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Shayne Edmunds, President
Grace Graybill, Treasurer



PA HOUSE COMMITTEES ON HEALTH AND LABOR & INDUSTRY
JOINT HEARING: October 1, 2020
Impact of Actions Taken by PA Department of Health on Pennsylvania Employers
WRITTEN TESTIMONY TO BE SUBMITTED

I looked back through my emails, and I started sharing stories with friends concerning news about Coronavirus in late January. One story was about China asking Tesla to close down their Gigafactory in Shanghai over Coronavirus worries. Grace and I continued to follow the news closely in February, and talked about the implications for Neato Burrito and our family (we have two kids both in high school). On March 6th, I emailed the director of my son's soccer club about not having the kids do high fives and hand slaps with the other teams after games. This was after reading about the English Premier League's decision not to allow handshakes, etc. I heard nothing back on my suggestion, but when Governor Wolf closed the schools on March 13th, the club sent out an email suspending soccer related activities.

It was pretty clear to us on March 13th that we would be closing Neato Burrito down in short order (mandated or not). On March 16th, we decided to start take-out only at Neato Burrito. This was before Governor Wolf announced the same day the closure of non-essential businesses and that restaurants were to go to a take-out only model. Our take-out model lasted one day. We closed the doors of all Neato Burrito locations on March 17th. We have many full-time staff with young children, and when childcare services and schools were mandated to close, trying to remain open for just take-out was going to be pretty much impossible. We understood the governor's decision, and agreed with it. Beyond that, we just didn't feel it was safe to remain open in any capacity with what was known at the time.

At first, we were just processing things day by day. Trying to stay safe, communicating with landlords and staff, and following the science and health professionals' recommendations, we hunkered down at home. We did daily family hikes, tried new recipes, discovered how great our Instant Pot really is. We continued to be disillusioned with the inept and corrupt Trump and

GOP handling of everything, including the Coronavirus. Constantly hitting new lows with their inaction and misinformation campaigns. I've heard Trump described as the world's most prolific bio-terrorist. The description based on his continued mismanagement of the federal Coronavirus response.

The first round of PPP was too restrictive for us, and more importantly, it was way too early to think about reopening. The CARES Act was signed into law on March 27th. We had only been closed for 10 days! The push to reopen everything so quickly made no sense to us. Childcare and schools remained closed, and most thinking people understood this thing was just getting started. The anti-mask propaganda was starting and we wanted no part of jumping in on the false narrative that it was safe to reopen.

Food costs and shortages were already being reported as an issue. The CARES Act and enhanced unemployment helped our staff considerably (and many other people throughout the country). It also created a situation where people were not in as big a hurry to get back to work during a pandemic. They were receiving unemployment compensation rivaling or beating what they were normally making, sheltering in place, and taking care of their children. We understood this, and planned accordingly.

When they reworked the PPP and offered a second round with terms that made more sense for small business, we applied. Local banks were not readily available for discussing the application process. Fortunately, our point of sale provider, Square, was offering online PPP applications. That process was quick and very easy. The loan has been essential to our reopening. We are following the terms as they were described in the hopes of having the loan forgiven as indicated.

We were appalled at local politicians (Mike Regan, Scott Perry) holding rallies or posting on their social media railing against the idea of wearing a mask. That mask wearing was somehow tied to "freedoms", and that people were "brave" not to wear masks. A dereliction of duty and the exact opposite of what any responsible office holder should be doing. The GOP continues to make underhanded attacks on Governor Wolf for actually making the hard decisions and mandating shut downs. There were not a lot of options on the table, and Governor Wolf used the best options available.

We thought better testing or contract tracing was something the government would prioritize. Something that would give people some confidence in the government and a fighting chance to stay safe. This never materialized. After working on Neato Burrito for 25 years, carrying almost no debt, being very careful and thoughtful in the business decisions we make, we were close to seeing it all slip away. Similar stories were playing out all over the country. Many more dire than ours. It was a lot to wrap your head around. A lot of uncertainty and sadness.

Starting in mid-May, I was in a place that I could start imagining what a reopening of Neato Burrito would look like. My jumping off point was that we would not allow any customers inside our shops, and all orders would be placed and paid for through a mobile app. I wanted Neato

Burrito to be the safest option in the area for take-out food, and for our staff to feel as safe as possible returning to work. I set out looking for a door that incorporated a window that would work for passing a bag of burritos through. I found that nothing like that really existed. So, I worked with my contractor, and we were able to come up with a door that we could modify, and add a sliding take-out window to. We commissioned the artist who painted the mural on our building in New Cumberland to paint the inside and outside of all the new take-out doors with murals. We wanted to bring something fun and distinctive to our new way of doing things. The way we did these take-out doors allowed us to not permanently modify any of the spaces we lease. All of the original doors can easily be swapped back in place.

To develop the mobile ordering app, we hired an approved partner of our point of sale provider, Square. The app development was intense, and the app still has some issues, but it allowed us to get open in the manner we wanted. Our staff were happy with the plans we had developed for reopening in a safe manner, and they were ready to return to work. We reopened August 4th, and the response from our customers was overwhelming. Too many orders all at once. We needed a way to pause the mobile app orders when we were at capacity. We quickly negotiated with our app developer to add code that would give us the ability to automatically throttle orders when a shop was overwhelmed with orders. We now have a number of parameters that we can set in the app dashboard for throttling of each location independently. That feature has worked out great, and we are now able to consistently have orders ready in 15 to 20 minutes after being placed.

Just last week, we partnered with Doordash for delivery. We went live with Doordash on September 24th (yesterday). First day went very well.

In regards to safe practices, we have many policies in place. We keep staff allocated to a single shop. This is difficult, because they can't pick up shifts in other shops when needed, but we feel it's warranted. Everyone must wear a mask, in a proper fashion. Before entering the shop, the staff fill out an online Coronavirus questionnaire before every shift. We update that questionnaire as new questions or concerns arise. Our store layouts and burrito making lines lend themselves to safe spacing between staff. We are not accepting or handling any cash. The last thing any restaurant wants to do is reopen, only to have to close again. That was our underlying motivation in our planning and timing for reopening. Make the chances of needing to close again as low as possible.

Two of our biggest challenges are finding enough staff to cover all the demands and big increases in our cost of goods sold. Disposable gloves have gone from \$38 for a case of a thousand gloves, to over \$100 for the same case. Chicken is up significantly. Everything is just more expensive.

We start entry level staff with no experience at \$12.50 an hour. We give raises quickly to reliable and flexible staff. Most hit \$15 or more an hour quickly. All of our staff get a burrito at no charge anytime they work a shift. These were all things we were doing before the pandemic.

It looks like we will be back open soon in both Carlisle and the shop at the Silver Creek Plaza on the Carlisle Pike. So we will have successfully reopened all 7 of our shops at that point. Business is good, but margins are slim. It is possible to be very busy, but to have very little left over at the end of the month. We are making adjustments, and each week sees some improvements. Getting the PPP loan and the availability of affordable technology for online ordering, deliveries and payment are both important components of our story and really are the reason we could reopen in the way we did. Ten years ago, a lot of the technology we are relying on now wasn't available.

We also have a wonderful customer base who have been patient, supportive and kind.

We believe the most helpful thing the federal government could do now for small businesses and for the general population is to enact a Single Payer Health care system that doesn't tie health care to employment, and removes the profit motive of the health insurance industry. Unfortunately, that doesn't look to be on either party's platform.