

February 2, 2016

RE: Oregon Minimum Wage Increase

To Whom it May Concern:

My name is John Bushnell. I am the District Governor for Rotary International in Southern Oregon and Northern California and own two restaurants in Central Oregon. I have owned and operated the Tumalo Feed Company for 25 years, and Niblick and Greene's at Eagle Crest Resort for 20 years. As a restaurant owner, I am deeply troubled by the potentially significant increase in the minimum wage, especially without a tip credit.

We are currently one of only 7 U.S. states that require employers to pay full minimum wage to workers who receive a significant amount of tips.

During a recent study of two pay-periods at our restaurant, servers reported an average of \$16.48 per hour made in tips. This, coupled with the current minimum wage, gives our servers average pay of \$25.73 per hour. This is assuming that all servers declare all their tips to the IRS, and is for a job that requires no educational credential, and according to the United States Department of Labor requires only short-term on-the-job training. <http://www.bls.gov/ooh/food-preparation-and-serving/waiters-and-waitresses.htm>. Even our table bussers average \$16.22 per hour in pay with their tips, and these are mostly high-school students.

Yet under the current proposed changes, we would be forced to give our workers who require no education and short on-the-job training a significant raise above the \$25.73 per hour.

If this bill is passed, I strongly recommend that it include a fair tip-credit for tipped workers. By fair, I mean it doesn't have to take their entire tipped amount into account when applying a tip-credit, and would not be expected to apply to employees such as cooks, dishwashers, and hostesses, who often make only \$1-2 per hour in tips. For instance, it could be a \$6.00 credit against minimum wage for workers making more than \$8.00 per hour in tips. This would still leave them significantly above the minimum wage. 43 states have plans in place that we could study to arrive at an equitable balance.

We have the second-highest minimum wage for tipped employees in the U.S., the second-highest liquor taxes in the U.S., and we are required to pay payroll tax on tips given by our customers to our employees. The proposed minimum wage increase, without a fair tip-credit, would be the proverbial straw for our industry

Thank you for your service and for your attention to this matter.

Yours truly,

John C. Bushnell

John Bushnell
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Rotary Club of Bend, Oregon



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