

Good afternoon, Senator Prague, Representative Ryan, and members of the Labor Committee. My name is David Rutigliano and I am executive chef and partner with the SBC restaurant & brewery, with locations in Stamford, Southport, Milford, Branford and Hamden. We employ 300 good people in CT. We are members of the CT Restaurant Association, and are proud to be a part of the great hospitality industry, which maintains 142,800 Connecticut jobs.

Two bills before you today have my support, and one does not.

I would first speak in support of SB 222 which would keep tipped employees' wages stable when the minimum wage moves to \$8.25 on January 1, 2010.

- Our tipped employees, servers and bartenders, claim between 20-30 dollars per hour. These wages are taxable to both the employee and the employer.
- Ct has the highest tipped employee hourly rate in the East
- The increase in wages on January 1st resulted in SBC eliminating 30 jobs within the company. This increased cost to us, for employees already earning far greater than minimum wage, has also made it very difficult to raise wages for non-tipped employees.

HB 6460 clarifies issues some of us run into with the labor department, and reclassifies bartenders as servers. It also will clarify the "side work" issues many employers have.

- A "bartender" performs the same duties as a server. The separate classification is from an old law concerning counter help.
- Bartenders are typically the highest paid tipped employees in the restaurant. Their separate classification is unwarranted and a financial burden to the restaurant, not only in the additional hourly wage, but also in accounting and payroll procedures.
- All servers perform certain duties, before guests arrive and after guests leave, that are related to the serving of food and beverages. We are asking that as long as their average hourly wage, including tips, is at or above the minimum wage for their entire shift that we are in compliance.

HB 6187

We at SBC vehemently oppose this proposed bill.

Mandating paid sick leave is onerous to small business, and will absolutely result in job loss in Connecticut. Specifically, restaurants operate differently than other industries; we are a "right now" business, serving our guests when they want to be served. I would have to replace the employee that calls out sick with another worker, thus paying twice to get the job done, and probably at the overtime rate. Restaurants are known for their flexible scheduling, and mandating sick pay intrudes on the restaurant's right to manage the employer-employee relationship to the better of both parties.

CT is already one of the most expensive states in the country to do business in. This bill will increase the cost of doing business and result in the loss of jobs and opportunity.

What opportunity will the next group of entrepreneurs have if the costs of self-actualization are so high that it will make it not worth it? We are already #1 in the country for the loss of 18-34 year olds. We need to make this state more attractive to business and encourage our young people to stay, and create jobs here, instead of moving to a state that has less restrictions. We all know what I am talking about, we have all had neighbors and friends move elsewhere in search of a better life, or more opportunity. We've had our neighbors and friends' children go off to college and not come back, other than to visit.

At SBC we are "Connecticut Grown." We were all born and raised here, got married and started families here, and this is where we decided to start our business. We want Ct to succeed and prosper. We just don't believe this is the way to go about it.

Thank you for your time. I am available for any questions you may have.

Good afternoon, Senator Prague, Representative Ryan, and members of the Labor Committee. My name is Glenna Grelak and I am the managing partner of the Hawthorne Inn in Berlin, CT. My family has proudly owned and operated the Hawthorne Inn, a Connecticut landmark, since 1945.

I am here today to speak in support of HB 6460, which seeks to clarify Department of Labor inconsistency in regard to what constitutes "related" duties to service, before and after customers are in the restaurant.

In December of 2007, the DOL came in to audit my wait staff payroll. The auditor was here for about 15 minutes and called her supervisor to say that I was OVERpaying my wait staff. Based on the results of a previous audit in the '90s, I had been paying (and currently still pay) my wait staff 30 minutes at minimum wage for each scheduled day. The 30 minute minimum was a compromise that the Department of Labor verbally approved. This pay at full minimum wage is to cover side work and function set-up. The Department of Labor has inconsistently determined what items are related to service and which are not.

HB 6460 would create a less burdensome payroll system, where up to one hour before or after actual guest service could be at the tip credit rate. Servers at the Hawthorne Inn are not asked to perform any duties that are not clearly related to guest service. On the rare occasion that they would be so asked, they would be paid the proper rate for those duties. As long as the servers earn in excess of full minimum wage for the shift, we would be in compliance. In preparing for my testimony today, I surveyed my recent and past payroll records. With the hourly pay and gratuities added together, servers at the Hawthorne Inn earn between \$18 and \$20 per hour. These wages are lawful income, and taxable to both the employee and the employer.

HB 6460 would settle this inconsistent misinterpretation of the service related duties of our employees.

Thank you.