

## Kurt Lipniskis Testimony

Let me begin with the labor environment and how it has affected our operation. I can only speak for myself but every other businessperson and salespeople in the industry that I have spoken with has echoed the same sentiment. Finding employees was difficult even before the pandemic, now ever since we re-opened the food and beverage operation in June of 2020, we have had struggles most of which are related directly to the stimulus payments and the extended and additional unemployment benefits. Direct effects of this have been us having to close the restaurant for a short period of time, having to limit the number of guests we could serve at times and having the hotel manager clean rooms because of no housekeepers. We also delayed opening for lunch in the restaurant on weekends due to no one to staff it. The only work force that has saved us is minors, we have 8 employees in various roles that are all under 18 years old and many are family members of managers. The other huge impact the labor market has had is the pay rate. We have had to raise wages 10-20% just to keep who we have and incurred added overtime due to short staffing which has increased our total monthly payroll by \$20,000 over last year in a similar month.

We are recovering very well as far as revenue, we just had a busier month in June than any month in 2019. Golf continues to be at a record high and businesspeople are starting to travel again helping the hotel. However even with sales going in the right direction our cost of goods for food, lumber etc. has in many cases doubled and we have wedding contracts that are set a price from a year ago so we cannot pass on these costs to the consumer in most cases as we are getting them passed on to us.

Of course, no one has seen what the world has went through for the past year plus. Having been in the hospitality industry for 35 years I have never seen anything effect the labor market and the price of commodities like this. In my opinion much of both of these issues were caused by decisions of not just government but leaders in the business world that purposely did things that created price gouging with no repercussions.

The hospitality industry is recovery naturally in many ways but without help from lawmakers it is my opinion that we will see many more restaurants and ancillary businesses close their doors in the next year. The restaurant & banquet business operate on very small margins. Most privately owned places cannot survive their costs going up 10-30% and not be able to increase prices enough to cover it.

I also sit on the board of directors for Experience Armstrong, our county tourism agency which provides me insight on other areas of business and other opinions. My employer also operates 24 other hotels throughout the country. Hotel revenue is still being affected nationally because of a reduction in business travelers, prices for hotels and rental cars have also seen a dramatic increase due to the pandemic. From my interaction Armstrong county overall is recovering pretty quickly in most areas of business and having festivals, fairs etc. back will really push that in full gear. I do not believe anyone can withstand any sort of another lockdown or restrictions.