



Senate Bill SB-828

Mar 2, 2017

Esteemed Senators,

I have been following the progress of SB-828 since it was introduced and now that it is progressing I need to weigh in on how the bill would impact our business. The burdens of the proposal would have deep impacts on our ability to run a profitable business that both provides a valuable service to our community and employs upwards of 25 people.

We are a second-generation family owned small business located in Bend, Oregon. We have been in business for 22 years and hope to pass the business on to the third generation. We are a family fun center and currently we employ between 28 and 31 people, depending on the season. The age range of our employees is between 15 and 48 years of age. Several of our employees have been with us for many years and have seen the business struggle and succeed with the ebb and flow of our local and national economy. Recent Oregon legislative changes have caused us to alter our business to adjust to the new expenses brought on by labor regulations. Because of the increased minimum wage law, we have recently reduced the number of employees we keep on staff and are in the process of reducing our operating hours to eliminate time blocks where we used to provide services to our customers at a break-even level, or sometimes at a loss. This is just the beginning of how we have had to adjust.

The Paid Sick Leave legislation, in combination with the elevated minimum wage, has caused our labor costs to rise by more than 37% over the past year and a half. Our pricing must remain competitive within the entertainment industry, therefore we are not able to raise pricing to absorb this huge cost increase. In addition, food prices have risen more than 17% in the past year as food suppliers have passed their labor cost increase on to us and we have had no choice but to absorb the increase in pricing. Overall, we are finding it harder and harder to make the balance sheet make sense. SB-828 will further impact our ability to run a successful business.

Since we are in the entertainment business, we are busiest during periods of time when the public is out of work, holidays, vacation days, summer, and evenings. With the new Paid Sick Leave legislation, it is not unusual for us to have 3 employees call out "sick" on a weekend day when the weather is nice, or on a holiday when their friends and family are not working. We are required to pay them for these shifts. In addition, we are forced to scramble to get those shifts covered at the last minute so that our customers can receive the level of service they expect. We currently post our schedules two weeks in advance, but never do those schedules look the same by the time they are applicable, because of adjustments needed to cover last minute changes made by employees. We are forced to move people around on the schedule to cover the 2 or 3 employees that have called in "sick" for the weekend or the holiday. If we were forced to pay the sick leave and then pay additional wages to those that are moved around to cover the call-outs we would face astronomical labor increases and would be forced to give poor customer service. The employees that show up on time and work their shifts are starting to get worn out after the past year of paid sick leave as we are constantly operating short-handed and they are running themselves ragged.



In 20 of the past 22 years of operating our business we have successfully concentrated on superior customer service and providing a rewarding family entertainment experience to our largely tourist based customer demographic. In the past 2 years we have found ourselves having to dedicate more time to human resources and employee management. We have seen customer experience ratings begin to drop, often with comments referring to the lack of appropriate number of employees to service the number of guests. We are paying a larger percentage of our operating budget to our employees, who are giving less quality service to our customers. Escalating minimum wage laws, paid sick leave mandates, and the potential passing of SB-828 and additional small business regulation in the State of Oregon are beginning to outweigh the benefit of trying to run our family business with a plan of passing it to the next generation.

I implore you to weigh the impact of SB-828 and other proposed small business legislation from the perspective of the employer. Especially the small to mid-sized employer. We value our employees and provide a quality work environment with opportunity to grow and advance with our company as we grow and expand. These burdensome regulations based on employee workplace "fairness" are causing the opposite effect than was intended. Like us, many small businesses are reducing staff, raising prices, eliminating work hours, and in many cases they are closing their businesses and moving them elsewhere, where it is possible to concentrate on the business as a whole, instead of concentrating on compliance with burdensome regulation and employee-centric legislation. If SB-828 passes into law you will certainly see the service industry, including restaurants and tourist based businesses, shrink in number, or reduce hours and workforce positions.

Larger corporations in the service industries are eliminating employees with automation. The positions previously occupied by humans in the ordering of services and menu items are being replaced by interactive computers. Small businesses like ours are not able to make the same kind of investments. Our only choice is to find that delicate tipping point where shuttering our business outweighs the expense and effort of operating. This divide will ultimately result in an environment where small business is pushed out and large corporations provide all the services and food options. You have opportunity to avoid this change, and the elimination of bills like SB-828 are the beginning of sending the message to the employers of Oregon that you listen, and that you understand the business dynamic from a balanced perspective, not simply from an employee perspective. Oregon is a beautiful state that provides opportunity and livability, but we are on a dangerous path to becoming the state that has no business opportunity and a limited job pool. Do not advance this trend. Help keep small business like ours in operation.

Thank you for your attention,

Scott Ramsay  
President  
Sun Mountain Fun Center

