WON Call - Government Relations Workshop
2.22.2024

Welcome & Opening Jamie Straza	

Review Agenda & Introduction
 	
State & Local GR Update
 	
Melissa Walsh, Vice President of U.S. State and Local Government Relations and Community & Public Affairs
	Goals in her role: Drive corporate identity/brand awareness & help local policy makers understand what they are/who they are and opportunity costs if these franchises were to go away.
	
	In her career in healthcare, has often navigated tricky terrain with labor unions. Current brand of union activity is uglier than she has ever seen - not operating in good faith and rules are not being complied with.
	
	We are seeing increased labor activity, especially in California. Presents a really significant risk. Seeing administrative and legislative threats across the country & are working on aggressive business models to protect businesses and the restaurants.
	
	Trifecta states - where single party rules government admin, house & senate. How do we develop strategies to give legislators cover to push back?
	
	- Continue to engage and find resources (financial & relationship building).
	  - Where do we increase our likelihood of success the most?
	  - Who do we mitigate risk the most?

Engaging & Building Relationships Kerri Harper-Howie	**Biggest Threat** = Not being effectively monetized and organized, facilitating to anticipate the variety of methods our opposition employs **Biggest Priority** = Creating Owner/Operator led and funded political entities locally and nationally, partnering with the Corporation to achieve gains in government relations **How to Engage with Legislators** Explore McDonald's powerful impact on the communities it serves and find your legislators: https://www.mcdeconomicimpact.com Use the Impact Tool to add to your story - How did your family enter franchising? - Why do you enjoy being a franchisee? - What great things do you do for your employees? - What communities events/organizations/teams do you partner with? Invite your local elected officials to your next event of interest - Coffee with a Cop, graduation celebration, holiday party, etc. Invite your local elected officials for a restaurant tour Attend a fundraiser and get a ticket that allows you time to speak with the elected official Try to schedule a visit at your State Capitol or City Hall Ensure your restaurants have EVP messaging, messages of growth within the organization, etc. Don't wait, start today!

Mobilizing O/Os Kerri Harper-Howie	**How to Mobilize O/Os** Establish a GR Lead (and committee) in every Business Unit Explore options around creating an Owner/Operator led and funded Government Relations body Connect with McDonald's Government Relations to establish local ways of working **California: A Case Study** ● Had a statewide PAC and coordinated GR team - we were still caught unaware ● 2022 - SEIU successful launched an aggressive legislative threat ● Had to raise millions of dollars within weeks to prevent the law ● 2023 - SEIU launched another aggressive legislative threat - we were more prepared, but not strong enough ● A deal was negotiated to kill the relevant Bill but increase minimum wage to $20/hour on April 1, 2024 ● California Owner/Operators have taken bold and expensive steps to prevent this from ever happening again ● Spring 2023 - Worked with a law firm to determine what political entities would best serve our needs and created them ● Summer 2-23 - Persuaded California Owner/Operators that GR spending must be a regular expensive item - 97% of restaurants are contributing .2% of sales every month ● Fall 2023 - We hired the best experts to guide our political strategy: ○ Lawyers ○ Political Strategists ○ Lobbyists ○ Political Affairs/Communications ○ Accounting ● We are making progress! ● Ongoing goals: ○ Amplify voice locally and statewide ○ Support legislators who support us ○ Oppose legislation harmful to our family businesses ○ Introduce legislation supportive of our family businesses ● Our funding stream and leadership are exclusively derived from the Owner/Operator body ● We are sharing strategy and partnering with the Corporation regularly
Q&A Melissa Walsh	With many people in blue states moving to red states, union activity/labor relations is top of mind. Alabama, Georgia, and Florida are to be at a heightened risk for labor activity - is this still the case? Do you think we will see more push in these states where it has been less of a threat? - Yes, there is a risk spreading to red states. Medium to low risk states could be high risk tomorrow, but highest risk now is blue states. Should absolutely consider as we develop strategies, what can we be doing to ensure if that threat becomes real that we are on as strong of fitting as possible to fight back. Looking to partner with/support to identify meaningful opportunities to help policymakers understand the importance of this business. What are the current high risk states? - Oregon, Washington, Illinois, Minnesota, Massachusetts, California, Michigan, New Jersey, New York One of the more critical lessons that we learned was that we were late in getting face time with our legislators - SEIU got there before we did. Are there any plans for the GR team to mobilize through education programs to engage with legislators and be more proactive and be ahead of any legislation? - Yes. In the immediate term and dealing with current fires, there will be less of a plan in terms of training and activation. Longer term, we would like to come up with a standardized approach/training so that there is predictability and getting the resources to be successful in these conversations. For now, relying on field VPs and O/Os to get the conversation going.

	Will we be going back to having state legislators day per state? - Not sure how the experience of hill days has happened historically, but they can be effective if used correctly, but can also not be as impactful. Would like to hear more from the members and their experiences with these hill days. - Also looking at how we can leverage the 1 in 8 campaign from a GR lens Do you feel the door is closed on the legislation in California or can it be reversed? - Certain peace terms were set and it was agreed upon to not introduce similar legislation. Because the governor's office was involved, we're confident that the government will make good on the peace terms and veto any similar legislation. We have heard of an 8257 introduced in San Jose and talks of the same in Los Angeles. Overall, we're fortunate to have strong activation and ears to the ground, so things have been at bay. Can other QSR's contribute to CAFOB? And if yes, have they been invited to contribute? - One of our goals is to coordinate with other QSRs. Since QSRs have mega franchises, they can be far less organized and difficult to connect with. Have not currently invited them to contribute, but have had a few meetings to organize themselves and focus on coalition building. We have been communicating with other organizations (ie: The League of FireFighters) who are interested in electing the same people we are but maybe for different reasons.
Closing/Dates	**Upcoming Dates:** - Cocktail Reception in Barcelona (Sunday, 4/7/2024) - All-Member Meeting (Wednesday, 7/24/2024)