

Hello, this is Tom Cookman with a Community Comment.

The proposed \$12 per hour minimum wage ordinance that is going before the voters may sound good on paper, but those behind this idea have failed to analyze what this will do to Eureka. The illusion that the business owners are wealthy enough to handle this increase is shortsighted, if not completely absurd. Let's look at a small business that has 25 employees who work 40 hours per week. Increasing the amount each employee is paid by \$4 per hour is not the only cost the employer incurs. With the multitude of taxes and fees added on to the hourly rate, it cost the employer a minimum of 25 cents for every dollar paid, so this \$4 increase cost the business \$5 per hour or \$200 per week, per employee. Twenty five employees will cost \$5,000 more per week or \$260,000 per year. There isn't a single business that can handle this increase in expenses without passing it along to their customers and the customers will QUIT buying from that business. If 200 hamburgers a day were being sold, the cost per burger would have to be raised by \$3.56 to cover the higher minimum wage. If the business owners were so rich that they could handle this, why do we have so many empty buildings and store fronts in Eureka? I walked the length of the Bayshore Mall and was sickened at how many empty shops there were. Drive up and down Fourth and Fifth Street and count the empty buildings. Believe me, if these businesses that are closed were making as much money as Linda Attkins thinks they can afford, they WOULD NOT HAVE CLOSED THEIR DOORS. In most cases, the business owner has a mortgage on their home, car payments and has put all their assets up as collateral to get the business loans and line of credits they need to operate their business. Eureka is a very expensive place to have a business because of the over regulations our elected

officials have burdened them with. The highest minimum wage in the United States is \$10.24 per hour in San Francisco. What could possibly warrant Eureka having the highest minimum wage in the United States? Is it our bustling manufacturing jobs? Our thriving timber and fishing industry? Did I miss the industrial development of Humboldt Bay? Eureka is a city that is overrun with homeless and drug addicts and over 50% of the people who actually have a job, work for the government. If this ridiculous minimum wage law is passed, you will be hard pressed to ever attract any business to locate here. The reputation we have is not a good one, transportation costs are amongst the highest in the nation. It cost a lot of money to get products in and out of our area. This deters business investment. Having a minimum wage that is 17% higher than the next highest city in the nation does one thing, and one thing only, it tells the rest of the world we are CLOSED for business. Business owners cannot pass along several hundred thousand dollars of expenses to their customers, so the reality is that they will either close their doors and move to a community that embraces new businesses or they will cut their workforce to fewer than 25 employees. They will hire out clerical and maintenance work that is currently being done inhouse. They will cut benefits and donations. In the South Dakota oil field communities a fast food worker is making \$18 per hour. WHY? Because businesses are thriving and the government understands that a business is an asset to a community, not a liability. Linda Atkins needs to visit South Dakota and duplicate their practices in Eureka. The business owner is not the villain of low wages, a horrible business climate is the culprit.

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