



November 2016

# Hospitality Hotline

Connecting the industry through  
Advocacy, Education and Partnerships

News from...

## THE BOARD OF DIRECTORS

### Welcome New Members

#### Active

The Big Easy on 60

#### Allied

Landmark Insurance

NOBBEL KnowBedBugs.com

### Paid Sick Leave

Having passed the House last session, the paid sick leave bill will surely return in January. We are working with the Chamber and the MD Retailers Association to develop amendments for this bill which will have the least devastating effect on our industry. If you'd like a copy of what we are working on, let me know!

### MD Tourism Director to Visit

Make plans to join us as we welcome Liz Fitzsimmons. She will be our guest speaker at the upcoming **dinner meeting on November 17th** at the **Carousel Resort Hotel**. Hope to see you there!

### BikeFest TKUs

Each year, our Association mans 2 beer booths at the Inlet during BikeFest. This has become a wonderful fundraiser for our non-profit group. Many thanks to volunteer members: Earl Conley, Bank of Ocean City, Will Lynch, The Commander Hotel, Tom Tawney, Cayman Suites, Bob Torrey, Happy Jack Pancake House, Ryan Wilde, BEST Motels, & Patricia Ilczuk-Lavanceau & Dave Shaffer, Resorts at Maseys Landing!

## New Overtime Rules Take Effect Dec 1

On October 18th, our Association and the Chamber hosted a session featuring labor attorney Doug Desmarais with Smith & Downey P.A. to review the changes to the overtime law. These changes put forth by the US Department of Labor will take effect December 1st, so now is the time to prepare! Overtime applies to employees who work in excess of 40 hours per week. In order for employees to be exempt from overtime, they must meet BOTH the salary basis and the duties test. The new change is to the salary threshold level. Full-time salaried workers must make \$913/per week (\$47,476/per year) to be excluded from receiving overtime. Non-discretionary bonuses or incentive payments may satisfy up to 10% of the salary threshold. (Can not include 401K, SIMPLE, insurance, etc). In response to the new overtime rule, employers can: pay time-and-a-half for overtime, raise workers' salaries above new threshold, limit workers' hours to 40 per week or some combination of these. The MD DLLR was also in attendance and is happy to help guide you through the law. <http://dllr.state.md.us/labor/wages/>

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If you'd like to speak with a representative, call 410-767-2357. If you'd like a copy of the presentation from the seminar, let us know! From the DLLR: An example for a tipped employee overtime calculation is this:

40hrs x \$8.75=350.00  
10 overtime hrs x \$13.13 = 131.30  
Total minimum wage + overtime = \$481.30  
From the total of \$481.30, employer may deduct/take the maximum tip credit of \$5.12 per hour if the employee has averaged tips equaling \$5.12 per hour in the workweek.

## 10 seats left for Legionella Conference

Join us Nov. 7 for an informative conference on Legionella, brought to you by Worcester County Health Department and Ocean City Hotel-Motel Restaurant Association. Join us at the Holiday Inn Oceanfront 67th Street and we will cover:

- Legionella Basics
- Legionella Assessment and Prevention
- Planning for the Worst: Outbreak response
- Water System Remediation
- Risk Communication: Responding to Guests and Media

The conference is FREE and will include breakfast and lunch. Call 410-289-6733 or email [inquire@ocvisitor.com](mailto:inquire@ocvisitor.com) to RSVP.

## 2016 Economic Development Summit



Worcester County Economic Development proudly presents the 2016 Economic Development Summit, in conjunction with the Ocean City Economic Development Committee. Save the date for this premier event at the Ocean City Performing Arts Center, December 14. Registration with light refreshments begins at 8:30am, program 9am-Noon. This Summit will feature economist Anirban Basu with an economic update for Worcester County and the Lower Eastern Shore, plus an update on the status of Natural Gas Extension in Worcester County. To register for free for this event, contact John Azzolini at [JAzzolini@co.worcester.md.us](mailto:JAzzolini@co.worcester.md.us).

Welcome to **Mike McVay**, new General Manager at **Ocean1**. Welcome also to **Heather Schraffran**, new Food & Beverage director at **OC360** in the **Fenwick Inn**. Congrats to **Hope Thomas**, who joins the sales team at **Atlantic, Smith, Cropper & Deeley**. Congratulations to the **Dine United Campaign**, that raised over \$44,000 for United Way of the Lower Eastern Shore. Welcome to **Megan Gorecki**, Manager of our newest member, **Chik-fil-A**.



*Condolences*

Condolences to **Donna Abbott, Ocean City Tourism Department**, on the loss of her father.

## Minimum Wage Rates

**\$8.75**

Effective 7/1/16

**\$9.25**

Effective 7/1/17

**\$10.10**

Effective 7/1/18

(Labor and Employment Article, Title 3, Subtitle 4, Annotated Code of Maryland)

### Minimum Wage

Most employees must be paid the Maryland State Minimum Wage Rate.

**Tipped Employees** (earning more than \$30 per month in tips): must earn the State Minimum Wage Rate per hour. Employers must pay at least **\$3.63** per hour. This amount plus tips must equal at least the State Minimum Wage Rate.

**Amusement and Recreational Establishments (who meet certain requirements)**: must pay employees at least 85% of the State Minimum Wage Rate or \$7.25, whichever is higher.

**Employees under 20 years of age**: must earn at least 85% of the State Minimum Wage Rate for the first 6 months of employment.

### Overtime

Most employees must be paid **1.5 times** their usual hourly rate for all work over **40 hrs.** per week. Exceptions:

- Bowling establishments, and institutions providing on-premise care (other than hospitals) to the sick, the aged, or individuals with disabilities for all work over **48 hrs.** per week
- Agricultural workers for all work over **60 hrs.** per week

### Exemptions

#### **Minimum Wage and Overtime Exemptions:**

- Immediate family member of the employer
- Certain agricultural employees
- Executives, administrative, and professional employees
- Volunteers for educational, charitable, religious, and non-profit organizations
- Employees under 16 working less than 20 hours per week
- Outside salesman
- Commissioned employees
- Employees enrolled as a trainee as part of a public school special education program
- Non-administrative employees of organized camps
- Certain establishments selling food and drink for consumption on the premises grossing less than \$400,000 annually
- Drive-in theaters

- Establishments engaged in the first canning, packing or freezing of fruits, vegetables, poultry, or seafood

#### **Overtime Only Exemptions**

**(must earn the State Minimum Wage Rate):**

- Taxicab drivers
- Certain employees selling/servicing automobiles, farm equipment, trailers, or trucks
- Non-profit concert promoter, theater, music festival, music pavilion, or theatrical show
- Employers subject to certain railroad requirements of the U.S. Dept. of Transportation, the Federal Motor Carrier Act, and the Interstate Commerce Commission

**Effective  
July 1, 2016**

**Montgomery Co.  
and**

**Effective  
Oct. 1, 2016**

**Prince George's Co.**

NEW minimum wage rates take effect.

Employers in these counties are required to post the applicable rate information.

**FOR MORE INFORMATION OR TO FILE A COMPLAINT CONTACT:**

Department of Labor, Licensing and Regulation  
 Division of Labor and Industry—Employment Standards Service  
 1100 North Eutaw Street, Room 607  
 Baltimore, MD 21201  
 Telephone Number: (410) 767-2357 • Fax Number: (410) 333-7303  
 E-mail: [dldiemploymentstandards-dllr@maryland.gov](mailto:dldiemploymentstandards-dllr@maryland.gov)

**EMPLOYERS ARE REQUIRED BY LAW TO POST THIS INFORMATION.  
 PAY RECORDS MUST BE KEPT FOR 3 YEARS ON OR ABOUT THE PLACE OF WORK.  
 PENALTIES ARE PRESCRIBED FOR VIOLATIONS OF THE LAW.**



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## STAY CURRENT : TIPS ON NEW LEGISLATION

### LEARNING HOW TO KEEP STAFF AT 40

By Laura Vanderkam, FastCompany.com

Come December 1, a lot more people must be paid by the hour. For years, many white collar workers have collected salaries. Their paychecks have not been tied to how many hours they worked. In labor law parlance, such workers were "exempt" from regulations requiring overtime pay (generally time and a half) after 40 hours per week. Employers will need to ensure compliance, with a lot of eyes on them as they do so. Jeff Gilbreth, a labor and employment partner at Nixon Peabody's Boston office, explains: "It is unusual for developments in labor and employment law to receive such coverage from mainstream media." Slip-ups can mean big liability. That leaves another option: Try to keep people as close to 40 hours a week as possible to minimize overtime hits. Here are some ways to do just that.

#### BE CLEAR THAT TIMES HAVE CHANGED

"A challenge after December 1 is that many employees who are now non-exempt will not be used to limiting their working time—as exempt employees they worked as much as they needed to get their work done," Gilbreth says. Everyone up and down the line needs to know that throwing hours at a problem is going to be very expensive if the solution involves non-exempt employees.

This can be a good opportunity to change the culture. "People don't know how to evaluate the increasingly complex work that knowledge workers are doing, and so instead of measuring what people do, they jump to measuring how much," says Erin Reid, an associate professor for human resources and management at the DeGroote School of Business at McMaster University, and a frequent Harvard Business Review contributor. Emphasize that output, not working more hours than colleagues, is the key to advancement.

#### EMBRACE TRACKING

The reality is that you will have to track hours for lots more people anyway. Why not get the benefits of doing it for everyone, and keep records of what people do (not just the quantity of hours)? This can "motivate employees to be as productive as possible when they are 'on the clock,'" Gilbreth says.

It can also introduce a much-needed dose of reality into organizations. "My research suggests that most white collar workers have a hazy idea of how many hours they work, and an even less clear sense of how much their colleagues work," says Reid. "Reid has also found incredible gaps between colleagues; at one consulting firm, she notes, some people claimed 70-hour weeks, and others at the same level claimed 50. If they're getting the same amount done, best to study what the 50-hour sorts are doing.

#### TRY FLEXIBLE HOURS

While it might seem smart to spell out exactly when people should work, that's not the only way to approach the problem. If you're trying to hold people to 40 hours, you want those 40 hours to be as productive as possible. "Companies and managers and employees lose when employees are forced to work when they're tired or unmotivated," says Caroline Beaton, a millennial expert at kununu, a

workplace insights

platform. A night owl who's useless before 10 a.m. but who's forced to come to work at 8 a.m., is only going to put in six good hours for the eight he's paid, she explains. Allow people to control their hours (with the requirement that people be present during some core hours), and you can potentially increase the productivity ratio.

#### STREAMLINE AND AUTOMATE

"At the heart of efficiency is prioritization," says Beaton. "These new laws can be an impetus to evaluate what actually matters in the grand scheme. What's critical to the mission? What's superfluous?" she suggests asking. Get rid of anything that doesn't add value. Automate processes wherever possible, and do skills training to help employees speed up things they do frequently.

#### LIMIT MEETINGS

One survey found that a quarter of workers say they attend five or more unnecessary meetings per week. That can be the difference between a 40-hour workweek and a 45-hour workweek right there. Beyond requiring agendas and timekeepers, "set very clear limits on when meetings can happen," suggests Reid. "For example, organizations can insist that all meetings begin and end sometime between 9 a.m. and 5 p.m." The downward pressure a narrow window allows "could be good for productivity in general," says Reid.

#### CURTAIL AFTER-HOURS EMAIL

One big headache with the new labor laws: Time spent checking and responding to emails and phone calls is officially work time. Because of this, Gilbreth notes that some organizations are considering taking away mobile devices from non-exempt employees come December 1. This would limit the chances that inefficient after-hours email checking turns into a big overtime bill (without enough gained to justify it). So, in general, "do not send or respond to emails after regular work hours." This can encourage more thoughtful communication.

#### PUSH BACK ON CLIENT EXPECTATIONS

If clients want the moon, they need to pay for covering the overtime bills that will result. Building this into negotiations can help everyone reach clarity on the scope of work, and can help keep hours under control.

#### PLAN THE WORK

Many long hours are driven by pre-deadline emergencies that could have been avoided with better planning. If managers plan work flows well, allowing space for things to go wrong, this can reduce pressure to go far north of 40 hours in the last weeks before major deadlines. When that's not possible? "If you know a huge event or project is approaching, make a conscious choice about whether you're going to take the overtime hit or start rationing hours," Beaton says. That way employees can plan their lives, too.

More here



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## BOARD MEMBER SPOTLIGHT: J.D. QUILLIN

J.D. Quillin, III grew up in the motel business as his family founded the Holiday House Inn in 1946 and the Surf & Sands Motel in 1959. Ownership was passed to he and his brother, Michael, while in their early twenties. They also bought the Satellite Motel and the French Quarter Motel. (Today these properties are part of Boardwalk Hotel Group, Days Inn and Howard Johnson Inn).

J.D. and his father were the first father/son to both hold Presidency of the OC Chamber, where he founded the "Outstanding Citizen Award." In 1997-98, JD was President of OCHMRA. His community based interests are many; 50+ years in the OC Fire Company, 50+ years in the OC Lions Club, The Boys Clubs of America, St Martin's Church and the OC Lifesaving Museum. He was instrumental in the formation of the OC Aviation Assn. His vast knowledge and wisdom led to an appointment as a Board Member of the Rackliffe House, a 1752 plantation house located at the base of the Assateague Bridge.

His dubious distinctions include surviving TWO airplane crashes and having shot a hole in one at the OCGYC, a premier golf course of which his family are the founding members. JD has traveled the world, experiencing life in over 20 different countries. He is a founding member of the Quillen Foundation which donates money to needy people and organizations in Worcester County. JD and his wife of 52 years, Sandy, have a son and daughter and 3 grandchildren. In his spare time, he enjoys duck hunting, reading, watching sports and cutting grass. On a side note, he and Susan Jones father were first cousins!



## REST EASY: Lodging industry trends

### STAY UNITED OC



Have fun while making a huge difference in our community!  
Local hotels compete to see who can raise the most for the United Way of the Lower Eastern Shore.

#### How it Works...

- Develop creative fundraising ideas
- Set an amount from a special package to go to United Way
- Contact vendors to see if they will contribute or do a match
- Create an employee competition to increase "Stay United OC" specials sold.
- Have a restaurant get involved in "Dine United OC" Too!
- Offer employee payroll deduction.

#### What's in it for me?

**1.) HEAVY MARKETING PROMOTIONS** provided by United Way, including printed materials, e-marketing, TV, local newspapers, and radio. Also advertisement to over 280 local companies who have United Way campaigns.

#### **2.) TROPHY BRAGGING RIGHTS & GREAT COMMUNITY "PR"**

\*Most successful fundraiser in each room capacity category

\*Most successful overall (including additional outside donations, such as employee campaigns, vendor gifts, and corporate matches.)

\*Most creative fundraiser

#### **3.) SUPPORTING YOUR NEIGHBORS IN NEED**

All proceeds support United Way and its 74 funded local programs with 100% staying on the Eastern Shore of Maryland.

#### **JOIN THE COMPETITION AND CREATE POSITIVE CHANGE IN OUR COMMUNITY**

By contacting United Way's Olivia Momme' at (410) 742-5143 or olivia@unitedway4us.org



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## RESTAURANT OPPORTUNITIES



One of the owners of the new Hotel Monte Carlo Ocean Front currently under construction on 11th Street and Boardwalk is reaching out to area restaurants that have shown the desire to grow in recent years in hopes of finding the right tenant for our 54 unit boutique hotel. They are scheduled to open in July of 2017. At this stage in the construction process, a tenant would still be in time to customize some of the requirements a restaurant space would have. Our first choice is to find a restaurant that wants to lease all 2,200 square feet as one space. In addition to the 2,200 square feet of interior retail space the property has about 1500 square feet of outdoor space that in many cases you see utilized as outdoor seating by other Boardwalk restaurants. That is all included but subject to city codes and requirements. Rooftop bar space is also available so please inquire if that would be of any interest to you. The annual rent for the total space is \$180,000 for a full year. The first year

would be prorated and different rental costs would apply if a smaller space was selected which is also an option. If this sounds like something your company would want to look into we can set up a meeting and further discuss. Feel free to email me, [cdif79@aol.com](mailto:cdif79@aol.com) or call 443-783-1312.

The Harrison Group has purchased the old English's located at 1500 Philadelphia Ave. and is looking to lease this property. According to Mark Mayers, concepts that may work include mexican, craft beer ale house, crab house, fried chicken to name a few. If you'd like to see site plans and have more details, please contact Mark at 410-289-4444 or [mayers@harrissongp.com](mailto:mayers@harrissongp.com)

## Follow up Meeting on New US Department of Labor Overtime Rules

November 16  
8:30AM Registration, 9AM -11:30AM Session  
The Grand Hotel

PKS, Certified Public Accountants and Advisors to Business is sponsoring a seminar and panel discussion regarding the new Overtime Rules and how to be in compliance with the MD State Department of Labor Licensing and Regulation's Division of Labor and Industry, who will be educating and enforcing employers on these rules.

Topics include:

- The DOLs judgment to increase the salary level test for managers and highly compensated employees expectations
- Details about credit bonuses and other incentive payments counting toward the salary threshold
- Both federal and state law have strict requirements regarding

wage payments. Do you know these requirements, and are you following them?

- Wage Payment and Collection Law

There will be representatives from the State Department of Labor Licensing and Regulation (DLLR) Division of Labor and Industry as well as Tiffany M. Releford, Esq., of Whiteford, Taylor & Preston to present to answer questions.

We are asking that you submit specific questions in advance to [melanie@oceancity.org](mailto:melanie@oceancity.org) so our panel can be prepared to assist you.

Come to this engaging seminar to learn what you can do to protect yourself from overtime and other wage-related lawsuits.

Sign up with the Chamber by clicking here!



The Ocean City Chamber of Commerce is coordinating with Ocean City area businesses, churches, and non-profit organizations to seek donations for the 2016 YP Christmas Spirit Campaign.

Through your donation, the 2016 YP Christmas Spirit Campaign will invite at least 50 underprivileged children for a Christmas gift shopping event on Saturday, December 3, 2016. The event will allow the children to purchase gifts for themselves or siblings for Christmas, enjoy games & craft activities, and breakfast with Santa.

Please consider making a donation and becoming a sponsor of the event. Learn more by clicking here.

PO Box 340 • Ocean City, MD 21843 • 410-289-6733 • [www.ocvisitor.com](http://www.ocvisitor.com)