

**Montana Association
of Theatre Owners**

P.O. Box 999
Polson, MT 59860

March 6, 2005

Representative Keane and Committee Members
Helena, MT 59806

Dear Representative Keane and Committee Members,

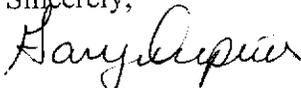
The purpose of this letter is to request that you cast a Do Not Pass Vote for SB78 which provides for an increase in the minimum wage rate of \$1.10 per hour to \$6.25 per hour.

MATO provides the following reasons for not supporting this large increase in the minimum wage:

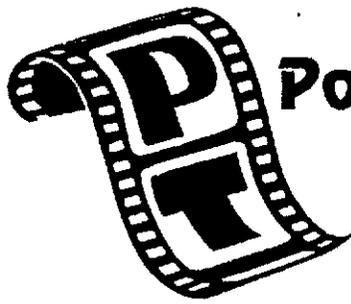
- **Large increase in monthly payroll expenses.** If a mandatory raise of \$1.10 is given to current minimum wage employees, some degree of increase in all employees wages would be necessary to be fair to our existing employees and to keep them as employees.
- **Increase Ticket Prices.** To offset an increase in payroll expense most of our members would be obligated to raise ticket prices. The minimum wage increase cost must be passed on to consumers. We all operate on a small profit margin, as do most small businesses in Montana, and cannot cut other expenses to offset an increase in payroll expenses.
- **Inexperienced workforce.** Many employees are high school students or other folks entering the work force for the first time. It is expensive in both time and money to train employees with no work experience. The \$5.15/hr minimum wage gives us latitude to allow mistakes and invest in training a young or inexperienced person. However, at \$6.25 per hour we will be much more likely to hire people with previous work experience to decrease the training period and our cost.

Please consider a **Do Not Pass vote for SB78**. Thank you for your time and attention to this very important bill.

Sincerely,



Gary Dupuis
MATO President



Polson Theatres

P.O. Box 999
Polson, Montana 59860
(406) 883-5603
Fax (406) 883-5639

March 6, 2005

Representative Keane and Committee Members
Helena, MT 59806

Dear Representative Keane and Committee Members,

The purpose of this letter is to request that you cast a Do Not Pass Vote for SB78, which provides for an increase in the minimum wage rate of \$1.10 per hour to \$6.25 per hour.

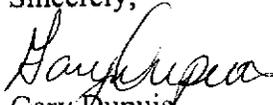
Polson Theatres is a family owned business that owns and operates nine movie theatres in Montana. The business employs approximately 112 people. Of these 112 people 14 are full time salaried employees and the remaining 98 are hourly employees. The work time for our hourly employees ranges from 40 hours per week to 5 hours per week. The hourly pay rate ranges from \$5.15/hr to \$16/hr. As of March 1, 2005, five employees are paid \$5.15/hr, 39 are paid between \$5.15/hr and 6.25/hr and the remaining 54 are paid between \$6.25/hr and \$16/hr.

Our reasons for not supporting this large increase in the minimum wage and the negative impacts or the increase on our business are as follows:

- **A 12.6% increase in our monthly payroll expenses.** If a mandatory raise of \$1.10 is given to our current minimum wage employees, we feel we would be obligated to raise all employees' wages by approximately \$1/hr to be fair to our other employees and to keep them as employees. This increases our payroll expense by 12.6%. Payroll is our single largest expense.
- **Increase Ticket prices by \$.40/ticket.** To offset a 12.6% increase in payroll expense we would be obligated to raise our ticket prices by a minimum of \$.40 per ticket based on our ticket sales from 2004. The minimum wage increase cost must be passed on to consumers. We operate on a small profit margin, as do most small businesses in Montana, and cannot cut other expenses to offset an increase in payroll expenses.
- **Inexperienced workforce.** Many of our employees are high school students or other folks entering the work force for the first time. It is expensive in both time and money to train employees with no work experience. We feel the \$5.15/hr minimum wage gives us latitude to allow mistakes and invest in training a young or inexperienced person. However, at \$6.25 per hour we will be much more likely to hire people with previous work experience to decrease the training period and our cost.

Please consider a **Do Not Pass vote for SB78**. We feel that if an increase in the minimum wage is absolutely necessary, a more manageable amount of \$.10 to \$.25 per hour should be considered. The impacts addressed above would still apply, but they would be substantially less severe. Thank you for your time and attention to this very important bill.

Sincerely,


Gary Dupuis
General Manager