

Thursday, January 31, 2013

Dear Chairman Catherine Osten, Chairman Peter Tercyack and distinguished members of the Labor & Public Employees Committee

My name is Brian Casey and I am an Operations Director for the Ninety-Nine Restaurants and have been with the company for over 20 years. I am a 15 year Newington resident, moved to Connecticut as part of my company's growth opportunities and was part of the opening management team at our first restaurant in Newington on the Berlin Turnpike. I am writing today to strongly oppose raised Bill **SB 387** an Act Concerning the Minimum Fair Wage.

A brief synopsis and history of our business in Connecticut

- We currently have 11 restaurants in the State of Connecticut
- We employ over 550 hourly team-members with an additional 51 restaurant managers.
- A little over two years ago we had 16 locations in Connecticut.
- In 2010 we unfortunately had to make a very difficult decision to close 5 restaurants. We closed these primarily due to economic challenges & the cost of doing business in Connecticut, specifically server/bartender labor rates.
- This caused the loss of over 250 jobs in the *Waterbury, Newington, Manchester, Orange and Avon locations*. This was personally the hardest thing I have ever had to do in my professional career, and I am committed that we will never have to do this again.
- Since 2008, we have had to close 11 restaurants total (45% of them in Connecticut)

By increasing the minimum wage by \$.75 on July 1, 2013 and an additional \$.75 on July 1, 2014 And NOT RAISING the TIP Credit % this would have an immense negative economic effect on the existing eleven Ninety-Nine Restaurants in Connecticut.

- If Passed Bill **SB 387** will hurt the chances of our company and many others the opportunity to open more restaurants in the future in Connecticut under the proposed wage rates (which are proportionately HIGHER than surrounding states)
- For example in Massachusetts the Tip Credit % is much higher which enables the restaurants in our company to employ more servers/bartenders on the payroll earning a living and taking care of our guests.

Here are the average assumptions for the 11 Ninety-Nine Restaurants in Connecticut

- ❖ Approximately 30 servers will work 500 hrs/wk in each restaurant
 - Current server labor = \$2,845/wk (\$147,940/yr)
 - July 1, 2012 labor costs = \$3,105/wk (\$161,460/yr)
 - A difference of \$148,720/yr in the first year for 11 Ninety-Nine Restaurants in CT
 - A difference of \$294,580/yr beginning July 1, 2013 for 11 Ninety-Nine Restaurants in CT
- ❖ Approximately 7 bartenders will work 130 hrs/wk in each restaurant
 - Current Bartender labor = \$954/wk [\$49,618/yr]
 - July 1, 2012 labor costs = \$1,041/wk [\$54,148/yr]
 - A difference of \$49,821/yr in the first year for 11 Ninety-Nine Restaurants in CT
 - A difference of \$99,642/yr beginning July 1, 2013 for 11 Ninety-Nine Restaurants in CT

- ❖ Total increased costs to the 11 Ninety-Nine Restaurants in Connecticut for the first year = **\$198,541**
- ❖ Total increased costs to the 11 Ninety-Nine Restaurants in Connecticut for the second year = **\$394,222**

Our Team Members and specifically our servers & bartenders primarily make about 75% of their income from guest gratuities. By providing great guest service they earn on average about 18-20% of their sales as tips. (Bartenders are slightly higher at 20-25%)

Example's for a Fulltime Server & Bartender

A typical fulltime server working 30 hours a week generates sales of \$2200

\$440 (\$2200 x .20%) + \$171 (\$5.69 per hour x 30 hours) Total of \$611

\$611/30 = **\$20 an hour wage**

A typical fulltime bartender working 30 hours a week generates sales of \$3000

\$750 (\$3000 x .25%) + \$220 (\$7.34 per hour x 30 hours) Total of \$970

\$970/30 = **\$32 an hour wage**

Both very fair wages (and FAR ABOVE the Minimum Wage) working in a fair, friendly & flexible work environment. I encourage you to speak with any of our service/bar team members and ask them about their wages they are earning and their quality of life & contentment with their positions/careers with the Ninety-Nine Restaurants.

This proposed Bill **SB 387** WILL significantly hurt all restaurants in the State of Connecticut (large and small) and in the long run force business owners and companies to reduce current labor and staffing levels because the Box Economics WILL NOT work. This will be a LOSE/LOSE for the businesses and consumers in Connecticut with the results costing the loss of more jobs & forcing those in the Restaurant Business to change their labor model to reduce table service and eventually turn more full service restaurants into self-service counter operations like a Panera Bread/Chipotle. The great service that is currently received in restaurants today and a big part of the Hospitality Business and the guests dining experience will be a thing of the past.

- The last restaurant we opened in Connecticut was in Killingly/Dayville was in 2009, this turned into being our most successful opening ever at the Ninety-Nine Restaurants. We created 75 jobs in the State of Connecticut, and provided numerous career opportunities.
- Note-Worthy ...Year over year, to off-set inflation we need to slightly increase our menu prices (an average increase of 2.5 %)...every time this happens our service/bar team members receives a cost of living raise.

In Conclusion.... Companies are going out of business & moving out of Connecticut quickly as the State is just making it nearly impossible to survive economically.

We firmly oppose this Bill **SB 387** and further more recommend as an avenue to CREATE MORE JOBS in the Hospitality Sector in the State of Connecticut ... that we INCREASE the Minimum Wage Tip Credit.

Thank You for your Time and consideration,

Respectively Submitted on behalf of our Ninety-Nine Restaurant Connecticut Team

Brian Casey - Operations Director

Rich Williams – Operations Director Tom Leoni – Operations Director

Brant Fahle- Director of HR Jim Kiley- Regional Vice President

Vernon	Ninety-Nine Restaurant	General Manager	...David Mahaney
Glastonbury	Ninety-Nine Restaurant	General ManagerBradley "Tag" White
Enfield	Ninety-Nine Restaurant	General ManagerDan Truesdale
Killingly	Ninety-Nine Restaurant	General ManagerPaul Panarelli
Bristol	Ninety-Nine Restaurant	General ManagerMatt Keal
Wallingford	Ninety-Nine Restaurant	General ManagerEddie Herskowitz
Torrington	Ninety-Nine Restaurant	General ManagerGretchen Chiasson
Groton	Ninety-Nine Restaurant	General ManagerJim Erickson
Norwich	Ninety-Nine Restaurant	General ManagerCarie Niles
Stratford	Ninety-Nine Restaurant	General ManagerJohn Calcaterra
Cromwell	Ninety-Nine Restaurant	General ManagerJared Matoy

Thank You Brian

Brian Casey

Operations Director

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