

My name is Holly Hasan and I am the agent for store 1243, Bethany Liquor. Thank you for giving me the opportunity to speak to you today.

My husband and I have had a goal to move our small store to a larger location which OLCC has been encouraging us to do. Since we took over the store six years ago, we've been saving for the move but have substantially depleted the fund to supplement loss of income in the last several years with new stores being built nearby, losing some sales to them and all operational costs increasing. My husband and I are hands on owners working no less than 40 hours a week in our store. We're paying our employees more but, we're taking home less money every year.

To move and to build a brand new store it means

- signing a new more expensive lease
- buying and installing all new shelving, flooring, lighting, computers, security system, fixtures, refrigeration,
- having a new front desk built,
- a new business sign made and installed
- liability insurance increasing,
- With a larger store comes more employees and therefore labor costs, benefits such as paid medical

leave, health insurance, and vacation pay also increasing.

In the last two years with new stores being built near us

- it has reduced our business by approximately 10%
- our lease increases 3% a year
- Health insurance we provide has risen dramatically ..
In five years it's nearly doubled.

Wages are increasing every year (and we're all for that)

- From 2016 to 2017 wages increased by \$1.50 an hour.
- 1 employee @ 40 hours a wk earned \$3120 more a yr (not counting for overtime.)
- With 5 employees that's \$15,600 more in wages a yr
- In 2018 at .75 more an hr that's \$7800 a yr more
- In 2019 at .50 more an hr that's \$5200. a yr more
- In 3 yrs (not counting OT) that's \$28,600 more in wages

If my store sold \$3 million a year losing 10% in sales which is \$300,000 @8.15% that's \$24,450 less a year

If my lease is \$5000. a month the first year and it goes up 3% a year that's

- \$1800. more the 2nd year
- \$3654. more the 3rd year

- \$5564. the 4th year
- \$7530. the 5th year

- We buy all the paper products that the alcohol is bagged in .. which by the way is more expensive than the plastic bags that have been banned
- We store owner/liquor agents and employees work hard to take care of the Oregon spirit customers, keeping liquor out of the hands of people under the age of 21.
- We work hard to take care of the licensee customers, delivering at a cost to us by paying for automobiles, insurance and employees to do those deliveries. When you sell \$300 at 6.36% that's \$19.08 ... after paying an employee to make the delivery, the cost of the automobile, insurance and gas there's not much profit. (At \$600 in sales that's \$38.16) Years ago licensees picked up their products from the liquor stores but now deliveries are an expectation. It's a cost that the agents aren't really compensated for and most are lucky to break even, possibly make 1% - 2%.
- What we make before expenses might sound like a lot. but maybe you're not aware of the costs agents have in operating the liquor stores.