we think vulnerable low-wage workers will easily do so and without repercussion?

-the breathless claims that a higher minimum wage without a new sub-minimum exception for restaurants will "destroy" the restaurant industry are pure silliness. Yes, a higher minimum wage puts pressure on restaurants' bottom lines. Yes, restaurants will have to figure out how to adapt. But adapting to various conditions is literally what businesses do and what they are. Just as Minnesota's minimum wage increase several years ago (which, look it up, the MRA and its cronies reported would destroy the industry if passed) hasn't killed all restaurants, or replaced all servers with robots, neither will this one. Will some restaurants respond by creatively trying new ways of doing business, like increasing counter service, using technology, etc? Of course they will. Will other restaurants respond by incrementally increasing prices and changing nothing else? Yup. I suspect the majority will follow the

latter course. I just saw that the state minimum wage is going up to \$9.86 for next year; if normal inflation continues, by the time St. Paul's \$15 is fully implemented, surely the state minimum will be close to or above \$12? So \$15 isn't really that big of a jump, especially incrementally.

When the price of beef increases, often by a fairly large amount overnight and with no advanced notice, do a bunch of restaurants just close their doors and go out of business? Of course not. They figure out a way to deal with it, whether it's increasing the price of burgers, or increasing prices incrementally across the board, or cutting down on portion sizes, or whatever... That's how business works. Increased labor costs have simply been something restaurants could ignore (in the front of house at least) for a long time— now that cities and states are adjusting minimum wages to better reflect current conditions, suddenly, the sky is falling! Imagine if server wages had been increasing every year in the way that back-of-house wages do (simply because of the fluctuations of the labor market, inflation, etc.)— this would be a non-issue.

-a lot of the hysteria that's been whipped up among service staff (again, almost entirely service staff at higher end restaurants) claims that these changes will result in restaurants abandoning the tipped employee model. First off, I doubt that will happen as I discussed above, and second of all, if it does, with some restaurants experimenting with a new model, so much the better. I don't doubt that some restaurants will (some already have) explore changing their model to remove tipping as a main source of FOH (front of house) wages. I don't think this will be especially widespread or sudden. But to the extent it does happen, we shouldn't use the possibility of it as a reason for resisting change. Tipping has become a way for restaurants to push their responsibilities to pay employees onto customers. Making service staff dependent on the whims of customers (who often use their perceived power to sexually harass and generally abuse service staff, again, especially at lower-price point establishments where staff are more vulnerable in general) is not necessarily a good idea. In Minnesota, because we don't have tip credits/penalties, servers make a good wage; at middle and higher-end restaurants, the tipping system has resulted in a large and growing pay gap between the FOH staff (as I've said, predominantly white and middle class, often young and highly educated) and BOH staff (more often POC, often lacking educational opportunities). FOH staff often make TWICE as much as their BOH colleagues. A new system where restaurants pay their employees what they believe they are worth / what the market thinks their skills are worth is not necessarily a bad idea. The transition to such a system would inevitably involve some bumps and some restaurants trying and failing, etc. But I believe in the innovative entrepreneurial skills of our restaurants, and I believe Minnesotans can come up with a system that works better for everyone. In the meantime, those who want to keep the same system will have plenty of company.

-as for the discussion about POC- and immigrant-owned businesses getting a longer phase-in, I think it's wrong-headed. We make these policies because they're deemed good for everyone; they are a minimum requirement for doing business in our city. To exempt or create special rules for certain businesses is patronizing (because it assumes that these businesses can't do what, as I've said, all businesses have to do every day, every month, every year— adapt and improve) and wrong. We don't exempt small businesses from laws against child labor; we didn't exempt them from the smoking ban (did we? I guess I don't know as I didn't live here then, but we shouldn't have!), we don't exempt them from paying taxes. The current phase-in is plenty long, to allow businesses to plan and adjust incrementally.

If the City wants to help small businesses, and specifically POC- or immigrant-owned businesses, then it should do just that, help them directly. As we've discussed in Open for Business meetings, the City could

create funding for these businesses, or offer services like neighborhood-based advertising, or offer consulting on creating business plans with minimum wage increases in mind, or a million other things.

By amending the ordinance, the City \_might\_ help these businesses, but it would at the same time hurt their employees, who are also likely to be POC and immigrants. That's a zero sum game.

OK. I will stop there. I have many thoughts and sometimes there are too many things to write in one e-mail. I'm happy to discuss further any specific areas you would like to hear about if you like. I hope this was helpful. Thanks for your service as always.

All best, Eric

Eric Foster

From: Randy Croce [mailto:rcroce@umn.edu]
Sent: Wednesday, November 7, 2018 4:00 PM
To: #CI-StPaul\_Ward5 < Ward5@ci.stpaul.mn.us>

Subject: Support \$15 minimum; oppose tip credit and long delay

Dear Council President Brendmoen,

I support a \$15 minimum wage for all workers in St. Paul that would be in parity with the policy in Minneapolis. I oppose a tip credit, as service industry workers in general have long made substandard wages. A subtraction to account for tips could be easily abused, falls unevenly among wait staff and makes it hard for such workers to budget. I also urge that the transition to the \$15 minimum not be be delayed over too long a period of time, certainly not longer than the timetable in Minneapolis. Finally, I think that making franchises, such as MacDonald's restaurants, be considered as independent small businesses is a bad policy if this designation makes them exempt from local labor laws, such as the minimum wage or sick leave regulations.

Thanks for considering my views and for your service on the council.

Sincerely, Randy Croce 1117 Churchill St. St. Paul, MN 55103

From: N Jolly [mailto:njolly3@gmail.com]
Sent: Wednesday, November 7, 2018 3:39 PM
To: #CI-StPaul\_Ward7 < Ward7@ci.stpaul.mn.us>

**Subject:** Tip credit please!

My name is Nicole Jolly. I've worked in the restaurant industry for over 17 years. It is my full-time job. I support a tip credit. Without one my livelihood will be at stake. Thank you!

From: Mandy Schwemmer [mailto:amandaschwemmer@gmail.com]

**Sent:** Wednesday, November 7, 2018 4:04 PM **To:** #CI-StPaul\_Ward7 < <u>Ward7@ci.stpaul.mn.us</u>> **Subject:** \$15 Minimum Wage, No exemptions

Dear City Council Member Jane Prince,

I am your contituent (Battle Creek) but I am unable to attend tonight's public hearing on the \$15 minimum wage increase. Please raise our city's minimum wage with NO tip penalty or other exemptions. Listen to the people and put us above the profits of businesses.

Thank you, Amanda Schwemmer 1559 McLean Ave St. Paul, MN 55106

From: Angela Marlow [mailto:angela@mlba.com]
Sent: Wednesday, November 07, 2018 1:26 PM

To: Brendmoen, Amy (CI-StPaul); #CI-StPaul\_Ward4; Noecker, Rebecca (CI-StPaul); #CI-StPaul\_Ward3;

#CI-StPaul\_Ward7; Prince, Jane (CI-StPaul); Thao, Dai (CI-StPaul)

**Subject:** One last thought

Greetings President Brendmoen and Council Members,

I know that most of you are not open to hearing about the tip exemption program and I can respect that. I wish we could have found a compromise that the unions and activists could have agreed on and I did make an effort to reach out to Celeste to see what else could be added to satisfy her group. The folks I spoke to from the AFSCME board thought our exemption was great although I also know that the AFL-CIO has taken a stance and they don't really care about unintended consequences to the City.

I am fearful of how this will affect our struggling City, I am fearful of how the immigrant community will react. I fear lack of legitimacy on ordinances that have no capacity for enforcement. The immigrant community was never reached out to even after the Citizens League report stated that more outreach was needed. Why was that never done?

I had thought City Council meant it when they say "We are not Minneapolis." This ordinance is exactly like Minneapolis. And no one else. Seattle, New York, DC all have a tip exemption. And not one that was so compromising and gave dollars that could be used for enforcement or helping people in poverty have long term chances of moving out of poverty. It could be used to give college opportunities so that low wage workers can find careers, not jobs. I just don't understand where City Council thinks these small and micro businesses have money to pay a 55% increase. Where do you think it comes from? They don't have a vault full of money that they are keeping from workers.

I would love to understand how you believe economics work? I believe that America's wealth was taken by the top 1% of the 1% earners in America over the last 30 years. I don't understand why we are not targeting that group only in our plight to bring economy back to the working people. You can't take

those lost dollars off the back of working business owners and believe it will work, right? I don't understand how that solves the problems. Why are we working for big business in this ordinance?

I have to believe that this can't just be about getting elected. Everyone else believes that but I held out that governing isn't just about getting re-elected. Our business community provides much of the City's budget. But because they don't fund all the candidates, they no longer get a voice? That is actually how our members feel. My hope was that a Democratic City could compromise and give a small tip program and in return, we would be able to move the rest of the State (8000 businesses) to see that Democrats do care about local small business and we could begin to work together. With what is happening now, we just push them further to the right. It's heartbreaking. That's really all I can say.

I came into this with good intent, but I feel the businesses did not get a fair shot. That's frustrating.

Anyway, I just wanted to share a few thoughts as we wrap this up. I wish I had better things to say to our members. I honestly fought for City Council trying to convince these business owners that they would be heard. They argued and argued with me that they wouldn't, but I counted on you guys to be fair. I don't know how to tell all these folks that participated for the first time that their efforts were in vain. I don't have an explanation that makes sense and I wish I did. If you have anything that I can say to the businesses that can explain why they got nothing in this ordinance except at bill of 55%, please let me know. I would love anything that is reasonable.

We intend to work on the survival to \$15 kit and honestly, part of that will be how to raise prices together to survive. I am not sure that people living in the City will be excited about that once that hits. Lots of consequences for lots of the community. I sure hope you guys thought this one through and have answers that none of the business community can see.

We will fight the good fight to the end, but for the first time in the last 10 months, I don't feel hopeful and I don't feel I have a grasp on the why not. Why not an opt in exemption that is very narrow, allows for enforcement, allows for workers to be guaranteed \$20 an hour, excludes fast food and franchise and guarantees \$20 right away? Can you explain why that doesn't work?

If you could take a small look at it from their shoes one last time..........

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Angela Marlow
MLBA Director of Membership and Services

**From:** Clare Depompolo [mailto:cdepompolo@gmail.com]

Sent: Thursday, November 08, 2018 12:06 AM

To: #CI-StPaul\_Ward1; #CI-StPaul\_Ward2; #CI-StPaul\_Ward3; #CI-StPaul\_Ward4; #CI-StPaul\_Ward5;

#CI-StPaul\_Ward6; #CI-StPaul\_Ward7

**Subject:** Tip credit, St. Paul

I have been a server in the industry for over 5 years and am a mother of a 1year old toddler. It would be devastating to me and my family to no be able to make tips. I just began a new gig in St. Paul hoping that they wouldn't follow Minneapolis.

When I was 7 months pregnant and the bill passed in Minneapolis and our independent and successful pub went under. The owner was not equipped to deal with the new minimum wage. Leaving both me and my boyfriend unemployed with a new born baby on the way. I have already experienced the unfortunate circumstances that follow the fifteen dollar minimum.

Begging you to consider a tip credit. Thank you for your time.

### **Greetings Council Members:**

I am writing to you today in the wake of yesterday's public hearing on behalf of all Saint Paul workers. I'm a line cook from Macalester Groveland and I want to reiterate just two things.

I am pleased that there is no tip penalty in the ordinance and I will not remake the case against it. You've heard just about enough of it, and I'm confident you will do the right thing in that regard. However, I must stress the importance of not letting lobbyists and astroturfers like Restaurant Workers of America influence your decisions in any matter. You owe absolutely nothing to them and you owe everything to your constituents. I found it revolting when their organization tried to use me (an untipped cook) as leverage against paying my tipped colleagues the wage we BOTH deserve and NEED. Don't let them divide us.

Finally, on behalf of all workers, I ask you to act with no delay. I understand we can't snap our fingers and have \$15 today, but we needed it a long time ago. We are here TODAY asking for YESTERDAY'S livable wage, and it looks like we'll get it TOMORROW. By the time it's phased in as written, \$15 might not be enough anymore. We can't chase a livable wage forever. TICK TOCK!

Sincerely,

Kevin Kendrick

# Testimony 11.7.2018 St. Paul City Council re \$15 minimum wage

My name is Sarah Gleason and I live and work at 271 Forbes in Ward 2. I'm a selfemployed person and a long-time ISAIAH leader; I currently serve as vicepresident on the board of ISAIAH. I was part of ISAIAH's efforts to pass the strongest Earned Sick and Safe Time ordinance in the country here in St. Paul.

The issue of raising the minimum wage matters greatly to me. Our house, where I have lived and worked for 18 years, is very close to I-35E and Grand and to the W. 7<sup>th</sup> Salvation Army. Because of our location, I have daily contact with people experiencing homelessness in our city. I know that something like 1/3 of them are employed, and a fair number – 14% at last count – work full time, but still don't make enough to get into stable housing. That's not right.

Our house is actually a duplex, and we rent out the upper unit. We intentionally charge rent that is below the going market rate, and still our tenants over the years have struggled to pay rent and utilities, because they work at low wage jobs. It's painful to watch and to be a part of.

And of course they are not alone. One in 4 workers in St. Paul makes less than \$15/hour. I strongly believe that anyone who is working full time should make enough to take care of themselves and their family.

We need to have one fair wage in St. Paul, passed and implemented as soon as possible, without exceptions or a tip penalty. The ordinance needs strong enforcement, so it is not just symbolic but actually makes a difference in the lives of St. Paul workers and their families.

Thank you.

Sarah Gleason 271 Forbes Avenue St. Paul, MN 55102

From: Jennifer Schellenberg < jenniferlschellenberg@gmail.com>

**Sent:** Tuesday, November 6, 2018 12:23 PM **To:** #CI-StPaul\_Ward1 < <u>Ward1@ci.stpaul.mn.us</u>>

Subject: Tip Adjustment Amendment

Council Member Thao,

While I understand the philosophical conundrum you're in, the principle that tips should only be "on top" of our wage is only valid if we continue to make the same amount in tips. At the last reading of the ordinance Rebecca was speaking on another subject, and she said something that really got to me. She

said, "How much have you lost of what you were trying to protect?" While there isn't a ton of studies on this subject yet, we can learn from what is happening on the West Coast. Did you read Tim Mahoney's paper on the Seattle trip? Servers are losing tips and overall income. Models are changing and it disadvantages the worker, not the owner. You see, owners will find a way to make it work for them if they can.

There is also the fact that we're talking about a 55% wage increase, not the index to inflation as we've seen over recent years. This coming right on the heels of a 31% increase a few years ago. This jump is not just business as usual and it shouldn't be treated as such.

I have heard one CM say, "The Harvard paper on SF did find that an increase in the wage increased the likelihood of a restaurant closing but only for restaurants that were rated 3.5 or below on Yelp, restaurants which the authors acknowledge are already struggling in other areas and are already more likely to close." Please, before you buy that narrative, apply that idea in a practical sense to your St. Paul business community.

I scanned my Yelp app this morning and collected what I could find of 3.5 star or lower rated restaurants in St. Paul. In ten minutes I found 88 restaurants that had 3.5 or less stars. Some of these places are the most popular places in St. Paul. I did not find a single (that's not to say it doesn't exist, but the Yelp app isn't always the easiest to navigate) 5 star rated restaurant. So according to how you might apply your understanding of that Harvard study to our local, no restaurants would be insulated and somewhere near a quarter would be likely to close. Does this seem like a positive outcome of this ordinance to you? Would you be comfortable with all of the businesses in your ward on this list (which is attached) thinking that you don't value their contribution to our local economy? Do you deny that these businesses offer good paying jobs to people in my community? And lastly, please picture your ward without these businesses. I would hope the vacant storefront images could convince you that we are not lying about the need for this exemption.

When it comes to the W-2 study I, too, read that it essentially says that the income evens out. What it means when it's saying it "evens out" is that we lose some of our free agency from our tipped income. If you had gathered anything from speaking to servers in your ward, I would hope that you heard us say that we don't want tips to decrease, even in lieu of a higher hourly wage. The conclusion of this study says, "Finally, while the results show that servers do not ultimately make more in total hourly wage, for most of the range of the tipped minimum they benefit from higher employment levels." Just before this conclusion the study says that with higher wages comes a decrease in overall employment whether through lost hours or less jobs. Again, none of the changes that will happen in our community will advantage the workers in our industry.

The amendment that we've been fighting for- excluding lower tipped workers and non-restaurant industries is us trying to find a compromise for those industries/sects that do not want this. Include everyone if you like. Better yet, include everyone, but do it with a superwage so lower tipped workers in any industry would not be affected. If you support a tip adjustment program with a superwage you will be guaranteeing that anyone who is paid under the lower adjusted rate (the "cash wage") will be guaranteed MORE than the minimum wage with their tips incuded! I beg of you to honestly answer me how you could be opposed to a nuance that would be so unique and so progressive. This amendment would truly leave no worker behind.

As a sidenote, our amendment would be the only amendment that would actually pay for it's own enforcement. The amount of revenue that this amendment would bring in to the city is more than 5x that which the city of St. Paul budgeted for this ordinance for 2019. It's a win-win-win for the workers, the businesses and the city. And the Full Service Restaurant community has said that we would be willing to fast track our industry with this amendment. You could get cooks, a huge sector of the immigrant community, to \$15 before anyone else in MPLS or STP would get there! How can you be opposed to that?

Lastly, I want you to know that I really, truly, am glad that the tip credit was eliminated in 1984. If it weren't for that decision I could be a \$2.13 employee right now. No one wants that. What I would love to see is St. Paul be a leader in tip credit reform. We can show the country what a responsible, progressive policy can look like that is unlike any other. Please don't deny us this sensible compromise because of a principle that our community rejects, or because it would be 'too complicated". Owners are ready to make this work, and tipped workers are overwhelmingly supportive of it.

Please, give our amendment serious consideration, as thousands of St. Paul tipped workers are counting on you to hear our voices.

Cheers,

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Jennifer Schellenberg
Bartender, Northbound Smokehouse & Brewpub
President, Restaurant Workers of America

**Subject:** Minimum wage statute

**Date:** November 10, 2018 at 1:12:21 PM CST **To:** #CI-StPaul\_Ward3 < ward3@ci.stpaul.mn.us >

Dear Councilmember Tolbert,

I have been watching and working for the raise in the minimum wage in Saint Paul for the last few years and, as we're on the verge of a statute being passed, I wanted to express my appreciation and gratitude for the your work on this and offer some constructive criticism of the statute as currently constituted.

My greatest criticism of this bill is it takes too damn long. We have a structural problem of inequality in this country and in Saint Paul. The City Council has said that they understand the crisis of poverty in this city. Yet, in the bill you are passing, no one sees any increase in wages until almost 2 years from now, after a year spent deciding on a policy. That means 6 years after the first fast food strike, 5 years after we first spoke of the need for an increase in Saint Paul, 3 years after Minneapolis passed a wage law and Saint Paul began studying the issue, and 2 years after Minneapolis workers received raises, the first Saint Paul workers will see their paychecks increase. This is much too slow. Every day that goes by, Saint Paul workers and their families endure the stress of ends that perpetually don't meet. Every day that goes by, another family is at risk of falling off the poverty cliff into homelessness. Every day that goes by, children are left home alone because their parent(s) are working multiple jobs. Winter is coming. The rent won't wait. Neither should we. We need to act more quickly to raise people's wages.

As I've pointed out, the first to call attention to this issue were fast food workers, some of the least secure workers in the city, yet they have been on the front lines of this issue across the country. To slap them in the face by treating McDonald's, Burger King, and the like as small businesses seems unusually cruel and unjust. Yet Councilmember Noecker's amendment passed on Wednesday without any comment will treat franchises of giant multi-nationals as small businesses, essentially. How can this be? It seems like untransparent backroom dealing, when all of the Council was ready to vote yes on this issue without any discussion. It certainly doesn't seem like transparent democracy. The other amendments she presented with it were perhaps meant to soften the blow—macro businesses, enforcement were both welcome improvements. But the franchise language is still bad, still unfair.

I know that it is unlikely that my concerns will be addressed in the final passage of the bill next week but I am not sure where I would have had the opportunity to express them before this, or that they would have made a difference had I done so. So take them for what they're worth, as a statement by your constituent on what I would like to see changed. I have a lot of critiques of this long process that we've been through, including how the public hearing was handled on Wednesday, but I will save them for another day. As I said at the start, I am very grateful and appreciative that you chose to lead on this issue and I think there is much to celebrate about the statute you've crafted. So I will end with thanks for all your work and your support.

Best regards,

Rebecca Church