



February 1, 2016

Subject: Minimum Wage bill SB 1532

To Whom It Concerns,

I am forced to write to you in complete opposition to SB 1532. The bill has caught me in mid stride in trying to grow my business. If the bill is passed, I will be forced to move once again and I anticipate that I will also have to force lay-offs as well as increase the cost of automation.

Please allow me a few moments to explain our situation. Our company began in the garage on a dream that my wife and I had in an effort to build a life, future as well as a sustainable future for our children to inherit. We moved from Eugene, Oregon to Redmond to be closer to my wife's parents as they aged into a situation that requires more ardent care and concern. The move nearly put us both in the hospital with exhaustion. The move took place in 2010 and we found the building of our dreams. We were prideful of what we had built together. We have since hired our daughter and son-in-law as well as roughly 30 others. We support our community by charity, giving, participating in the programs for high school programs. We donate to our hospitals and our local Boys and Girls Club. We have become our community.

Our company manufactures beauty products for use on fingernails and is a growing business. We sell our goods around the world. We bring over 95% of our revenue from outside the State of Oregon. This revenue is a boost to the State because we do not recirculate local revenue; we bring in revenue from **nearly** everywhere. This makes us significantly different from restaurants, construction and the hardware store. Our revenue helps drastically increase the financial strength of our community. I could make a very strong argument that Redmond has been drastically and positively affected by our relocation into the area.

The new law that took effect on January 1, 2016 insisting that we must pay for 40 hours of sick leave for our employees took away one of our benefits that we once voluntarily offered to our employees. The onset of the potential of a \$15 per hour minimum wage will not only take away some of the benefits of higher wages we offer, we will have to take further actions to offset the increase in the wage we are forced to pay our employees. These options that I foresee are as follows:

- Reduce what we pay our higher earners so that we can afford to pay our warehouse workers the new minimum wage. This will force those more important employees to seek employment elsewhere.

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- Keep our higher earners and buy automation equipment. When the new automation equipment arrives, fire the employees that the new machines will do faster, better and I don't have to pay the warehouse machinery sick leave.
- Move. We are currently being courted by other states. Nevada, Texas, South *and* North Carolina, as well as Utah have all approached our company. The state minimum wage is significantly less than what is mandated by Oregon. Some of these states do not have personal income tax. Some do not tax us on our personal property. Others do not tax our inventory. Nevada does not freely share our information with the Federal government.

What does this all mean to you? How will this affect the State of Oregon? I am not the only company in the State that holds our particular position. There are many more like us and they will feel the same as I do. If my competition were all located in Oregon, there would be no problems with the increase in minimum wage. We would all be on the same level playing field. If my competition were located in other areas where the minimum wage was all the same at \$15 per hour, still there would not be a problem. My competition is located around the world. I compete with companies in California, Texas, New Jersey as well as Pennsylvania. This is where my woes only begin. I also compete against companies located in Germany, Belgium and China. China is making a strong entry into our business and while I don't see them as a threat at this time, they will be one. If our minimum wage is \$15 per hour, I will be FORCED to move to another location.

I hope that you have a better understanding of our position. I think you should also know that I do not want to move. This is my home. This is where we are part and completely entrenched in our community. Please do not make me choose because I will move and I will take my company, family and contributions as well as some employees with me.

Best regards,

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