



February 12, 2016

RE: Proposed Minimum Wage Hike – SB1532

House Representatives,

We are a second generation family-owned business located in Bend, Oregon. We have been a locally owned and operated small business for more than 20 years. Our business is a family fun center that provides an entertainment service to both locals and tourists from all over the world. We rely on the discretionary income of hard working people to survive. Our pricing for both goods and services is at its maximum threshold for our demographic, and any noticeable increase in pricing would have an adverse effect on our ability to retain customers, thus making it impossible for us to operate under the same guidelines we have operated under for the past 20 years. The proposed legislation that passed the Oregon Senate yesterday, February 11<sup>th</sup>, will have devastating effects on our company, our employees, and our customer base. We will not be able to absorb the proposed increase in payroll and provide the same service, or employ the same number of people, that we currently have worked hard for two decades to achieve and maintain.

Our company employs 31 people ranging from 16 to 48 years of age. If minimum wage is increased under the current proposal, we will find ourselves with an increase of more than 30% in our payroll expense. We pay all of our employees more than the current minimum wage, in order to hire and retain a responsible and committed staff. With the passage of this bill, employees that have worked with us for long periods of time and earned themselves a livable rate of pay will suddenly find themselves earning the same as new unexperienced hires. We will be forced to raise the experienced employees by the same percentage in order to retain them. In addition, our workman's comp insurance rates are based on gross payroll. The proposed increase in payroll will result in an additional increase in our workman's comp rates to almost double what we pay now.

Over the past two years we have seen increases of more than 14.5% in our energy costs and 17% in our food costs, increased labor costs from the newly passed Paid Time Off legislation, and the companies that deliver goods and services to us have passed along increases in their cost of goods in the form of fuel surcharges and increased pricing. Meanwhile, our pricing has not been increased in more than two years, as we have reached the value threshold for the services and products we sell. We provide recreational goods and services that are dependent on discretionary income, mostly from hard-working blue-collar families. If we attempted to absorb these new cost increases into our pricing, we would eliminate our business from the decision making process for many families when they are deciding where to spend their entertainment dollars. It will be almost impossible for us to increase our pricing to absorb a 30% increase in labor, so we must look to other ways to reduce expenses, such as decreasing our hours of operations and decreasing our staff.



For the past four months, while conversations of an increased minimum wage have started to circulate, we have begun to study how we can change our business model to react to the potential increase in expenses resulting from an increase in wages. We have a large facility and pride ourselves in exceptional customer service by staffing our facility to levels that result in our customers receiving immediate responses to service requests. With an increase in minimum wage we know that this will no longer be the case. We have run new models with a 30% reduction of staff, and we know that this will result in a poorer experience for our customers, as they are forced to wait for goods and services. We will close certain activities during hours when they are not able to earn enough to cover expenses. And we have studied the effect of opening 2 hours later each day and closing 1-2 hours earlier during our non-peak months. All of this will result in us eliminating 10 of our 31 employees while hoping that our customers still receive a good enough experience to continue to spend their money with us.

I urge you to share this letter with others in the House of Representatives in hopes that they might have a better perspective when casting their vote on SB1532. Our story is the same as many other local small businesses, especially in the service and tourist industries. Many of my associates in the restaurant industry are making similar plans to adjust staffing and hours, and a few have even begun to explore options of relocating to other states where they might be able to operate under less expensive regulations. We are blessed in Bend, Oregon because we have a greater number of restaurants and service businesses than most cities our size in the U.S. We make Top 10 lists monthly, as being one of the best cities in the U.S. to travel to, live in, recreate in, dine in, and relocate to. With a reduction in those amenities, the impact of this legislation will likely effect the landscape of our city in ways that lawmakers never thought of.

Do not support SB1532. Urge your elected associates to vote against the bill. The consequences of this legislation are extreme and will put our state in economic hardship for years to come. Do not send a message to the rest of our great nation that Oregon is "Closed For Business".

Thank you for your time,

Scott Ramsay  
President  
Sun Mountain Fun Center

Bend City Councilor 2010 - 2014