

# **AURORA BUSINESS ADVISORY BOARD**

---

Minutes of the Regular Meeting  
August 17, 2020

## **Board Members Present:**

Garrett Walls, Nosh Tarachand, Bob Fryberger, Regina Edmondson, Carolyn Pace, Alok Sarwal, Martin Liles, Chance Horiuchi, and Hitesh Patel

## **Board Members Absent:**

Unexcused – none

Excused - Phillip Villard – Ms. Horiuchi moved to excuse, Ms. Edmondson second, none opposed.

**Staff Present:** Elena Vasconez, Leslie Epperson, Laurie Womer, Trevor Vaughn, Andrea Amonick, Hanosky Hernandez, and Rachel Allen

**Council Members Present:** CM Coombs, CM Gruber, CM Berzins, CM Bergan, CM Gardner, and CM Marcano

**Guest Present:** Monica Coulson (Maaco), Michelle Reding and Kevin DeLange (Dry Dock and the Brew Hut, Kevin Hougen (Aurora Chamber of Commerce), Katrina Boldry (Bold Lead Designs), Arlen Felsen (Boozers Wine and Spirits), Sonia Riggs (Colorado Restaurant Association), Mollie Steinemann (Colorado Restaurant Association), Nicholas Hoover (Colorado Restaurant Association), Donovan Welsh (Havana Auto Parts), Danielle Lammon (Danielle Shannon Agency: Allstate Insurance), Patrick Armatas (Sam’s No. 3 Restaurant), Alik Kassner (Alpine Homecare), Jeff Rauske (Advantage Security), Jeff Eaton (Senor Ric’s Restaurant), and Stephanie Shearer (Trunk Nouveau)

## **CALL TO ORDER**

Meeting called to order at 11:04 am by Mr. Walls.

## **APPROVAL OF THE MINUTES**

July approve minutes -

Ms. Edmondson moved to approve with admin changes.

Ms. Pace Seconded.

None opposed.

## **Minimum Wage Increase Discussion**

**CM Coombs – Ward V**

Introduction of the Ordinance Local Minimum Wage

The Colorado Constitution under the home-rule allows the City of Aurora broad authority to enact regulation to further the public health, safety and general welfare. Aurora is the 3rd largest city in the state and people working in our city work long hours but cannot afford housing, food, medical care and other basic necessities. I have heard about all the problems with the pandemic and so why do this now? Other cities have done it; Denver for example. Without action now, the problems become more acute and the gap widens. When workers earn decent wages, it boosts the economy.

Numerous studies show minimum wages benefit employers and the economy.

In consideration of the small business, the minimum wage increase is marginal for the first 2 years;

2021 increase by 5% to \$12.60 (.60cents/hour).

2022 increase by 5% to \$13.23 Giving extra time makes it something businesses can work on.

What can we do to provide relief and help address the pandemic?

What do you need to make it through the pandemic?

The state guidelines exempt state and local governments from an increase in the minimum wage.

And it was important that we not make a rule that we, as a city, aren't also following.

So I did ask to have governments included as much as possible. The federal government, we can't put requirements on, and so that's not included in the legislation.

So, do folks have any further questions about the legislation?

**Mr. Walls** - We'll take just a few questions right now and save the rest for end.

I know a couple of board members have to jump off a little early, so I want to get the business feedback on record in the Minutes and then have a question and answer at the end. I will be following a list and if I missed someone, they can reply in the chat box.

**Mr. Walls** stated he would read prepared statements from two businesses. Both business owners are on the call. If you are speaking, please hold your comments to five minutes. Then we will open up for questions.

**Mr. Walls** read the written statement (See Attached)

Donovan Welsh  
Executive Vice President  
Havana Auto Parts  
901 S. Havana  
Aurora, CO. 80012  
303-341-2611  
donovanwelsh@havanaautoparts.com

**Mr. Sarwal** - Request for Donovan to provide us a gradual increase schedule that he's thinking about.

**Mr. Welsh** - Thank you for your question. I do not have a gradual increase that I'm thinking about. This was written pre pandemic when it was first introduced. Some things have changed but the progression from what we were presented with in January or February, seems to be much more along the lines meeting what we were talking about as the gradual increase for that. Or are you talking about if we up our minimum wage people, as a fairness point, we would need to up our other people that have been with us for a long time to keep everybody on the level?

**Mr. Sarwal** - Yes. I was just asking for a simpler suggestion for what percentage increase do you think would be considered attainable or affordable over the next 3 or 4 years that might be considered reasonable from both sides from the point of view of employee as well as business owners.

**Mr. Welsh** - I do not have that number at this time.

**Mr. Walls** - called for time. Asked Mr. Welsh if he had more thoughts, we could get them distributed to the BAB members and the City Council.

**Mr. Welsh** - said he would follow up after the pandemic when they would be able to gauge where the money is.

**Mr. Walls** recognized CM Coombs.

**CM Coombs** - I was just wondering, since you were advocating for something gradual and over a longer term, taking the time to adjust how this schedule looks to you in that regard, since that was kind of the intent of the current structure and the current proposed increase timeline.

**Mr. Welsh** - I haven't put a pen to paper with the numbers, but it definitely is different from what I was writing that letter for in the beginning before the pandemic. There seems to be a gradual increase. I do not like committing to either side or the other until we put a pen and paper. Thank you.

**Mr. Walls** - Read Arlen Felsen's prepared a statement (See attached). I'll open it up to questions if Arlen would like to answer any questions or make additional statements after I finish.

Arlen Felsen  
Boozer's Wine and Spirits  
22691 E Aurora Pkwy,  
Aurora, CO 80016  
303.400.1259

**Mr. Walls** - Do any board members or Council Members have questions for Arlen?

**CM Bergan** - I just wanted to recognize him because he is in Ward Six, in my area and I do sympathize with his specific business being affected, as he said by the vacant Safeway but also with COVID that has disrupted so much business in our city and in our nation. And I just wanted to say that I do hear what he's saying and his concerns and I take them very seriously. Thank you.

**Mr. Walls** - Thanks, Council Member Bergan. Any other comments or questions for Arlen?

Seeing none, I've got quite a long list of people with us this morning. So in no particular order, I'm just going to move down my list.

First, I've got Mollie Steinemann and Sonia Riggs with the Colorado Restaurant Association.

Sonia Riggs,  
President & CEO,  
Colorado Restaurant Association  
[sriggs@corerestaurant.org](mailto:sriggs@corerestaurant.org)  
(303) 830-2972 ext. 113  
430 E 7<sup>th</sup>. Ave  
Denver, CO 80203

Mollie Steinemann  
Government Affairs Coordinator  
Colorado Restaurant Association

303.830.2972 x 115  
[msteinemann@corerestaurant.org](mailto:msteinemann@corerestaurant.org)  
430 E 7<sup>th</sup>. Ave  
Denver, CO 80203

**COMMENTS:**

**Ms. Riggs** - Thank you so much for having me today. The last few months have been devastating to so many people and businesses. I'm here to speak specifically for the restaurant industry who has been hit particularly hard. Restaurants that have re-opened, 95% have told us that their sales are down from this time last year and on average they are down 40%. Those hurt most are the traditional, full service, independent restaurants some of which are down as much as 90%. And I think that's what I'm hearing more from people is those are the types of businesses we're trying to save. The ones that are being hurt the most. Traditionally, restaurants employ 10% of the workforce in Colorado and provide excellent opportunities for upward mobility. However, because of the economic devastation this pandemic has brought with it on an average, restaurants say their staffing is only at 63% of what it was a year ago. Additionally, we know that anytime we see minimum wage increases, we see reduced staffing level and increased pricing. We've seen it most recently from the minimum wage increases that passed in 2016; 57% of restaurants reduced their staffing levels, 14% reduced employee benefits, 67% decided to limit future growth, and 90% increase menu prices.

During a worldwide pandemic, while so many are hurting, and businesses are struggling to stay open is not the time to increase labor costs. It's not the time to increase any costs. This will deter businesses from hiring more people and, in fact, will encourage more layoffs. My request is that you consider postponing this discussion until we see our country return to a general sense of normalcy. Now we need to focus on helping small businesses to survive and keep people employed. If people go from what the current minimum wages to zero dollars an hour which we already know that's going to happen and we've seen it happen already through this pandemic. The unemployment rate has gone up significantly and restaurants have had to lay off a significant number of people. And this will make the difference on whether they can bring more people back or less people back as they start to recover. I understand what you're doing by trying to say that this increase is minimal for the first couple of years, but the fact is any small change in cost for an industry that traditionally makes 3% to 5% profit margins and remember those business owners have to feed their families too. We're just asking that you postpone this until we know what things look like in a year or more. Thank you.

I'm happy to take any questions and I'm sorry I didn't introduce myself.  
Sonia Riggs, the President and CEO of the Colorado Restaurant Association.

**Mr. Walls** - Any questions for Sonia?  
Seeing none, we will move on to the next person on my list.

Katrina Boldry  
Phone: (303) 856-3012  
Bold Lead Designs LLC  
350 Norfolk Street  
Aurora, CO 80011  
[kboldry@boldleaddesigns.com](mailto:kboldry@boldleaddesigns.com)

**COMMENTS:**

**Ms. Boldry** - I own a very small business. I have a team of five. And we are in the pet retail industry. And I seem to be in one of the only industries that does OK in recession's, for which I'm very grateful. People still buy things for their dogs.

But with my small team I need everybody to be highly skilled, fully competent and I want to pay them as much as the business is able.

So, in my situation, which I know is very different from most businesses, I am very much in favor of an increase. Partially that's just because I'm aware of how my people struggle to pay their rent. And I'm paying them substantially above minimum wage and they're still struggling.

I get that the world is really challenging right now and the cost of living is super high.

The impact on my business would be rather minimal because as Donovan, from Auto Parts stated, I would then increase everybody else's wages fairly so that the newest employees aren't coming in at a higher rate than my existing employees have been at. But as such a small company, I think I'm able to pivot and adapt a little faster. But I know that is very different for most businesses.

So, my personal perspective is not quite normal.

I do very much support it. And it would have minimal impact on me in the pet retail area.

**Mr. Walls**

Thank You, Katrina.

Any Council members or BAB members have questions for Katrina?

**Mr. Liles** - My question is, you said you have five employees, If you don't mind me asking, what are their average wages?

**Ms. Boldry** Between \$15 - \$17/hour.

**CM Bergan** - I appreciate that she is able to be in an industry that's not impacted greatly by minimum wage increases or the Covid situation. I think it's great in a free market, businesses that can pay more are able to do that and attract employees to their business. I wanted to bring it back to the greater picture of not just individual businesses that can survive an increase but that many cannot and how that impacts the overall economy in general. I just wanted to bring that back in perspective as overall how it impacts most of the small businesses.

**Mr. Walls** - Katrina, do you have any thoughts on how supporting this might affect other small business owners?

**Ms. Boldry** - I think it would be a tremendous challenge for many. I think to survive, small businesses really need to be able to adapt and pivot as necessary to keep up with what is changing. And we are currently in the middle of something that we never foresaw with the pandemic and the current recession. I'm not sure that a wage, a change in wage, would make or break most businesses. I don't have any statistics to back this up, but I get that is a major concern. I do understand it. However, we never know what's going to happen next month, next week, next year. That is all. I'm sorry. I kind of lost my train there.

**Mr. Walls** - Ok, Thank you. Any further questions for Katrina before we move on?

**CM Coombs** - I just wanted to make a quick statement.

I am working on getting information from Good Business Colorado who had supported putting

forth the legislation that permits this. Some data that we have, Businesses can benefit from having minimum wage increases in place. When I do get that from them, I will send that over.

I think also to Katrina's point about whether or not a wage increase would make or break businesses? It's not been shown that minimum wage increases generally cause massive businesses going out of business as is often said in the process and it does make or break People, the worker.

**Mr. Walls** - Sorry to interrupt, but I wanted to ask if you have an actual question for Katrina, so that we can move on? At the end when we have time for comments and questions. I don't want to get into a position where we fall below quorum. I would like to get through as many of these businesses as possible. Thank you.

We will move on to the next person on my list.

Jeffrey Eaton  
Senor Ric's Mexican Restaurant  
[senorrics@comcast.net](mailto:senorrics@comcast.net)  
(303) 750-9000  
13200 E Mississippi Ave  
Aurora CO 80012-3400

#### **COMMENTS:**

**Mr. Eaton** - Thank you for having me today. I appreciate the opportunity to contribute. I would first like to say that I appreciate all the comments from Sonia from the Colorado Restaurant Association. I think she hit it right on the head in that some of these minimal increases that you're talking about are not unrealistic over a period of time. I just think that with what's going on in the world today, we don't know what tomorrow, next month or even January is going to bring. I don't think it makes any sense at all to put together a plan that's going to go into effect January 1<sup>st</sup>. I think, wages are going to eventually go up. I'm looking at the schedule and saying, first couple of years sound reasonable. My business is down 25%. We're still reeling from the last minimum wage increase where we did have to cut some staff and we did have to increase prices. I did get blowback from customers and they said, Hey, why did my bourbon & water just go up 50%. I said, well, someone's got to pay for the minimum wage increase. You vote for a minimum wage; you've got to pay for it. I just think that the timelines of this proposal are unrealistic at this point in time. We're all trying to survive, just to get through the year and have enough money to pay the workers under the current wage schedule that we have and keep our vendors current. Our vendors right now are very nervous with us and if we go a day beyond our credit terms, we get that phone call, we're putting you on COD because we're worried. I have been in business 34 years. I don't have credit. But everybody within the city is worried about what's going to happen and they don't know what's going to happen tomorrow, and to put in a plan for a minimum wage increase starting January of next year, I think is preposterous. I think it's a reasonable schedule to start out within the first couple of years, but the fact that we're doing it all right now with what's going on in the economy, in the world, this whole pandemic situation, I think it's ridiculous.

And I don't understand the timeliness of this proposal.

I'm looking at the progression of this thing and in 2026 and 2027, the minimum wage is projected to be under \$19.36 and \$20 an hour, I won't be in the restaurant business.

Because I know I can't survive, unless my customers are willing to pay \$8 for a taco.

**Mr. Walls** - Ok, thanks, Jeff. Are there any questions for Jeff? Seeing none, I will move on to the next person on my list, which is Jeff Rauske with Advantage Security.

Advantage Security, Inc.  
Jeff Rauske | President  
13693 East Iliff Avenue | Suite 200  
Aurora, Colorado 80014  
T 303.755.4407 | F 303.369.9982  
[jrauske@advantagesecurityinc.com](mailto:jrauske@advantagesecurityinc.com)  
[www.advantagesecurityinc.com](http://www.advantagesecurityinc.com)

**COMMENTS:**

**Mr. Rauske** - I'm Jeff Rauske with Advantage Security. I am the President.

We've been in business for over 25 years based in Aurora here. We provide security officers as our main niche throughout the Metro area with about 700 employees. Certainly, when we were advised of the aggressiveness of the increases, there were some concerns. I think there are two main ones.

1) that's already been addressed with a pandemic, there's so many unknowns. We've had customers reduce their staffing because they are unable to afford things. We also, as far as our niche in security, we support a lot of office complexes, retail, and corporations. With the pandemic impacting them, it's a trickledown effect to us. They have to cut costs, and since our product is built based on Labor Hours, 70 plus percent of the bill rate is direct from wages. So, when we see 5% to 10% increase, that means that my bill rates to the customers are going to go up that much. And in the pandemic, it's very challenging. My customers are getting bankruptcy notices from their tenants daily as these other businesses collapse. You don't know of the domino effect that it's going to create in creating a plan that's seven years in advance. I don't know who has a crystal ball that knows what wages are going to be in 6 or 7 years. We are not against a minimum wage increase on an annual basis, but I certainly think this is not the time to do it in the middle of a pandemic. As we increase in costs of doing business, that means that there's going to have to be a reduction somewhere.

2) The recent state legislature passed the Senate Bill 20-205; mandating sick leave for employees. That also has to be factored into a lot of businesses and that impacts us immediately. But significantly, in January 1<sup>st</sup> of 2021, full-time employees will be earning 6 sick days in addition to that. So there's another burden that's been put on us by the state that we have to factor in pricing and that's probably one thousand dollars per employee and about 2% increase to my customers.

So I think all this is just bad timing. If we had a delay until this pandemic has gone and we see the economic impacts and actually start seeing a recovery pre pandemic then, we wouldn't be as opposed. But we would be opposed to the amount of 10%, that is astronomical. This is a housing issue for you to look at the rest of the cost of living with gas, utilities, that hasn't gone through the roof. I think we have housing pricing that we need to address just as much, if not more. That's driving this.

**CM Marcano** - I do have a question for Jeff and I think a couple of other folks have also talked about the cost of housing being a major driver for this. I think it's definitely true.

Have you done any advocacy around housing issues at the state legislature as an organization before? One of the big issues that we have is that we're really hamstrung not just at the municipal level but also at the county level to do anything about the cost of housing, and I was just wondering if that's considered.

**Mr. Rauske** - We, as a business have not done that directly. We have met with the City and

County of Denver when they were discussing their minimum wage. Discussing the same concerns and issues on the housing being the main driver for people's ability to live. No, I have not, but something we would certainly consider.

**CM Marcano** - All right, Thank you.

**Ms. Pace** - You pay some of your security officers minimum wage? And you pay the minimum wage in different cities across the Denver metro area. How are you making it work in Denver since theirs is going up higher? And to clarify, you do pay your security officers, minimum wage?

**Mr. Rauske** - No, I don't. I actually, pay a higher than minimum wage. You know, in the US. In a capitalist environment you have to pay well. We're more in the \$16 an hour range but that doesn't mean then I'm going to freeze my senior people at \$16 as minimum wage goes up. While there's that buffer, we're seeing that erode significantly. For example, in Denver, as it goes up \$2 an hour, my spread or whatever you want to call it, between what minimum wage is and what my people make lessens every year, when something as aggressive as this happens. We take pride in having good quality product and I'm going to have to make adjustments in other people's wages. I just don't see paying minimum wage and that's going to go up as well.

**Ms. Pace** - Ok, thank you.

**Mr. Walls** - Any further questions for Jeff? Ok, seeing none, we'll move down the list, Michelle Reding with Drydock Brewing Co. and the Brew Hut.

Michelle Reding  
Co-Owner / Numbers Girl  
Dry Dock Brewing Co. & The Brew Hut  
15120 E Hampden Ave  
Aurora, CO 80014  
303-400-5606  
[michelle@drydockbrewing.com](mailto:michelle@drydockbrewing.com)

#### **COMMENTS:**

**Ms. Reding** - Hi, thank you for having me today. I am co-owner and CFO for Dry Dock Brewing Co and the Brew Hut. Our two businesses cover manufacturing, hospitality, and retail industries. Over the last four years, there's been increases to the state minimum wage for both tipped and non-tipped employees.

Dry Dock was most severely impacted by the increase for tipped wage earners which went from \$5.29/hour in 2016 to nearly \$9/hour this year. This increase has significantly impacted our company and also increased the pay of some of our highest earners. Tipped employees at Drydock earn between \$18 and \$30 per hour in tips alone. And the minimum wage increase added approximately \$50,000 in our labor costs in just 4 short years. We have approximately 40 employees at Drydock and 6 employees at the Brew Hut. Only 45% of our staff lives in Aurora. The other 45% live in Denver. And the remaining 10% in other neighboring jurisdictions. Therefore, the money that we pay as an Aurora business to our employees will not necessarily be spent in Aurora but rather our employees' own local community. We have 28 hourly employees; some part-time, some full-time. For each \$1 increase in the minimum wage, it will cost Dry Dock \$45,000 a year in additional labor



costs. Employees to come to work at Dry Dock and the Brew Hut for many reasons. A large number are looking just to moonlight as their favorite hobby shop or brewery to have a sense of community while working their day jobs as teachers or healthcare workers. We currently have a retired Fire Chief who works on the packaging line simply to be part of the team, not for the income. We have a lot of students in the Metro State Brewing program that join our Packaging Team at the entry level to gain experience and then get promoted onto Brewers. The current minimum wage structure works well for these employees and positions. As mentioned already by a couple of other speakers, the brewery business relies heavily on other small businesses as our customers, in particular, independent liquor stores, bars, and restaurants. So far this year, in 2020, we have had over 200 Aurora businesses purchase Drydock products for retail sale through our wholesaler. These small businesses have very narrow margins and an increase in the minimum wage will cause more closures and therefore impact Dry Docks wholesale revenue stream. The Covid 19 pandemic has hit the hospitality business hard and our sales to Aurora Bars and restaurants are down 56% this year. The shift to package goods has not offset this decline as Aurora liquor and grocery stores are only up 6%. Additionally, independent liquor stores were struggling prior to the pandemic due to grocery store and other chain stores being able to sell full strength beer.

Over 30% of our packaged beer sales have shifted from the small and independent stores to the corporate chains. The Covid 19 pandemic has impacted, directly Dry Dock's retail business since our tasting rooms were required to close for nearly three months. This drastically reduced our revenue and profits, as this is the highest margin portion of our business. We are expecting 2020 revenue to be down 15% if we're able to maintain our current level of operations. If there's another shut down, our loss will be much greater. Any additional increase in the minimum wage will continue to hurt our profitability long into the future and impact our ability to keep more of our community employed, especially during these difficult times.

Thank you for your time.

**Mr. Walls** - Great, thanks, Michelle. Any questions for Michelle? Seeing none, I will go down my list. Next, I've got Alik Kassner from Alpine Home Care and Alpine adult daycare.

Alik Kassner  
Alpine Adult Day Care  
1985 S. Havana St.  
Aurora, CO 80014  
Tel. (303) 755-8002  
alpineadultdaycare@gmail.com

#### **COMMENTS:**

**Mr. Kassner** - I'm a co-owner of Alpine Home Care. That's an unskilled home care agency with about 400 employees. About half of them are probably active in Aurora and Alpine Daycare which is an adult daycare business here in Aurora on Havana with about 20 employees. I'd like to first say a couple of general things about the proposed ordinance here and then I will try to comment on how it would impact both businesses. In terms of general comments, what I really like is the long planning period. That is certainly helpful and certainly one of the things that has been missing from other minimum wage proposals. However, this is probably the most aggressive proposal I've seen. In terms of where we end up, \$20, that's a 70% increase above where we are right now. And from the businesses I've seen, \$20 is a lot to pay for essentially unskilled labor. I think we need to all understand that this is an increase in minimum wage but it impacts the entire

pay scale of a company. In our business, some of our top admin people make about \$20 / \$21 an hour. Increasing minimum wage to \$20 shifts the entire pay scale and is very, very significant in terms of labor costs for any employer not just in our 2 shops. On top of that, you have the paid sick leave that's going to add another significant cost element. All the payroll taxes and workers' comp insurance increase with the payroll. It's a very significant cost element that we're discussing here; very significant in size and with significant impact on the labor costs and businesses can only pay based on productivity. If I look at both of my businesses, my reimbursement rate is also fixed. I get paid a Medicaid rate. An hourly rate for home care right now in the State of Colorado, this \$19.72. I would be below that even without payroll taxes and all the other costs. The results for our home care visits would simply be, that we cannot serve as many Medicaid clients in Aurora without a very significant increase in reimbursement rate. And this is where I'm afraid this ordinance has the potential to hurt the very people that it's trying to protect.

I would have to lay off around 200 people here in Aurora or caregivers that serve Aurora, and roughly the same number of Medicaid recipients would no longer receive services from us or from any other homecare agencies because it's just not profitable. On the day care side, the picture is similar. We have a reimbursement rate that is fixed by the state of Colorado and if you think of adult daycare, it's a little bit like the restaurant industry. We were able to re-open recently but we're running maybe 25-30% capacity, very similar to many of the restaurants. Right now, the business is not profitable. We have been holding off, laying off people because we got some support. But that support doesn't last forever, and right now any anything that adds to the hourly costs in either of our businesses, just leaves us no choice but to downsize and downsize significantly. Again, I would point to the overall increase of \$8 an hour, that is just huge. If I had any point of advice, I would say; you should really look at the later years. I think the first three years don't cause too much harm. Many businesses, including ours, are not traditionally businesses that pay minimum wage. However, if this goes through, every business is going to be forced to pay minimum wage because we couldn't simply afford to pay more.

**Mr. Walls** – Alik, sorry to interrupt, but just to make sure that we can get through the list. If we have time after the meeting, I'll let you continue, but I'll open it up for questions now. Any questions for Alik?

**CM Coombs** - I have met you in the past and when I was a case manager for Developmental Pathways, one of my clients was at Alpine and was there for monitoring. In relation to the pandemic and the closing, as you guys have been coming back and I've seen a lot of folks doing various remote types of activities for their daycare. Is that something you guys have done to try to ensure that you can still provide services and bill from the adult daycare side?

**Mr. Kassner** - Yes. We had to close. We had no choice. The state of Colorado had so-called retainer payments. We were able to maintain a full staff with the retainer payments. We started the remote services that you mentioned. We also started food delivery because, if the client can't come to you, you have to go to the client. I know that a lot of our people really appreciate that because going to the grocery store, going outside, poses a risk to them, because this is the most vulnerable population. We adapted and we literally were just able to open with the change in regulations at least two weeks ago. But the capacity has to stay low because you have to socially distance. You have to make sure you don't endanger the population. To me, with the day care, the biggest challenge is I don't think we'll be able to get back to the utilization rates that we had pre pandemic for quite a long time. And I think that's similar to restaurants. If you go to restaurant, they can't

pack them in. We have the same issue only now, there's no more government support and we're really struggling with what to do next. Maybe we can keep going like this for another couple of weeks but after that I'm certain we will have to start laying off some people which we were able to avoid so far.

**Mr. Walls** - Ok, thank you, any further questions for Alik?

**CM Bergan** - Alik mentioned that increasing the minimum wage will shift the entire pay scale. I understand what he's saying is that you have to then look at all the different positions that you have that might be at that level, right? Then, you have to bump them up, otherwise skilled employees making \$20 an hour are going to be paid at the same rate as the unskilled employees. Is that correct?

**Mr. Kassner** - That's correct.

**Mr. Sarwal** - I just wanted to make a quick point on this. If you start increasing minimum wage, Alik, is it, is it fair to say that many of the people who now qualify for free health care, which is called Medicaid, might lose Medicaid because Medicaid limits are not increasing? And if minimum wage increases, many employees also suffer losing their free health insurance. I just wanted to get your opinion on that.

**Mr. Kassner** - That's correct. We do have a lot of people that work for us that still fall under the Medicaid limit. We also offer health insurance for those who fell out, they could then get health insurance from us. However, that is a lot more expensive, both for them and for us. The effect is another cost element but not only on the part of the company but also on the employee themselves.

**Ms. Horiuchi** - I know we have quite a few adult daycares on Havana but quite a few in Aurora, and I had a question to you more about PPP. I know this was a conversation and concern early on in the pandemic with laying off employees due to capacity limits and challenges with decrease in clients. Could you share a little bit of how that would impact your PPP money, if there is a future with addition of more people, money coming in, or other loans. I know one of the concerns other adult daycares had if they lay off employees, there are consequences regarding the (PPP) loan.

**Mr. Kassner** - Yes, that's correct. We took PPP money early on because when the pandemic started, we saw we would have to close and before retainer payments came in that was basically the only way to survive, and we used that money not to have to fire a single staff member and offer these additional services, including delivery and remote services. We also drove people in the community to grocery stores and pharmacies. So all these additional things that we were only able to offer quite frankly because of retainer payment and PPP payments. It's a little bit weird because all the issues that a lot of restaurants and other businesses faced were just delayed for us. We did not lay anybody off. We kept services going. But now both of those things are gone, and we are where people were in March, April, we're getting there now. I don't know if that answers your question. We took advantage of anything that we could legitimately take because we weren't troubled, polluting the Aurora economic relief fund money. Even though that \$15,000 doesn't save the business, it helps us stay open another two weeks. We appreciate that but it's really tough. I know a lot of other business are just hanging on by their fingernails. The other thing I would want to add is, we all look ahead, and if you are a restaurant or daycare and you know you're going to have to pay \$20/hr at some point, that's something that you consider when you pick locations. You may need to move in a couple of years. There are McDonald's in Aurora that costs \$10 because minimum wage is \$20, as

a franchisee, you may want to think about going elsewhere because there are not too many people around in Aurora that can afford to pay \$10 for hamburger.

**Mr. Walls** - Thank you, Alik. We're going to move on.  
Danielle Lammon with Allstate Insurance.

Danielle Lammon  
6820 S. Liverpool St., Ste D  
Aurora, CO 80016

**COMMENTS:**

**Ms. Lammon** - My name is Daniel Lammon and I'm the owner of a Allstate insurance agency here in south-east Aurora. I'm actually speaking today on behalf of the CABC and not necessarily my business. However, the increases coming down the pike in around 2024 would have an impact on us. Because even though I'm in the insurance industry and we are an essential business, we have no control over our pricing; that comes down from our corporate company, that comes down from state insurance commissioners. We will eventually get to where our income is going to be less than what we have to pay our staff. So on that perspective, that's my business side and an opinion of it. From the revenue side, I am not sure if Council Member Coombs, if you had met with Greg Hayes and looked at the adverse effects of this. But right now, our city is already at a \$20 million deficits just for roads, and then we are projected to be in a \$30 million deficit due to Covid going into 2021. And right now, 55% of the general fund comes from sales tax. So, if you look at the revenue coming into the city, which is just over \$348 million, 55% of that is \$191.4 million dollars. Right now, 22% of that is driven from the small business owners in our city, and, if those businesses were not able to stay in business, you're looking at approximately \$42 million next year that walks away from the city budget, when we are already looking at a major deficit, and, going into looking, again, the projection did in 2024, where it seems to be that the point that is really the dollar amount that's kind of going to be most affecting our businesses. And if we're looking at that the 2024 forecast, it's \$51.3 million dollars is what small businesses at that 22%, would be contributing to that budget. So now you're taking those projections of what Covid is going to affect, multiply that and we're now at \$100 million of a possible deficit for our city. We already don't have any kind of real entertainment or anything that's driving business into our city for our small businesses that are paying those retail taxes. So, my question is, have you looked at that and looking at this adverse effect on what that's going to do and where do you propose that you're going to come up with \$100 million in the next four years to fulfill that deficit?

**CM Coombs** - Just a brief response because I know that Garrett is trying to move this along, but actually I do have some data that I'll be including in the study session packet. I'm waiting to get all of it together but from the Colorado Fiscal Institute showing that minimum wage increases actually do help municipal revenue, rather than declining it, and I think it's also important to recognize that changes in business are not going to eliminate all small business revenue to the city. So I think looking at only the extremes of if every small business stopped paying taxes to the city, what would we have doesn't really create an accurate picture of what that entails, and I will happily send out the data from Colorado Fiscal Institute when I have it. This isn't going to close every small business in Aurora next year which is what would have to happen for the numbers that you stated to be the case.

**Ms. Lammon** - I'm projecting, because we're actually looking at production where most businesses that have talked today have talked about these little increases in the next three years wouldn't be that drastic. Most of the businesses here that are talking about it, they're already paying this.

My base is already paid a higher than what you're projecting. But when you're getting to 2024 with a \$16 minimum wage, that's where it starts to get for small business owners.

I'll be honest, I pay myself \$8 an hour as a business owner because 1/3 of my income goes to paying salary. And that's right now in 2020. So, I barely take-home money because I'm making sure I'm paying my staff, and a lot of business owners are actually in that same world. They're working their tails off in their offices or their businesses or their restaurants to keep the doors open, and they're taking very minimum for themselves so that they can keep their stores open, and I think that's the missing piece here that you're not looking at the sacrifice that actual small business owners are extending right now to be open in the city of Aurora when there's nothing driving business into our city. So, we need to do some kind of a shift that's going to bring that business, so businesses can stay open because they're getting the revenue, versus moving down the street to Centennial. Moving across the street into Elizabeth, Parker and taking their business with them and that sales tax.

**Mr. Walls** - A quick question for you, Danielle, all of the data that you were talking about from CABC, is it on CABC Calendar? Is this an issue on an agenda yet? Have you directly discussed it?

**Ms. Lammon** - Yes, we've discussed, I believe, Council has already received the same packet that I'm talking about with the projections and I know there is a study session coming up.

And then there's also, on the September 8<sup>th</sup> Council meeting, CABC will be presenting their recommendations to Council and I should say, I'm also on the revenue subcommittee. So, I will also be presenting on how we can bring revenue into the city because we definitely have this deficit and that's scary.

**Mr. Walls** - The point of my question was actually to co-ordinate with the Chair of CABC to get their statement or the memo that's going to be included in the study session, included in our minutes so that I can distribute it to the BAB Members since you addressed that so everybody has the numbers that you are going over.

I'll entertain questions specifically for Danielle regarding her business impact with Allstate. Do any members have any questions about her business impacts?

**CM Bergan** - Because you mentioned, if you have a corporate office and that was one of the things I had not necessarily considered, you're saying that your rates are determined by your corporate office as well as by state regulations.

**Ms. Lammon** - That's correct. We don't have control over our pricing model. So, I don't have a product that I'm able to just raise the price because I have to bring in that extra revenue to pay my staff.

**Mr. Walls** - We'll move on to the next business. Monica Colson from Maaco.

Ms. Monika Coulson  
Maaco Collision Repair & Auto Painting  
15608 E. 17<sup>th</sup> Ave.  
Aurora, CO 80011

**COMMENTS:**

**Ms. Coulson** - I'm not going to say much new, but I also have a small business with certain employees and my business is Maaco collision and repair and novel painting, and Maaco is actually known for affordable car painting and repairs. Aurora is a good place to have an affordable car repair business. One third of my employees are being paid minimum wages. But it doesn't stop here, because if we raise the minimum wage, not only the employees who already get paid minimum wage will get an increase, but also those who get paid more than the minimum wage, I have to increase their salary as well. That means that I will either have to increase my service prices and not be affordable anymore, or close my shop, I'm already losing on this year. It's been a horrific year for everybody if I close my shop it will mean that all 13 of my employees, including my husband and myself, will be unemployed. That means that my Aurora business will be competing or this is one of the alternatives. The second one is if I increase my pricing, then there is going to be competition with other Maacos in other cities besides Denver, which have lower minimum wages or with other body shops, centers, in other cities. In my opinion, an increase of minimum wages will mean that my customers will not be able to afford my services anymore.

I personally have some rental property; 3 rental properties in Aurora. If a minimum wage goes into effect, then I have to increase my rent because I have to pay my maintenance people even more. So like me, aren't a lot of rental property owners who are going to increase the rent? In my opinion, the economics only of increase in the minimum wage, will not make sense anymore because we increase the minimum wage, I have to increase the prices and I have to increase the rent as well. My rent, most likely, for my Maaco business is also going to up higher as well. Especially with the pandemic now, this is not the correct time to do this. It's just a worse time. If it weren't for the PPP loan, I would have closed my doors. But thanks to that, I have been surviving. I'm in survival mode at this time. I also appreciate the comments from Sonia with the restaurant association. I couldn't have said it any better. I also heard somebody else mentioned about the employees who have Medicaid. I have two employees currently, who work with me.

They do not get paid the minimum wage, they're body men, but they keep their hours under a certain level so that both of them and their families will not lose their Medicaid benefit. If the minimum wage and the other wages will increase, of course, they're going to lose their Medicaid benefit or they're going to cut their hours even more. So, I have to hire other people. It's just way too complicated. So, I respectfully ask to postpone the increase just to help us get through this unprecedented time we're trying to survive right now. To me, this idea of minimum wage increase is going to hurt businesses like me even more. I just, I honestly cannot comprehend. This is the wrong time, and so that is all I'm asking, please, please postpone for another time.

Thank you.

**Mr. Walls** - Seeing no questions, we will move on.  
Patrick Armatas from Sam's No. 3

Patrick Armatas  
Sam's No 3, VP  
Patrick@samsno3.com

2580 S Havana St Aurora, CO 80014  
303.748.0879

## COMMENTS:

**Mr. Armatas** - I'm Patrick Armatas. I am one of the owners of Sam's No. 3 Restaurant. Our family has been in business in Denver and surrounding area since 1927. We opened up the Aurora location back in 1998. We've been in business and Aurora for over 20 years, and we grew up and went to school and high school in Aurora. We are very familiar with Aurora. There's so many topics to cover. I'm so grateful that so many different people have called in today to give their views because I could almost piggyback on any one of them and say, Yeah, yeah, me, too. I can tell you from experience, having had a business in Aurora, the minimum wage increases have done multiple things over the years. The least of which is loss of job, for people, an entry level position.

As minimum wage kept increasing, since we went into business in 1998 at this store, we actually shrunk our full-time staff at breakfast, lunch and dinner from about 120 employees down to about 89 employees. The reason was that we couldn't afford to keep all those people on staff, and we kept asking other staff members to do more, to have more responsibilities, to do without help while they're working. So, everybody's working harder. That was like the first main minimum wage increase that hit us about 15 years ago. Over those years, there've been other minimum wage increases and what they've done since then is we actually couldn't afford to stay open for our full amount of hours because the money that was actually coming in, we were at a deficit for staying open for dinner. So, our business model changed from being a three meal a day restaurant, to just breakfast and lunch at the Aurora location. We do fill for dinner at the other locations, but it was a similar fact where we just kept shrinking staff down. So, it, it kind of dilemma that I see happening where we try to increase the minimum wage to make life better for everybody, which I have no problem with, but then people lose jobs, or the money is going into the wrong spot. Part of part of the issue in a restaurant, which is an issue statewide, is nobody's figured out that when you raise minimum wage, you also raise the minimum wage for tipped employees and it's tipped employees typically are the highest paid employees in a restaurant. A lot of my staff averaged \$25 to \$45 an hour in tips. Those people are the last person in the world who need an extra \$3 an hour here, \$4 an hour there and yet they get that and they are also the largest section of our staff. It takes a lot of servers and bartenders run a restaurant. You usually have like 3 to 4 cooks on the line, but you'll have something like 5 to 10 servers, 2 bartenders, a bunch of hosts, a bunch of support staff that get picked out from the server. That's where the majority of your staff is upfront, and those people are the ones who are making the majority of the money. So it's very lopsided. To piggyback on the insurance issue, our companies, they're large, we have three and because they're common ownership, we do offer insurance to all of our employees. The idea of it being an affordable health care is ridiculous, as I think we all know, healthcare is not affordable. We offer 3 tiers of plans, as affordable as we can get up to high level. The majority of our staff decline that and a lot of them are on Medicaid and I do fear that they start to price themselves out of that realm. The pandemic isn't even something I've mentioned yet because all this was happening without the pandemic and now you throw in the fact that supply chains have gone screwy. Meat has doubled in price, so we're already as a restaurant when you when you bring in a dollar you start to look at that dollar and about 35% of it goes to your payroll. About another 35 to 40% go to your cost that don't change like rent and electricity and phone bills and all that stuff. Then there's other costs on top of that. So, a restaurant that is doing a good job is lucky to get a dime to 15 cents out of every dollar they bring in. And right now, we're getting zero. And that's, OK. We're OK, being in business just to be open. But it be-

comes untenable when you're open and you're at negative. We've taken the PPP loan and we disbursed 75% of that already to our staff. We've got an EIDL loan which is already going out again to payments to our staff. We're actually taking in a third loan but at a certain point, we don't know if we're going to be open anymore and we've been in business since 1927. Our 3 stores actually have a weekly conversation of are we staying open again this week; not this month, not this year, are we staying open again this week! So, to echo everybody else's concerns, this is the wrong time. You have businesses closing daily, weekly, who can't survive. We need to keep businesses open.

- A) to keep people employed, so they can get money. It's not a great amount of money. We've all taken cuts but just so that they can get some money, we need to keep businesses open, businesses going, and not force them out.
- B) we need to keep tax dollars coming in to go to the city. That's the other side of it. If I'm not making sales, the city isn't making money.

**Mr. Walls** - called time – Mr. Armatas said, I'll stop there.

**Mr. Walls** - Does anyone have any questions for Patrick?

**CM Coombs** - Just one very quick thing because I've heard it come up several times. This would not change the tip credit for tipped employees. Just for folks that are concerned about that issue and have mentioned that.

**Mr. Armatas** - It's not the tip credit. The minimum wage for tipped employees is locked, not the percentage of it, it's always been an X amount of dollars less than the minimum wage. When we first opened our business, the minimum wage server made 2.13/hour. Now, they are over \$10 an hour. I don't think that's wrong. That's fine where they are at. As you get up into the \$20 an hour range for minimum wage, servers will be making 17.80/an hour and that's crazy.

**Mr. Walls** - Next, Stephanie Shearer with Trunk Nouveau.

Stephanie Shearer  
[trunknouveau@gmail.com](mailto:trunknouveau@gmail.com)  
(303) 832-7073  
2501 Dallas St @ Stanley Market  
Aurora CO 80010-1045

#### **COMMENTS:**

**Ms. Shearer** - So my name is Stephanie Shearer. I'm a retailer, I've been in business for over 25 years. I have three small they would call micro retail stores. And one of them is in the Stanley marketplace. Two of them were in the Stanley marketplace and then because of pandemic we needed to move one to another building. So, we have 2 now in Denver, one in Aurora. I'll try to be really quick, because I know we're trying to rush through this. The two things I really want to add, I've talked to several times now. I attended the town hall on Saturday. I really thought about it, I heard people, there were a lot of people who supported the minimum wage there. I listened to what they said but I think when I was trying to process it all, that one of the things that is a misunderstanding perspective is that businesses are making a profit right now. I heard a lot of people saying you need to pay the people that are making your profits more money. I want to say that right now, not very many businesses are making a profit. As a matter of fact, I think that most of us are losing money, a



lot of money in my case. I was shut down for three months and we're preparing for another possible shutdown in fall when the virus is supposed to rear its head again. So if I, at the end of the year, only, not profit but lose \$10,000 or \$20,000 or \$30,000, I will celebrate. Because right now, I'm running at 50%. I'm looking at a \$500,000 deficit in sales. That's a real number. That is what I'm planning for because the consumer confidence, because of the restrictions are not just restaurants, but retailers too. I can only have 10 people in my largest store, my smallest store, I can only have four people at a time. So, the problem is that with 4 people in my store at the time at Christmas, you all have been into Target and hopefully, you've been in small businesses too, we are packed where we have way more than 4 people at a time in our stores. So, our sales, then are going to be reflective of that 50 to 75% decrease in occupancy in my store, I can't control that. I need to keep people safe. I need staff safe, and that is my top priority. So, I'm hoping for a \$30,000 loss at the end of the year. There's no profit. So, I feel like that's a misconception that people think we're in this profit. The second thing I wanted to say is that my costs are going up, my rent is going up, my utilities are going up, everything is going up. So, I'm left between a rock and a hard place. I have to compensate for a minimum wage increase. And I'll talk about that in just one second, but I have to compensate for that somehow. So the only way to do that in a retail store is to reduce staff or raise prices or most likely both. And then, my prices, so my greeting cards now are \$10, instead of \$5 or \$4.99. So now, I'm competing against the Wal-Mart's and Target's and all that. So this, it really hurts small and medium sized businesses. It doesn't hurt large businesses, it really impacts small and medium. And so, if I close, I'm, you know, whatever, you guys don't love me, That's OK. I close my business, then I take my 5 to 10 jobs with me. But then the business next door, to me, Sarah, she closes she takes her three jobs and the store next to her closes and next thing you know, Stanley Marketplace has no retailers, because the more businesses that close, it impacts the entire marketplace. So, the reason that I keep showing up at these things is because it really impacts small and medium businesses. Your large businesses are not going to be impacted by this as much. The second thing that I want to address, Council Member Coombs comment about a lot of places already paying above minimum wage, which is one of us. So, our lowest paid minimum wage worker is \$14.50/ hour right now. We have to pay more because Denver is across the street and they can walk across the street to target or to East Ridge and make more money there. Having said that, what I want to make sure that that she and everybody else understands is that in the pandemic we cut our staff by 60%. In those positions started with me. So, I cut myself. I am also an employee of my business. That's how my small businesses organize. I cut myself, I cut my husband, who's also an employee of my small business, and then I had to cut 4 other positions. So, I went from a staff of 11 to a staff of 5. But guess what? We work 80 hours a week, right now, because I have to fill in the gaps for those. I don't think those metrics play, when you're looking at your statistics of how this is impacting small businesses. What is the impact, that the self-employed are still working, we're just not paying ourselves. And so, I think that that skews some of those statistics. The other thing I wanted to add is that when I cut staff, it means I had to cut hours because I'm open for 10 to 6. I used to be open from 9 to 9, 7 days a week. Now, I'm open 10 to 6, Thursday through Sunday. I don't have enough money to bring more staff in to be able to stay open more hours to be able to get more sales.

So, it's this perpetual cycle; I can't pay people because of the pandemic. And that's why this is particularly critical in a pandemic where sales are restricted by health standards and regulations. And then I can't respond to that by hiring more people because I'm making less money. And I don't have more people, so I have to stay open less hours. And it's just a perpetual downward spiral.

By the way, those positions are the re-entry, they are the teenagers, they are my seniors, they are the first people that have to go because they are the less skilled. I have to keep my skilled employees.

So, if you look four years down the road and now, we're in a \$20 an hour is like the pandemic to me. If I have to pay people \$20 an hour, I will be making those same decisions. I will be holding on to my skilled team, my skilled staff members, but my re-entry, my stay at home moms that are back in the workforce, my seniors and my teenagers, those positions will no longer be available. Thank you very much for this super awesome conversation.

**Mr. Walls** - Questions for Stephanie.  
Seeing none, Kevin Hougen, Aurora Chamber of Commerce.

**Kevin Hougen**  
President/CEO  
[Kevin.Hougen@aurorachamber.org](mailto:Kevin.Hougen@aurorachamber.org)  
Aurora Chamber of Commerce  
303-344-1500

#### **COMMENTS:**

**Mr. Hougen** - I appreciate the opportunity. Just a few minutes here. First of all, really what we're talking about today is government overreach, government mandates. This is not market driven, by any means. What really bothered me the other day on the townhall meeting, was hearing from, I think it was called the People's Alliance. I believe it's a Denver Policy Group. And made statements like capitalism's over. Capitalism is over, being replaced by socialism? We are a little confused by those statements. But I think it really gets down to market driven issues on competition. The states that surround us right now, Utah, Texas, Wyoming their minimum wage is \$7.25. We all know that's not a livable wage. But from a competitive basis when we're looking at bringing manufacturing and other businesses to Colorado, we have to look at not only the competition in our backyard with Greenwood Village, with Centennial, unincorporated Arapahoe County, these are all areas people can move their businesses to. So, it's about competition, It's about government outreach and overreach, it's just not responsible. I'm getting calls every day from our businesses, retail, restaurants, hotels. Why are people kicking us in the gut when we're down? This is again, going to hurt the very people, it's meant to help. Have they worked with the County on Medicaid, food stamps, rental assistance, all of that will be affected by a 70% minimum wage increase? This is not 5% or 10% a year, This is a 70% increase going into years and then presented at this time. Now, if this is the way to negotiate to a lower minimum wage than what's presented, it's not the most effective way, in my opinion, to go forward with the community. The other question I'm going to answer real quick: I heard Council Member Marcano ask if anybody's been down to the state capitol regarding affordable housing. I have, for 27 years, I haven't seen anybody down there fighting about construction defect laws that caused us to build virtually no condominiums in this community, 98% of what's being built, are expensive rental units until we get construction defect eliminated down at the capital, we will not have affordable condos ever built into this town. We're not even having them built. So that's another issue. So please take a look at this.

Capitalism is not an evil word. Profit is not an evil word. It's just not a responsible time to come in with such an unbelievably large minimum wage increase right now when our companies are literally on their knees.

Thank you for the opportunity here.

**Mr. Walls** - I do have one additional written testimony from Milk Roll Creamery, Mary Nguyen.  
(See attached)

Mary Nguyen  
Milkroll Creamery  
2712 South Havana Street Suite A  
Aurora, CO 80014

**Mr. Walls** - Ok, Molly Steinman with the CRA.

Mollie Steinemann |  
Government Affairs Coordinator  
Colorado Restaurant Association  
**P:** 303.830.2972 x 115  
**E:** [msteinemann@corerestaurant.org](mailto:msteinemann@corerestaurant.org)  
430 E 7<sup>th</sup>. Ave  
Denver, CO 80203

**COMMENTS:**

**Ms. Steinemann** - I did just want to address some discussion that was taking place earlier as to whether a \$20 minimum wage would make or break businesses. We asked Aurora restaurants what a \$20 minimum wage would mean to them. 57% told us that they would have to close permanently if the minimum wage were to go up to \$20 an hour. I'd like to just flag for the group what does that mean for Aurora? What does it mean for the culture when you lose 50% of your favorite dining spots? Restaurants are the backbone of their communities. Huge life events happen in restaurants; birthdays, engagements, work happy hours. What does that mean for Aurora citizens that they lose more than half of their dine-out spots because the minimum wage was to increase to \$20/hour.

**Mr. Walls** - I did want to thank everybody that re-arrange your schedule to be with us today. Your voice is heard absolutely. I'm now going to hear from some of the BAB members with any general questions and some general discussion, and if any Council Members or members of the public have questions for the BAB Members, I'd certainly like to allow some time for that discussion to happen as well.  
So, I will open up the floor.

**Mr. Sarwal** - I'll make this quick and to the point. We all recognize that there has to be consideration given to the employees. I think it's the very aggressive nature of the recommendations that make this very challenging for businesses. I think we should look at alternative ideas on where coming close to the cost of living increases could be considered for a limited period of time and also to start later in next year, maybe a Q3 of next year might be considered but whatever the businesses can support, not this super aggressive 10%. That is really not a good idea. I think states that did not have aggressive minimum wages have done as well as states and cities where keeping the wages competitive in those cities and states it has been shown by data and by records. The other thing is de-incentivizing employees. If an employee is able to earn \$15, \$16, \$17 an hour with no skills, they have very little or less motivation to get skilled. There

are well paying jobs out there. People have to work at it sometimes. That's the thing I wanted to say. The last point is we do a Medicaid Authorized Enrollment Site. A single mother with 2 children, who earns more than \$13.75/hour for 160 hours a month, would lose Medicaid. So, what happens is they come to us and they say, I'm going to reduce my hours so I can keep my Medicaid, so I can afford to have no medical costs, as opposed to paying \$300 to \$400 a month. It is really sad, but that's the reality of where we are. Housing costs are an issue. But why don't we also work on controlling housing, rent, some kind of rent control.

Thank you very much.

**Mr. Liles** - Marty Liles here at Southlands. I've heard several comments that it shifts the minimum wage individual and the future, it's \$12.60 that individual gets, it will be a ripple effect. I've experienced it hands-on with my janitorial and my security team. I, myself, tried to raise the bar and increase a minimum wage for new employees coming in trying to draft individuals to come out to Southlands to work, and once it did get through the system and other employees realized that people were coming in and a dollar, I've had people that have been employed here at Southlands for several years, and when they did find out that new employees were onboarding for just less than what they're currently making, I had to go across the board. So it was said that it's just minimum wage but I truly believe that will not just effect that one person being hired and it will be a ripple effect.

**Ms. Horiuchi** - Thank you so much for taking the time. I just wanted to share a quick note, because I know quite a few of our businesses are really challenged with sharing testimony and not really comfortable with these virtual meetings. I really wish we could have more in person opportunities in the future. But what the circumstances, I know, it's not possible. But the only note I really wanted to share is, I really appreciate all the data that everyone is sharing. But a lot of the data, that the businesses have shared with me, the challenge is that a lot of the data collected regarding minimum wage increases, doesn't really include the impacts of what COVID has done. I think that's what most people have been sharing, even though the data might reflect a certain thing, no data might have been collected not knowing this pandemic. Most of our businesses are not profitable right now. If they were profitable, many of them have shared that they would love to support a minimum wage increase. But at this time, like many of our small businesses shared today, many of them are not profitable. So, doing an increase in January 2021, would be very, very challenging. And we probably wouldn't see the same types of impacts that some of the studies have shown because it never took into play what COVID 19 has already done toward businesses this past year. But that's all I just wanted to mention.

Thank you.

**Ms. Pace** - I am curious about the bureaucratic repercussions. The City of Aurora, since we are going to be implementing this new, we haven't had any kind of minimum wage before because it wasn't allowed to set one for the city. What's going to be the cost of implementing this, and what kind of staff will it take when it has to provide to follow up on it.

**CM Coombs** - So I know staff are going to be bringing actual numbers to the meeting that we are having next Tuesday. So, I haven't gotten those numbers from staff yet. We will discuss that in the policy committee, since that's the initial introduction, but there will be an addition. Oh, and it looks like Trevor, I think I see Trevor so, he can probably actually go ahead and answer that. I do know that there will be enforcement staff that will have to be in place, so I'll let Trevor take on the details of that.

**Mr. Vaughn** - So, looking at what the City of Denver has, the city of Denver has multiple wage laws that they enforce, they actually have a staff of 22 that's in their auditor's office. With this one we're just talking about a minimum wage ordinance. My kind of initial projections are that of around three staff to enforce this around \$300,000. So, I'll continue to work through that, but that's my preliminary thoughts What would be required. So, there would, there would need to be some type of administrative functions set up in the city for it.

**Mr. Walls** - What was the Cost estimate?

**Mr. Vaughn** - \$330,000.

**Mr. Walls** - Ok, thanks, Trevor.

**CM Bergan** - Just on that point, where we are right now, doing furloughs with our staff and looking at what cuts to be made in the budget, whether it be in an actual FTEs or in capital projects. So to add three staff, may not sound like a lot, but it is when you're cutting other staff and you're cutting other expenses and having to be fiscally responsible to the taxpayers of Aurora. So I think it's actually quite an impact.

**Mr. Walls** - There is an impact study being done right now by the city, correct? I'm assuming that it'll go to Management and Finance?

**Mr. Vaughn** - That's correct. Because the city is also impacted as well in regard to the wage. So that would be analyzed as well.

**Mr. Walls** - We need to take a stance on the draft policy that was introduced today. We're going to be preparing a memo for Management and Finance and for PED, both of those committees, giving highlights and the minutes will be attached to those memos, so that all the council members that are on those two committees can see all the testimony and read it for themselves. I think I'm hearing really four or maybe five general themes that are going on from each one of the businesses that have testified.

1<sup>st</sup> issue - Timing; Why now during CoVid, when there's so many other challenges facing business members? So number one, the timing of this; why now during CoVid?

2<sup>nd</sup> issue - Covering wage compression/escalation, even though a large part of the business owners that called in today and on the 20th and on the Town Hall on Saturday, actually pay more than minimum wage, and this wouldn't affect them for a few years, there actually is an effect on them. That's called the market effect. So, when the minimum wage increases and you're talking about primarily unskilled, entry workers, either lacking experience or skills and training, otherwise, they would apply for another job that doesn't pay minimum wage. When the floor raises, everything else in the marketplace raises. So regardless of whether or not you're actually paying the minimum wage or not, your employees are going to expect that you're going to increase them based on the market. So artificially kind of interrupting the market by changing the floor or changing the basis of what pay is in the City of Aurora creates a couple of disparities. Disparity 1, in your payroll cost overall, and disparity 2, between other cities. Competition is a huge thing, and now, Aurora's setting a local minimum wage puts Aurora in a competitive state against other metro areas even more so than we were before. I spoke on the phone today with a restaurant that's actually negotiating a lease, right now, to relocate his restaurant to the City of Aurora. This one single issue, putting aside all of the

effects of CoVid and PPP and what's happening, this one single issue, has caused him to delay that lease signing. This would be a large 5000 to 6000 square foot restaurant, which would be great for the city of Aurora. Hopefully, I can get his permission to release all the details and include him in written testimony. I think that's telling, if people are already looking at the city as becoming an anti-business city, they're going to look to other metropolitan areas to locate to. In this time, I don't think we can continue to make strides forward in de-incentivizing businesses to choose Aurora as the place to do business. The other issue that was proven sort of by the 2017 Seattle Wage Study was that Seattle was a big experiment, for all of us in the nation watching what would happen. The result of that study, which is quite an in-depth study and I'll provide it for anybody that would care to dig into the numbers, was that it resulted in two things; one was job losses at the lowest level, and two was shifting hours from the lowest level to mid-wage employees that didn't require additional training.

So those two results are pretty telling of what we can expect here in Aurora; minimum wage positions will be cut. If the position itself is not cut, the hours will be cut and given to another employee that's higher up on the payroll food chain.

Finally, I'd just like to say the other important issue is to point out the city deficit increasing and that sort of ties into the first issue that with CoVid happening, the budget deficit can't be ignored, and it will be interesting to see what the results of the impact study for the city of Aurora on one of the largest minimum wage employers in the city will be. I'm not sure how we can take this on and how now we continue to make strides to have Aurora become an anti-competitive, anti-free market business economy. I scratch my head daily when thinking about these policy issues that come up allowing government to step in a little bit further and decide how we put things on our menus, decide how we serve things to the public and how our business bottom line is affected by mandating an anti sub-regional or sub-market minimum wage.

So, those are my thoughts on behalf of the Western Centers.

Any other board members have thoughts?

**Ms. Edmondson** - Regina Edmondson, board member and owner of CME Catering and Events.

As a small business owner, I heard a few folks on the line say that they currently pay more than the current minimum wage. I'm one of those people that pays more than the minimum wage. I pay my team \$15 an hour in the food industry and service industry. That helps to keep me competitive in terms of who I can hire and loyalty of the staff. I've had the same staff for over five years. But the impact of that is that, as an employee, what I'm paying myself is minimal. I don't take an owner's draw. I haven't taken an owner's draw in the last couple of years. With CoVid, I lost 90% of my business, 27 events canceled in one week, had to completely change and pivot what my business model is and move to a delivery service format. You have the option, to pay those employees more but the option is allowing you to stay competitive. But there's a cost to that. There's a cost to the business owner. They're working harder. I work harder in my business than I ever have as a non-paid employee to offset the cost of hiring someone else at that same rate. So I do appreciate that the increase is smaller and that it's over time and that gives you a chance to adapt and change and to prepare for those changes. Although I think the overall increase is high and the overall period of time is long; if it was a shorter period of time, five years versus seven years. But that's just my thoughts as a business owner. That impact, how you would have to reduce your staff or for those employee owned, how you adjust what you're paying yourself, what your business is reduced, meaning your family income is reduced and I have a family owned business, which means that my employee, that is my son, that impacts which also impacts our households.

**Mr. Walls** - Any other board members have any comments? I'd like to give any of the Council Members that are present, some final time to make any final thoughts so that the BAB Members have that understanding before they vote.

**CM Bergan** - I just want to thank you for the opportunity to sit in and hear all the different testimony. As everyone knows, the city is funded primarily by sales and use tax. So, this is really an important discussion in terms of how it's going to impact the businesses in Aurora. And I know we already have a hard time struggling to bring business into our city, especially now with the pandemic. We're constantly trying to bring in new retailers, new restaurants with a unique position. And we have a lot of competition. I represent the south-east part of Aurora and a lot of our residents have the ability to go right next door to Centennial or Parker, in fact, Lone Tree is really a short drive once you hop on E 470, and so we're already competing with other municipalities and...

**Mr. Walls** - We just lost Council member Bergan.

**CM Marcano** - First, I have to apologize to everybody. I had to take a call in the middle of that for about 30 minutes of discussion, so if any of what I'm saying here has already been addressed, just let me know, I apologize. I want to bring up that wages have access to public safety. A lot of the increase in crime that we're seeing, not just an Aurora but nationwide, can actually be attributed to job loss. A lack of wages and housing instability, food insecurity, things of that nature.

So by ensuring that folks are actually earning enough to live, we address that public safety issue in a proactive manner, and I think that's something that really gets lost out of in a lot of these discussions, and one of the things I want to bring up, is it looks like a lot of you are looking at your books today and projecting out to the future if nothing changes. But other than wages, that things are going to look very dire, and I completely understand that. But I just want to stress that none of this happens in a vacuum: Rising wages impact the velocity of spending in our city.

Lower wage workers spend virtually all of their income on goods and services as it is. So raising wages, this is something that we've actually seen in Seattle, there are a lot more studies than just the one that you cited there earlier, have actually allowed people to increase their discretionary spending; which means they eat out more, they go to more boutique retailers like craft breweries and things of that nature and wages continue to rise along with that. So, I know that we're in a really tough time economically and I hear what you're saying about the uncertainty that we're already facing compounded with an increase in wages. I think there might be, I don't want to speak for Council Member Coombs, maybe we can discuss the timeline a little more. But I feel confident that this in the long term will have a positive effect on our local economy.

It will make Aurora more competitive for workers, which means folks are going to want to actually work in Aurora, which is just going to be easier to find staffing here. That a rising tide surely does lift all boats. So, if we make sure that folks are actually able to support themselves and their families, it's going to make our city safer. It's going to improve our local economy and it will create more revenue for the City through increased consumer spending. So that's just kind of my take and I wanted to share that with you all.

**CM Coombs** - I just wanted to talk a little bit more about the urgency of this issue. It's something that has been discussed for a really long time. Workers have not had a real increase in wages even as these minimum wages have increased in decades, and so people are continuing to function in the same economy that the rest of us are competing in with no real increase. No actual increase in their spending capacity or their ability to survive, and so, I've heard a lot of statements that businesses are continuing to have to take it in the teeth. But I think we have to look at the actual situation of workers, which is that they have continued to be the ones to bear the brunt of this pandemic to bear the

brunt of every economic issue that we have encountered as a country as we've gone forward. I really hesitate to say oh, they should just keep waiting or to believe that, and it's a continual increase is not merited because it's the only way we prevent what has been happening from continuing to happen, which is workers always being the ones to bear the brunt of economic declines and continuously being ratcheted down every time that we step back from trying to do something for them.

**Mr. Walls** - I actually take exception to a couple of things that you just said there, as well as Council Member Marcano. First, I'll start there, that you're correct, this doesn't happen in a vacuum. These projections don't happen in a vacuum. But the thing that you're leaving out of your non-vacuum equation is that, yes, there will be more money push back into the local economy. But to maintain the status quo and the bottom line for a business owner, that means that prices increase. So, you're not artificially manipulating the market there. Everything stays the same where it's at right now. If these employees have more money from a minimum wage increase, prices of goods and services also increase. So, you're still at a net zero game at the end of the day. Second of all, you were talking about how employees constantly bear the burden in a downtrodden economy. I'm not going to dispute that specific fact with you, but I'm going to color it with saying that most of that burden is actually put on the business owner and small business owners, mom, and pop, very small retailers. I think that you can have a great claim to make that argument when employees start paying property tax, when employees start paying all of the other costs of insurance that are taken out of the bottom line of the employers. At the end of the day, there's a person that's giving people jobs, and that's the employer, and I think that your statement's a little bit disingenuous to say that employees aren't in their minds. Employees are the foundation of how business owners are able to have their business. And saying that business owners are not constantly aware of taking care of their employees is absolutely incorrect. I think that we've seen the testimony from today's meeting and our meeting in July that the free market is working here, in the sense that most of the business owners that we've heard from are not paying minimum wage, they're paying above minimum wage. There was no government entity that told them to pay more than the minimum wage, but they're doing that either because their business dictates it or they're doing that because that's how they feel that they should treat their employees. So, I think that those are important things to point out.

**Mr. Walls** - Council Member Berzins.

**CM Berzins** - I have been a business owner since 1982, That's when I started. I have made a lot of payroll. It's easy for people that have only been on the receiving end of a paycheck, not to understand what it means to actually write that paycheck. Like you mentioned, liability insurance is going up, property taxes have gone up, supplies are going up. This is supposed to be spaced out over the years and we're thinking, everything will be static, everything will be ok. But, no, in four years, what are the supplies going to cost you. What is your liability insurance going to be? What is your health insurance that you pay your employee going to be? It's an unknown and I can only say from the past few years, everything has escalated to I mean, it's crazy, and the city is raising water rate increases, Xcel increases. So why don't we think that businesses will be able to pay those workers 4 more dollars an hour or 8 more dollars, whatever. Why do we think that they'll be better financial shape than they are now with or without Covid? The supplies are just eating up profits. Everybody loves their employees, want the best for the employees. I wish everybody made \$50 an hour, but the free market has to dictate that. We can't just have government saying, you will pay your employee so much. That's just going to make more people unemployed. If you can't pay him, you can't pay him, and you're going to cut wages and you're going to cut employees. I think



it's hard for people who only get a paycheck to realize that. It takes a lot behind writing that paycheck. So, as a small business owner, I have real hard time with this one. Thank you.

**Mr. Walls** - Thank you, council member. I see we also have Council Member Gruber with us. Council Member Gruber do wish to make a statement before the BAB votes?

**CM Gruber** - The discussions today have been very, very powerful and I think it's important that people understand profit and loss and revenue and costs. What we've heard are that a number of different companies are having problems right now with the revenue side of the equation. As a result of that, many small business owners are not paying themselves. Many small business owners are taking loans out in order to keep their business going while they continue to pay their employees. What we're talking about as a result of this ordinance is that we are going to increase cost with no appreciable increase in revenue. As a matter of fact, everything on the revenue side, as far as we can see, is flat. You can make hopeful projections that things are going to get better but where we stand right now, even before Covid while the economy was booming, the revenues for the companies that we're talking about are relatively flat. So, as a result of that, when the companies can see that they're barely making it now, If the economy gets better, there'll be where they were before. Which means they're able to pay themselves again. They're able to have some livelihood come from their company. But as they look down the pipe at this, what's coming to them next year, A year after, the year after that and eventually, when the pay is \$20 an hour, the revenue projections simply aren't going to match that. So then, the question for the small companies, should I close now, or should I wait until I'm bankrupt two years from now? Or should I wait three years from now before I close because it's hard to project revenues going above \$20, with what they're going to have to have in order to pay \$20 an hour? I understand that I hear that loud and clear from the companies that are involved. So, I want to thank everyone for taking the time, I know that while you run your business, taking a day out in order to participate in meeting like, this is very expensive for you and I wanted to thank you for your time and participation.

**Mr. Walls** - Ok, thank you, Council Member Gruber. Thank you so much for your time and we need to I'm going to open it up to the BAB members for a motion in just a second.

The question before us today, what we need to do for the next step in the process is to either put forward a statement of support or a statement against the draft proposal that we have in front of us today. So, there are any BAB members that would like to make a motion.

**Ms. Pace** - Aren't we waiting on a lot of information?

**Mr. Walls** - Unfortunately, because of the process, we have to provide what we've got at this time to move this forward to the next committee. I would absolutely table the issue to our September meeting, but unfortunately, by our September meeting, and Council Member Coombs, might be able to clarify, that we will be behind in the process.

**CM Coombs** - No, So this is just the initial introduction of the policy, where staff are going to be weighing in with more information and more data, and there's actually going to be more stakeholder input in meetings happening between now and when it goes to study session. The very earliest that this could go to study session would be the 14th of September, and we could delay it one week, if that would be helpful to give you guys the opportunity to meet with the data that we've gotten from

staff and the other information. So, it acts and then that's the study session, and then it goes to the floor, the council floor, and there'll be another backup packet at that time, and then it goes to the council floor again. So, there's actually three more meetings after the M&F meeting.

So, the M&F meeting is really the initial discussion of the policy as a fleshed-out policy with backup. So there's more time if you guys want to wait and look at the backup that we get from staff next Tuesday.

**Mr. Walls** - Ok, thank you so much for that clarification there. The timeline was important. So, I think in light of that, I'm not going to hold a vote today. I will table the issue till our next regularly scheduled meeting. At which time, we'll have more data that we can go over and also.....go ahead.

**CM Gruber** - So before the Management and Finance committee reviews this, I'd like to have a vote of the Business Advisory Board, otherwise, we'll be lacking that information. So if that being the case, I'll simply postpone considering the ordinance until the BAB votes next month.

**Mr. Walls** - Yes sorry Council Member.

**CM Coombs** - Council Member Gruber can I make a request though? Because that's where we're the policy committee meeting is where we're getting the information from staff that we need to give back to the BAB to help them with their decision is in the back-up for that meeting.

**CM Gruber** - I mean, we're in a chicken and egg situation now. So, you know, if the Management and Finance committee is going to be looking at the input from the Business Advisory Board, the Business Advisory Board has the draft. If they choose, if there's not going to be a vote this time, then we'll get that information to the Business Advisory Board and then bring that to Management and Finance Committee, which I'm happy to do that, I'm happy to delay it a month.

**CM Coombs** - I think that actually makes it harder, if it ends up passing, then we're pushing the whole policy back, the decision to like November and then businesses don't have the opportunity to think through it until November of how they're going to respond.

So I think it would be better to have the BAB information in the study session since it's really one piece of the puzzle and to have the information from staff in the M and F meeting.

**Mr. Walls** - CM Bergan, did you have any comments?

**CM Bergan** - I just wanted to say, I would like a vote. I sat in on this meeting expecting a vote. You're going to be also giving your report to the PED meeting that I chair and that's coming up shortly. So I would encourage your members, this is an ordinance that has been introduced to you, and I do value the Business Advisory Board's opinion very much. I would like their input. I would like a vote.

**Mr. Walls** - Ok.

**Ms. Pace** – Council Member I would really like to hear some impartial from the city staff analysis of what the financial impact is going to be on the city before I can make a call. I'm a very data driven person and we're missing certain things.

**CM Bergan** - This is a business advisory board, not a city staff board. So there's going to be an impact to the city, but we're talking about what's the impact to the business community, and I think we've had a lot of testimony today from individual businesses, as well as the restaurant association that represents, you know, hundreds of restaurants. So, I think that's the whole point of a business advisory board is that we're getting business input, not city.

**Mr. Walls** - Ok, I think what I would like to do, because I understand what PED and M&F both need, when they're looking at a statement from the BAB. I would like to hold a vote today based on what we have presented and based upon the testimony. We can either call a special session meeting or wait until the September meeting, because I do want to hear reports on and we haven't even had time to actually look at the nuts and bolts of what the ordinance says. This is a 14-page ordinance that I have red lined myself, and it's completely bloodied. There are several issues of the actual ordinance that I take exception to, namely in the civil penalty section. But, we haven't even gotten a chance to have that discussion yet, and how the actual, not just raising the minimum wage, but potential penalties and those types of issues could affect business owners. I'm going to, absent of a general members motion, I move that the Business Advisory Board does not support the proposal as drafted and presented to the Business Advisory Board today.  
Is there a second?

**CM Liles** – seconded motion

**Mr. Walls** - Any discussion on the motion on the floor?  
Ok, seeing none.  
All those in favor, please say aye. (affirmative vote by voice)

Any opposed?

**Ms. Pace** - I Oppose

**Mr. Walls**

Motion carries with only 1 nay vote.

The BAB will be including a statement with its memos to both M&F and PED that the BAB does not support the current draft proposal that was submitted today.

Based on the information that we have today, I'll make that pretty narrow because I don't want to close the door for the BAB to continue to discuss this and get further into the nuts and bolts of how it's written. I think that's an important conversation that needs to be had, but I do understand what both of those committees are looking for.

Thank you so much, everyone.

So, thank you all and with that, is there a motion to adjourn the meeting?

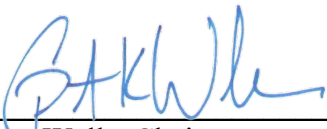
**Ms. Horiuchi** - moved to adjourn the meeting

**Ms. Edmondson** - seconded motion

**Mr. Walls** - adjourned the meeting at 1:24 pm.

**Follow-up Action:** Prepare memo for M & F Committee and PED. Ms. Vasconez and Mr. Walls to draft letter

*Outcome:* BAB members will continue to review the proposed ordinance.

APPROVED:   
Garrett Walls, Chairperson

**Attached Testimony Read During Meeting:**

**From:** [arlen@tunisiaband.com](mailto:arlen@tunisiaband.com) <[arlen@tunisiaband.com](mailto:arlen@tunisiaband.com)>  
**Sent:** Friday, August 14, 2020 10:57 AM  
**To:** Chance Horiuchi <[chance@onhavanastreet.com](mailto:chance@onhavanastreet.com)>  
**Cc:** 'Garrett Walls' <[Garrett@WesternCenters.com](mailto:Garrett@WesternCenters.com)>  
**Subject:** Wage Increase

Chance and Garrett,

My business is a small family-owned and operated business in the Heritage Eagle Bend area of Aurora. We have owned this retail Liquor Store for ten years and previously had another in the Seven Hills area for five years.

At present, we are not only struggling with the issue of COVID-19, but we have a vacated Safeway store in our center that has been empty for 5 years. The center is a destination center and will be without an anchor regardless of the addition of housing. So we already have seen our business drop 60% since the closing of the store.

We have our battle without any wage changes. That said, we would face insurmountable challenges if business costs continue to rise, as would every other small business in Aurora.

The landscape of "Small Business" is changing and not just because of the virus but because of the big picture, the support from the community government is not there.

This would apply to all businesses but especially to small businesses. The "Big Box" stores, chain stores, and the grocery stores that are in the liquor business are forcing the hand of small businesses. We have no way to compete with the likes of Total Wine and More or Kroger stores. The buy is such volume their retail price can be as much as 35% less than a small store. This is the same in all businesses but the Liquor industry has been hurt with the new liquor laws.

With that said, all businesses will have the same increase in employee costs, those costs will then be passed on to the consumer. The consumer is the same employee that is getting the increase in the minimum wage, therefore what has changed? We seem to misunderstand the way the economy works. When we increase wages, and this is a difficult issue, all things associated with it have the same increase. You're still left with nothing from your paycheck at the end of the month.

The bigger picture leaves us with the unemployed, the subsidized families, and families that just get by. How do they now pay for goods purchased in Aurora? Would they be better off driving to Parker or unincorporated Arapahoe County to buy products? The stores in those communities now have an advantage over Aurora-based businesses.

I understand that no one can live on minimum wage today, but I know that rising it will cause businesses like mine to close, causing even more income-related problems. We need affordable housing, we need affordable health care, we need the old-time community support that is lost in America. And do not think that having all large businesses control the market in Aurora or America for that matter, is the answer. It is not and more people will suffer behind that model than will prosper.

Thank you and I appreciate your time,

Arlen Felsen  
Boozer's Wine and Spirits  
303.400.1259

**From:** Danielle Lammon <[sixlammons@gmail.com](mailto:sixlammons@gmail.com)>  
**Sent:** Monday, August 17, 2020 11:04 AM  
**To:** Garrett Walls <[Garrett@westerncenters.com](mailto:Garrett@westerncenters.com)>  
**Subject:** Re: BAB meeting info

Danielle Shannon Agency  
Insurance  
5 employees

I currently pay a base above the minimum wage and pay commissions since I'm in sales. An increase would be detrimental to my business since I am not in control of the cost of my product and my income would not increase. I would have to let employees go to accommodate the increased payroll cost so I could cash flow my business to continue paying for overhead like an expensive rent in Aurora. COVID has had a small impact on my business. I had to purchase more laptops so my staff could work remotely while the office was closed. We have lost some business due to our customers not having the money to pay for their insurance.

Danielle Lammon  
Agency Owner  
303-956-6058

**Two separate statements from Donovan Welsh:**

**From:** **Donovan Welsh** <[donovanwelsh@havanaautoparts.com](mailto:donovanwelsh@havanaautoparts.com)>  
**Date:** Mon, Aug 17, 2020 at 1:39 PM  
**Subject:** Havana Auto Parts

I wanted to introduce myself. My name is Donovan Welsh and was just on the BAB call and am a board member of the HBID. My family and I operate Havana Auto Parts (4 Retail/Wholesale auto parts stores). 3 of the stores are in Aurora (Ward II, III, and V) and we have been operating in Aurora for 44 years.

Listening to the speakers today I felt we may be able to have a discussion as Havana Auto Parts (HAP) is in a rare situation where our main competitors are worldwide and publicly traded. We are not a franchise and we are one of 4-5 owners left in the country in a major US market. Most independent owners in major markets have been swallowed by the competition or bought out of the franchise. This means we have to compete with the big names while finding creative ways to compete with their funding.

It just feels like there might be something here for the mom/pop shops that we are very passionate about. The minimum wage discussion seems to be addressing workers and small business owners and not knowing the struggles that come with independent ownership versus large corporations that help set the market.

I thought this would be a great opportunity to introduce myself and maybe have a discussion at some point.

Thank you for your time.

Donovan

--

Donovan Welsh  
Executive Vice President  
Havana Auto Parts  
901 S. Havana  
Aurora, CO. 80012  
[303-341-2611](tel:303-341-2611)  
[donovanwelsh@havanaautoparts.com](mailto:donovanwelsh@havanaautoparts.com)

Donovan Welsh  
303-809-2673 (Cell Number)

**From:** Donovan Welsh <[donovanwelsh@havanaautoparts.com](mailto:donovanwelsh@havanaautoparts.com)>

**Sent:** Thursday, July 16, 2020 5:38 PM

**To:** Chance Horiuchi <[chance@onhavanastreet.com](mailto:chance@onhavanastreet.com)>; Garrett Walls <[Garrett@western-centers.com](mailto:Garrett@western-centers.com)>; Yulissa Williams <[yulissa.williams@botw.com](mailto:yulissa.williams@botw.com)>; Brenda Soper <[bsoper@amcap.com](mailto:bsoper@amcap.com)>; Devon Horan <[dehoran@ventanacap.com](mailto:dehoran@ventanacap.com)>; Gary Sliger <[fixit@garysfullservice.com](mailto:fixit@garysfullservice.com)>; Matt Rauzi <[mattrauzi@comcast.net](mailto:mattrauzi@comcast.net)>

**Subject:** Minimum Wage Statement

Chance and Team,

Please see the statement below from today's meeting. Thank you!

Donovan

As a family owned business employing over 70 employees and 20-30 contract drivers we are committed to offering a fair and livable wage. We agree there is a need to increase the minimum wage accordingly; however, the increase does not only impact those employees below the proposed per hour minimum wage. The entire pay range of our business would need to be adjusted up accordingly to ensure there is fair and equitable pay and minimize pay scale contraction. The result would be the need to reduce expenses accordingly which would take the form of job eliminations, benefit reductions, community program support elimination and other expense reduction. Navigating an immediate increase in minimum wage would be extremely difficult for a medium sized business like Havana Auto Parts. Knowing that that minimum wage does need to

increase we strongly advocate a progressive increase to per hour over a long enough period to allow businesses to proactively adjust to minimize or prevent the loss of jobs, benefits and other ancillary programs. This has been done in Colorado as well as other communities across the country successfully.

Thank you,

--

Donovan Welsh  
Executive Vice President  
Havana Auto Parts  
901 S. Havana  
Aurora, CO. 80012  
[303-341-2611](tel:303-341-2611)  
[donovanwelsh@havanaautoparts.com](mailto:donovanwelsh@havanaautoparts.com)

**From:** Mary Nguyen <[milkrollcreamery@gmail.com](mailto:milkrollcreamery@gmail.com)>  
**Date:** August 17, 2020 at 11:32:47 AM MDT  
**To:** Chance Horiuchi <[chance@onhavanastreet.com](mailto:chance@onhavanastreet.com)>  
**Subject:** **Opinion on Increased Wages**

This increase will hurt us especially with Covid-19 challenges. With business revenue running lower than during other years, it's hard enough for small businesses to have the capital to pay for ongoing expenses such as inventory, sanitary supplies, continuous employment. There is so many financial aspects affecting small businesses that has questioned businesses like Milkroll to decide on staying open or closing down. Financially, we are barely making enough income to cover necessary expenses during Covid-19. Being unable to set aside a portion of our income to help support us when in need is scary and if wages increase, that would put a burden on us as well as many other small businesses. With that being said, small businesses may have to come to make a decision of staying open or closing down in the economy that does not support them.

With increased minimum wage, businesses will also have to increase sale prices because of its effect on prices of supplies, utility, rent, taxes, etc. This may cause reduction to sales as price increases are unappealing. The wage increase does not necessarily meaning spending more at small businesses but actually may reduce the spendings at small businesses because the advantages of having competitive prices that bigger businesses can set without crazy loss of income.

In addition, with increased wages means employers will strive to elect those workers that are worth the money and a good majority of workers nowadays are lacking in motivation to work efficiently and adequately. That being said, businesses may lay off more people because of the ability that the business has to support the increased wage by choosing those that is worth their pay. This would affect unemployment rates as well.

Mary Nguyen  
Milkroll Creamery  
2712 South Havana Street Suite A  
Aurora, CO 80014