

To the Members of the Labor and Housing Committee,

Thank you for your service to the state of Maine. As a citizen of this state and a business owner I am grateful for your desire to better the lives of Maine people. Please know that as owner of Moody's Diner I am opposed to LD 1279. My opposition is because I also desire to better the lives of Maine people, namely Moody employees and LD 1279 stands in the way of this. Please allow me to remind you of our current circumstances. This is what all Maine businesses are facing...

1. We are trying to recover from a time of pandemic. While many businesses have closed, those of us who are still open are struggling. If we can't remain open, we will employ no one. Adding another minimum wage increase to the burden we are carrying will no doubt hit many of us with the final fatal blow.
2. We have just endured a mandated minimum wage increase. Please remember that over the past four to five years we have seen minimum wage increase to its current rate of \$12.15 an hour. Additionally, this increase has required all restaurants to increase server wages as well. May I remind you that the server is the highest paid hourly employee already. They are guaranteed minimum no matter what, but on average they earn \$20- \$30/hr. Why burden us with more increase?
3. As on January 2021, we have been required to pay earned time off to all W2 employees. Do you realize that high school students, with hourly and occupational restrictions, are now earning paid time off due to this law? This has added a mandated increase to already rising payrolls.
4. We regularly endure rising operating costs. As you witness your own grocery bill increase, ours is doing the same.
5. Our profit margins are shrinking. These previous four realities are not an option for us. As we endure a pandemic, our reserves are almost gone. Our payrolls have already seen a significant increase due to rising minimum wage. Paid time off has been thrust upon us. Operating costs increase and as a result profits (if any) are eroding.

Additionally, please hear what a further increase in minimum wage will do to the Maine People, whose lives we all want to better.

1. Those who are working hard, those who are skilled, those who are dependable, those who hold the key positions we need will feel devalued and will not see raises. Many of my core kitchen staff at Moody's already earn over \$16/ hour. Make no mistake, it is these who will be hurt. These are my main cooks, prep cooks and managers. They will not see a raise, when I am forced to give those making minimum a raise. As I face the afore mentioned realities, you will be mandating me to devalue the work of my key staff as I will not be able to give them the raise they deserve when I am forced to give it to entry level positions.
2. Those on fixed incomes suffer, namely our elderly. We need tourism, but we need our faithful year-round regulars. Many of our regulars, those that come daily or twice a day, are on fixed incomes. Another minimum wage increase, forces us to increase our prices to absorb this impact. It is the customer who suffers. It is the retired couple on social security who suffers. They will be forced to stay in their home more because menu cost will mean they can go out less.
3. The incentive to work hard, advance, and "earn" a better wage will be erased. Any athlete knows you earn a spot on the starting line of the winning team. When the starting wage is so

high, there is no place to go. If the reward I can give for taking on more responsibility and working hard is pennies then what incentive is there?

I know that you want to better the lives of Maine people. You need to know that Maine business owners want to do the same. Our citizens are our greatest resource. We want to reward them. We want to retain them. We want to see them advance. We want to have businesses that Maine citizens can afford to eat at and shop at. We want to encourage hard work and strong work ethics. We want to stay open. Please let us serve Maine people by ensuring that we stay open. Please do not pass LD 1279.

Respectfully,

Dan Beck

Owner Moody's Diner

Grandson of Founder's Percy and Bertha Moody