

**From:** [VENETA LIQUOR](#)  
**To:** [JWMTR Exhibits](#)  
**Subject:** SB 5519 Testimony  
**Date:** Monday, March 18, 2019 4:53:10 PM

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Greetings,

My name is Teresa Lee and I am the appointed agent for Liquor Store Veneta 1190 since October 9th, 2015.

When I purchased this liquor store the minimum wage was \$9.25 an hour and I was able to keep a 3 person staff and continued to upgrade the store and grow the inventory selection. In those days my liquor sales were \$1,100,000. It was hard work and tons of hours but there looked to be a comfortable financial future ahead.

Fast forward to March 2019. I terminated our third employee in October 2018 and still can't afford to refill the position. I already work 85 hours a week but now cover the manager position and cashier for most of the day. The store liquor sales are just shy of \$1,500,000. One would assume that greater sales equals more commission. However, even with increased sales/commission the cost of doing business has risen dramatically and has surpassed the effect of the higher commission. Every avenue of cost savings has been investigated and implemented, All capital improvements have ceased. Now minimum wage is \$10.75, a 16% increase in 3 years and jumping up again on July 1st, 2019. New taxes, new licenses, higher costs for all utilities ... you name it and the cost has gone up.

Here is a snapshot of this stores Financials for 2018:

**INCOME**

Agent Commission	\$114,035.
Sales of Related:	\$ 52,046.
<b>TOTAL INCOME</b>	<b>\$166,081.</b>

**EXPENSES**

Rent	\$32,458
Payroll Expenses	59,925 (Employees Only)
Utilities	11,351
Insurance	4,149
Expenses	17,682
<b>TOTAL EXPENSES</b>	<b>125,565</b>

<b>TOTAL INCOME 2018</b>	<b>40,517</b>
<b>ESTIMATED CREDIT CARD FEES</b>	<b>-35,595 (Estimated CREDIT CARD FEES based on 2018, credit card charges totaling \$1,017,000 x 3.5% = \$35,595.00)</b>
<b>ESTIMATED NET INCOME FOR 2019</b>	<b>\$ 4,922</b>

Who in there right mind would work this hard for \$5,000 a year in income???

In Conclusion, Liquor Store owners have not had an increase in compensation for 20 years. The cost of doing business in the State of Oregon has increased substantially. This liquor store is barely getting by on the current OLCC Commission structure. Without an increase in the commission and if the Credit Card Fees are charged to the Liquor Agents, expect major

changes in the landscape of retail liquor agents. I believe you will see a mass exodus of retiring liquor store agents. Also, stores moving to less expensive locations, cutting staff and with them customer service, becoming cash only or charging a credit card surcharge fee. Other ideas are to reduce the liquor footprint and use that shelf space for other products. The cuts we will be forced to make will directly impact the liquor buying public and the profitability for the State of Oregon.

Liquor sales are a profitable business for the State of Oregon. To have a profitable business, you take care of the people who make the sales and get the job done. Pulling the rug out from hard working team members is not how profitable companies survive This Bill SB5519 will irreparably damage Liquor Sales for years to come and place insurmountable burden on us Agents.

Thank you,



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