



METAL STAMPINGS
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To: Members of the Labor Committee and the 2010 Connecticut Legislature:

RE: SB-63

My name is Mark DiVenere and I am President and owner of Gemco Mfg. Co. Inc., a sixty-seven year old, third-generation manufacturing company located at 555 West Queen Street in Southington. I currently employ twenty four highly skilled individuals. Although we are beginning to see some improvement in our business, we remain in survival mode understanding that this trend could be short lived. We continue to scrutinize and when possible, reduce spending, minimize inventory and do more with less.

I am writing to voice my **STRONG OPPOSITION** to

SB-63: AN ACT MANDATING EMPLOYERS PROVIDE PAID SICK LEAVE,

a bill that you will be debating in the upcoming days.

I watched the House debate on-line last year regarding this same proposal and was really taken aback by the comments of those supporting the bill at that time. I believe it was a gentleman from South Windsor who stated something along the lines that "if not now, when?" He went on to say that this bill "shouldn't impact too many companies to the level of having them shut their doors or close....we hope!"

Are you kidding me!?!?! "WE HOPE!!!!" That's his closing comment!

While I understand that there may be companies in Connecticut that do not share the same level of concern for their employees as I do, I am confident that they are the exceptions. Gemco Mfg.Co. Inc., like many other small to midsize manufacturers in this state and across the country, is struggling to compete in a global market. I don't have to tell you that my company is dealing with increases in taxes, raw materials, health insurance premiums, and energy to name a few. Our employees are dealing with reduced workweeks, increasing copayments and higher deductibles. The only thing that has **not increased** over the past three years is wages for either me or my employees.

Meanwhile, Connecticut remains one of the most expensive states to do business in and the last thing we need from our Legislators are costly mandates and new benefits that will result in additional costs. You can only tax the 'producers' for so long...they will eventually give up and leave or become 'takers' leaving too few to make up the loss.

Gemco currently provides its employees with vacation time, paid holidays and sick days. I provide these benefits because I value my employees and understand that each of them have lives outside of work. It is not the role of government to dictate to me, or any business owner for that matter, the level of voluntary benefits that I choose to provide to my employees, especially with regards to paid time off. You see, I can't raise my prices to offset the cost of additional paid time off. To force this costly "benefit" upon any company, especially in times like this, is irresponsible. Mandated benefits like these will simply result in reduced benefits in other areas, such as lost vacation time, the elimination of holiday pay or worse, continued job losses.

Let's do the math. A manufacturing company with 50 employees would have to provide 325 days worth of paid sick time based on the proposed bill before you.

50 employees X 6.5 days (52 hrs ÷ 8 hrs per day) per year = 325 days

If those employees are averaging \$25/hr for an eight hour day that comes to \$65K.

\$25/hr X 8 hrs/day = \$ 200.00 per day X 325 days per yr = \$ 65,000.00

So we don't forget: \$ 65,000.00 per year!

To put this in the proper perspective, this bill would mandate that an employer with fifty employees incur an annual expense equal to an additional employee's salary plus benefits. (In the private sector, the average annual cost of benefits is around \$ 13,000.00 as opposed to the average state employee benefits of \$ 26,000. Why?) This is equivalent to that company hiring an individual and then telling that same individual to stay home for the entire year. Add to this the carryover option and it makes the mandate even more costly.

While I do not presently employ fifty people, it is my hope that someday I will do so. My concern is that should this bill become law in 2010, it is likely that the Legislature will continuously work to expand mandated paid sick leave until it includes all businesses regardless of their number of employees. I believe the term for this is "incrementalism" and it is commonly and exclusively practiced throughout government.

In closing, I find it outrageous that the General Assembly feels it is their place to tell me how to run my business and to dictate to me what level of voluntary benefits I need to provide to my employees. You have already accomplished this by adding costly mandates to my medical plans.

What's Next?

I strongly urge each of you to soundly **REJECT SB-63** and move forward with a more business and taxpayer friendly agenda that will allow us to continue in our efforts to weather this devastating "economic" storm. It's time to face reality. The party is over ladies and gentlemen! We, the taxpayers, can no longer afford "business as usual"! It is time that the Legislature began making the difficult decisions that those of us who own small business or work for them have been making for the past eighteen months. Those decisions must include consolidation, spending cuts, privatization, spending cuts, layoffs, spending cuts, benefit reductions, spending cuts, targeted tax increases, regionalization, elimination of defined pensions and the implementation of 401k's, more accountability and of course, spending cuts.

Sincerely,
Mark DiVenere-President
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