



diner & canteen
407 N 5TH AVE
ANN ARBOR, MI
48104



300 DETROIT ST
ANN ARBOR, MI
48104



bakery & cafe
2200 FULLER CT
ANN ARBOR, MI
48105

Thank you, Chairman Mendelson and the Committee of the Whole for this opportunity to share my comments on Initiative 77, which would phase out the use of the subminimum wage.

My name is Joel Panozzo. I own and operate The Lunch Room in Ann Arbor, Michigan. I have worked minimum wage jobs throughout the industry. From delivering newspapers starting at 11 years old. To slicing pizzas at 16. And line cooking at 26. I have worked for employers who have acknowledge the importance of a fair and equitable wage and have work for others that have placed profits over staff.

I started cooking with my nextdoor neighbor in her home kitchen 8 years ago. We started experimenting with doing pop-up dinners in a floral shop. We transitioned from pop-ups into a food cart six month later. Five years ago we opened our first brick-and-mortar restaurant. A year and half in we needed to expand our bustling bakery operation into its own location. And a year ago we open our third restaurant, a full table service concept. Before even hiring our first employee in our second season as a food cart, we considered the importance the fair and equitable wage of any future employees. I am here to testify in favor of the full implementation of Initiative 77. I support of phasing out the use of the subminimum wage in the restaurant industry and service industry at large.

As a business owner, I think it's important to pay all employees a living wage and by paying a living wage means actually respecting my employees. The restaurant industry is growing and changing. Now more than ever, there is money to be made in food. There is no reason that a person at each level of the restaurant operation can't take home enough money to put food on their own family's table. The industry is resilient and adapts to change all of the time. In the same way a restaurant can immediately adapt to the latest food trends, they can adapt to equitable wages of their employees. We have found equitable wages as a growing desire of our clientele. Not only are our guests interested in what is organic and gluten free, they want the person slicing their tomatoes, washing their dishes and delivering an app to their table to be healthy and paid a living wage.

The two-tiered wage system also can encourage an unsafe work environment. In a tiered wage system, it is not uncommon for a server's biweekly paycheck to not be able to cover a trip through the drive thru fast food. In this environment, the server relies on the tip at any

given table. It makes it more difficult to stand up to the guy at table 36 who is grabbing your behind. You need his tip to cover your rent that month. In states that have adopted One Fair Wage, they have seen workplace sexual harassment cut in half. A server can stand up to a manager who is asking her to unbutton a button or two or that same guy at table 36. Because she knows that even if she doesn't get a tip at table 36 or the manager doesn't give her the best section, she knows that her base wage could pay her bills.

In my workplace, the power dynamic is shifted. My employees can approach me about a guests that is making them uncomfortable or has inappropriately touched them. They have the power to stand up for themselves and demand a work environment free from sexual harassment. D.C. is ready for its servers, bartenders and nail stylists to go to work and not fear degrading sexual harassment.

Working towards a liveable wage was a conscious business decision that we made over time. We decided the initial sacrifices would in the end be the best for the business. The story timeline of our business reflects a similar timeline of Initiative 77. In the past eight years, we have not only been able to assure every employee a liveable wage, but also matching IRA retirement plan, earned time off, gym membership reimbursement, free usage of the public transportation system and a platinum health and dental plan that only requires a \$100 a month buy-in. I directly attribute our growth and continued turning profits to providing these benefits.

One of my number one stresses as a small business owner is hiring and training new staff. We have seen an increase in employee retention over the years. My staff come to work motivated and invested in the business' success. When a business owner is able to retain their staff, they can focus on growing their business and invested in their local community.

I am from the great state of Michigan that just this past month, the notoriously conservative Republican controlled legislature adopted a One Fair Wage ballot proposal to become law. These legislatures saw the value in the ballot measure. If a state like Michigan that is far to the right of the progressive District of Columbia can adopt One Fair Wage into law, the constituents and council members of D.C. can be ready for One Fair Wage.

A tipped wage tells an employee that they are less than. That they are not valued as full employee. Yes, this has been the system since the time of slavery in our country. But these are working professionals who have perfected a craft. It is time to value and pay these workers for the working professionals they are. If someone is working a 40 hour work week, they should no longer question their take home pay. A 40 hour work week should mean a paycheck where an individual can pay their rent, feed their family and possibly even visit the restaurant they work at as customers.

The constituents of D.C. voted overwhelming for Initiative 77. The ballot proposal in

Michigan was signed by over 400,000 people and was predicted to easily pass this November. The general population is ready for industry employees to earn a full wage. Now is the time, more than ever, for One Fair Wage to work in Washington D.C. As I said before, the restaurant industry in particular is resilient to trends and change. Just as poke bowls will fade out of popularity and new food trends will pop-up, it is time for the industry in D.C., in Michigan and across the country to embrace the elimination of the two-tiered wage system and say that every worker deserves a liveable wage.

Thank you for your time and consideration today.

A handwritten signature in black ink, appearing to read 'Joel Panozzo', with a horizontal line extending to the right from the end of the signature.

Joel Panozzo

Co-Owner of The Lunch Room

Brian Keyser, Casellula, New York

- Thank you, Chairman Mendelson and the Committee of the Whole / DC Council, for giving me this opportunity to share my comments on Initiative 77, which would phase out the use of the subminimum wage.
- My name is Brian Keyser. I own Casellula Cheese & Wine Café in New York City. I have been in the restaurant industry for 21 years, as a tipped server, as a manager, and for the last 11 years, as an owner.
- I am here to share with the D.C. City Council my experience in a state where the tipped wage has increased significantly and to demonstrate that not all owners are against paying the full minimum wage to tipped workers. I am a business OWNER and I believe it's important to pay all employees a living wage.
- I don't question the motives of the servers and operators who are here today to argue in favor of the tip credit. I know they believe they are looking out for their own good. But, they have been misled on this issue by the NRA's and RAMW's misleading and dishonest campaign. I have spent years researching this topic and although I started out being against paying tipped employees the full minimum wage, my research has resulted in a change of heart.
- I see "Save Our Tips" signs all over DC, but the FACT of the matter is that customers do not change their tipping habits, let alone completely stop tipping, when the tipped wage goes up. The tipped employee minimum wage in New York City has gone up 50% in the last five years and tipping has changed not at all. And in all the states with One Fair Wage, people tip just like they do anywhere else. This issue is not about tipping.
- As far as ownership's fear of increased labor costs, restaurant operators seemed to be confused about the difference between their own costs going up and EVERYONE'S costs going up. When we all have to raise our prices slightly because costs increase, which they do all the time for all kinds of reasons beyond just labor costs, the playing field remains even, so our competitive position remains the same. A burger costs a lot more now than it did 20 years ago and the restaurant industry has grown like crazy during that time. Raising prices to cover increased costs is a natural and healthy part of running a business in a growing economy.
- As for the claim that increasing the tipped minimum wage will be bad for business, according to the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, from 2016-2017 the number of full-service dining establishments in New York increased by nearly 11 percent, the highest increase rate since at least 2011. This, during a time when the tipped minimum wage has gone up significantly.

- Putting more money into the hands of workers is good for the economy. Every dollar increase in wages adds about \$7 to the economy and an improved economy is good for our businesses.
- As a business OWNER, I think it's important to pay all employees a living wage. Treating workers well, with better wages, paid sick leave, family leave and other benefits is the right thing to do AND it's also better for business. It improves employee performance, reduces staff turnover, and contributes to the long-term success and stability of the restaurant
- In states with One Fair Wage, the restaurant industry is thriving, new restaurants are opening all the time, workers are earning better wages and equal or better tips, and owners are providing good, stable jobs for the community.
- Nobody is asking that the tip credit be wiped out overnight. But an increase of the tipped minimum wage, phased in over time, is the right thing to do.
- I am a restaurant owner and I support raising the base pay for tipped workers to the regular minimum wage in D.C. and everywhere.



- Thank you, Chairman Mendelson and the Committee of the Whole / DC Council, for allowing me an opportunity to share my comments on Initiative 77. I am here today to testify in FAVOR of Initiative 77's full implementation.

- My name is Gregory Cendana, I live in Washington, DC in Ward 8 and I go to restaurants, tip all the time and will continue to do so even as there are more efforts like Initiative 77 that are part of a larger vision to eliminate the two tier tipped wage system that disadvantages working families in the restaurant industry, particularly women and people of color.

- As a DC resident for more than 10 years and a voter who voted in favor of Initiative 77, I want to start by saying that repealing Initiative 77 would be Undemocratic.
 - It disheartens me to see such a move by members of DC Council to undermine the will of the voters, especially when they understand the long and ongoing fight for DC Statehood where we have taxation without representation.
 - Furthermore, as co-chair alongside Heather Lavery of the DC Asian American and Pacific Islander Democratic Caucus, repealing Initiative 77 would do what our caucus works to combat each day--the disempowerment of voters, particularly Black voters and other voters of color in a place that touts its diversity and prides itself in pushing progressive legislation.

- In a majority of occupations, workers are not reliant on tips to supplement their wage.
 - When I go to clothing or other retail stores, I engage with customer-facing workers, but I'm not expected to tip them to receive service, let alone pay a portion of their salary.
 - As a business owner myself and President of Can't Stop! Won't Stop! Consulting, I understand the importance of creating jobs, my responsibility to pay those wages and at a rate that matches folks across the industry and workforce.
 - In non-tipped industries, employers are expected to pay their workers a living wage, \$15 by 2020. It should be the same in tipped industries--tipped workers should phase into earning the same wages as the general workforce.
 - I strongly believe that we should not only care about the vegetables and the animals that we are eating, but also about the people who are bringing that food to our table.
 - This is why I was one of the people who helped organize "dine ins" at restaurants in DC like Florida Avenue Grill in Ward 1 and Le Mirch in Ward 2 that are high road employers who are supporting their employees, taking the lead in offering One Fair Wage and serving as an example for the industry.
 - Initiative 77 is critical for the single moms in DC who are raising kids off tips and are living in poverty at 3 times the rate of the DC workforce or the Lesbian, Gay,



- Bisexual, Transgender and Queer community, which I am also a proud member, who have to suffer from sexual harassment in order to make a good tip because customers pay their basic wage, not their employer.
- As a former minimum wage worker and as a former tipped restaurant worker that worked in California, I know these realities all too well and have seen firsthand that people do not stop tipping when One Fair Wage is implemented.
 - I support Initiative 77 because when I dine out, I expect to receive superb customer service, but I also expect that all of the restaurant's workers are being treated with dignity and respect and are paid a living wage by their employer.
 - My tip isn't meant to be a substitute for a worker's base wage or a subsidy for employers so they don't have to pay a fair base wage their workers.
 - My tip is meant to be a supplement in acknowledgment of good service – a thank you for the service – on top of a fair base wage the server should be receiving.
 - What many people don't know is that tipping is rooted in the US history of Slavery and started in feudal Europe.
 - American restaurants and railway companies fought hard to keep tipping so they wouldn't have to pay recently freed black slaves who were now employed by those industries.
 - It's unfortunate that the other NRA, the National Restaurant Association, has funded the campaign against Initiative 77 and are filling the coffers of elected officials, including those who offered the repeal legislation to uphold the racist two tier wage system.
 - Since Initiative 77 passed I have NOT stopped tipping restaurant workers when I receive good service and do not plan to do so.
 - We need to defend voters' decision at the ballot box and fully implement Initiative 77, enacting One Fair Wage and providing better wages and better tips for workers across the industry. Thanks again for your time and consideration.