

From: Brad Barnett <bbarnett6@icloud.com>
Sent: Wednesday, July 16, 2014 9:38 PM
To: DL - City Council
Subject: No to minimum wage increase

Dear Council,

We are very proud to employ over 120 local members of Oakland and its surrounding communities. Providing them with an exceptional work environment coupled with competitive wages and opportunities for growth is something we are extremely passionate about. With that being said a 22.5% increase in wages would be catastrophic to our continued viability. I would be strongly opposed to an increase in minimum wage to \$12.25 per hour. There are double minimum wage requirements for employees who supply their own tools which we must comply with. Aside from these compliance issues which would require us to compensate an entry level technician at \$24.50 per hour, raising the minimum wage by 22.5% would further compress already narrow margins in our industry. It is already difficult considering the excessive business license tax imposed by the City of Oakland on businesses which serve the Oakland community. We currently generate roughly seven tenths of one percent for every dollar of sales as profit. That equates to seventy cents of profit for every one hundred dollars of sales, the city of Oakland receives twelve cents of that as permission to operate within its borders.

What you also may not be considering is that if you increase the pay of all entry level positions by 22.5% the non entry level employees in the tiers above those positions will want to be increased as well. For example a lot attendant who was recently promoted, say within the last year, due to her exceptional work ethic and stellar performance received an increase in pay of 20-30% upon being promoted to her new position. This increase in pay came with significantly more responsibility, and now she feels her effort should be rewarded in direct comparison to the minimum wage/entry level candidates pay. This ripple effect continues throughout the entire organizations pay structure increasing compensation at all levels. Given our current total monthly compensation for all employees, a 22.5% increase would exceed our monthly profit by nearly double. In order to stay in business we would need to increase what our consumers pay by an equal amount just to remain stagnant. When competing businesses with identical products located 10 minutes up or down the road are not hindered by these increases the ensuing repercussions are nothing short of disastrous.

I would also add that potential businesses who are considering making Oakland their home would be significantly deterred from doing so if they are required to meet this minimum wage requirement. Furthermore your current businesses may vacate the city seeking less expensive and frankly environments which are less hostile to those with the entrepreneurial spirit.

Warmly,

Brad Barnett
One Toyota of Oakland