

“Senator Volk, Representative Herbig and distinguished members of the Labor, Commerce and Research and Economic Development Committee, my name is Dan Beck and I am from Waldoboro. I am here today representing Moody’s Diner in opposition to LD 403. Moody’s Diner has been a Maine institution for 88 years and I am proud to be a third generation Moody grandkid and co-owner of this iconic diner.

With all due respect I am here today in opposition to LD 403 for two main reasons...

1. From the perspective of Moody’s Diner LD 403 will only increase the hourly wage of the highest paid restaurant worker... the server. Please see spread sheet which provides a sample of ten of my servers 2014 income. The hourly rate with tips and wages averages \$15.59-\$20.54 per hour. This includes all credit card tips earned and all cash tips reported. The average hourly rate of these ten employees is \$18.03 per hour. These are not the employees in my establishment that need raises. By passing LD 403, you will be automatically increasing the wage of the highest paid hourly worker at Moody’s to \$21.78 per hour, while the kitchen staff will see little to no pay increase as any potential payroll increases will be given to the wait staff.
2. From the perspective of Moody’s Diner, an automatic increase of this size to our payroll would remove all possibility of continuing the way we have been and having any sort of net profit at the end of our fiscal year. Passing LD403 would cause Moody’s Diner to see an increase of approximately \$80,000 annually to our payroll. This number is conservative as it does not factor in payroll taxes.
 - On a monthly basis we yield a profit 5 out of the 12 months we are in operation. Like all Maine businesses, “we make our hay when the sun shines” and then during the off season we tighten our belts and hope the off season isn’t too bad. In the winter we live off what we made in the summer
 - Increasing food costs, heating costs, insurance costs, snow removal costs have added burdens to this industry that almost seem insurmountable. As of the end of January our sales were up \$50,000 but our food costs were up \$50,000 as well. It seems next to impossible to catch a break.
 - Our net profit, in a good year, is about 3% of our annual sales. Passing LD403 would eliminate that profit.

From the perspective of Moody’s Diner, passing LD 403 only increases the hourly wage of the highest paid restaurant employee. I don’t believe this is your intent. Additionally passing LD403 provides an insurmountable hurdle to the bottom line of our business. We have been serving Maine and her visitors for 88 years. Please decide in such a way that we can continue to serve this great state for many more.

Emp	hours	wage (3.75/hr)	tips	avrg hrly wage
1	1502.22	5633.33	20170.71	17.18
2	1529.32	5734.95	21358.3	17.72
3	1233.78	4626.68	18346.96	18.62
4	1553.73	5826.49	23378.56	18.8
5	1766.05	6622.69	29661.47	20.54
6	1784.55	6692.06	23160.03	16.73
7	1378.12	5167.95	22639.37	20.18
8	1423.05	5336.48	20302.89	18.02
9	1762.13	6607.99	20868.69	15.59
10	1731.68	6493.8	22753.11	16.89
		58742.42		18.03