

PREVAILING WAGE ADVISORY COMMITTEE

Meeting Minutes

Thursday, March 26, 2009

Portland State Office Building
Room 1A
800 NE Oregon Street
Portland, OR

Members Present

Daniel Bonham
Mark Holliday
Don Kool
Norm Malbin
Jim McKune
Greg Miller
Patrick O'Brien
Pete Savage

Members Absent

Shawn Miller
John Mohlis
Carl Redman

Staff Present

Lois Banahene
Christie Hammond
Mike Kern
Kate Newhall
Debbie Sluyter
Denise Voll (OED)
Tyler Whitmire
Maggie Wilson
Hannah Wood
Susan Wooley

The meeting was called to order at 1:30 PM. Co-chair Jim McKune reminded the committee members of the meeting "ground rules."

Co-chair Don Kool reiterated the desire expressed by committee members at the previous meeting to coordinate meeting dates more effectively. Mr. Kool said more flexibility with scheduling would be ideal. Co-chair McKune explained he had scheduled two meetings within two weeks to address the pressing issues at hand. After those issues are addressed, Mr. McKune said, more flexibility would be possible.

Minutes of Last Meeting of March 12, 2009

The committee members present approved the minutes from the March 12, 2009 meeting as written.

Status of HB 2430

At co-chair McKune's request, Wage and Hour Division Administrator, Christie Hammond, gave an overview of the status of HB 2430. Ms. Hammond explained that during a workgroup meeting comprised of interested parties held the previous week, it appeared that a consensus was reached to exempt up to 20% of commercial space in a mixed-use building with affordable housing, so long as it is confined to "wood stick" construction. Coverage of items incidental to mixed-use projects with affordable housing is still somewhat unclear Ms. Hammond said. Committee member Pete Savage,

who attended the meeting regarding HB 2430, said that the discussion of incidental items that would probably be exempt included things like outside benches and landscaping.

Overview of Annual Construction Industry Survey

Denise Voll, of the Oregon Employment Department, gave an overview of the annual Construction Industry Occupational Wage Survey and process. Ms. Voll explained that preliminary post cards are sent out to firms identified as performing some kind of construction in the state of Oregon. Ms. Voll said that about 25,000 post cards are sent out and roughly 5,000 companies return the post cards indicating that they do commercial or non-residential construction in the state: Those are the companies that receive surveys.

Ms. Voll described that the first order of business once the survey is received is for the company to choose its “peak” week. This is the week in which the firm employed the greatest amount of non-owner labor at non-residential construction sites. Many firms indicate that this is the most difficult part of the survey, Ms. Voll said. On the wage data form, firms must provide information for each employee, including the region in which work was performed, the employee’s occupation and skill level, whether the employee is a union worker, the type of construction (e.g., building or heavy/highway), the hours worked, hourly rate, and fringe benefits paid.

Ms. Voll told the committee members that a pilot survey of certain trades had been conducted several years ago to try collecting peak week data *by region*. The pilot survey proved to be much too complicated and made selecting peak weeks very difficult, Ms. Voll said, and the results were both inconclusive and introduced bias in the survey in her opinion.

Ms. Voll provided a brief history of the survey, starting in 1995, when the first voluntary survey was legislatively authorized to be conducted. Ms. Voll also summarized how the state of Washington conducts its survey. The legal requirements that the survey data be kept confidential were discussed. Ms. Voll suggested that it might be desirable to consolidate wage regions in the survey, and said that it is possible to run the survey data collected to show what it would look like with fewer regions. Ms. Voll also emphasized the importance of not making the survey too complicated. The more complicated the survey, she said, the less reliable is the data, with more reporting errors and an increase in non-compliance.

Co-chair McKune asked about the absence of apprentice hours in the survey. Mr. McKune wanted to clarify that sub-journey or entry level hours do not include apprentices. Co-chair Kool also inquired about the inclusion of sub-journey and entry level craftsmen in the survey. Ms. Voll explained that they include sub-journey and entry level hours because they need journey level workers in each classification. Many people filling out the survey tend to find entire occupations, e.g., laborers, to be “sub-journey” level and therefore, would not include them in the survey at all, even though they should be included. Keeping language such as sub-journey and entry level in the survey ensures that lesser skilled occupations are still accounted for.

Committee member Patrick O’Brien inquired about independent contractors, and expressed his concern that this large pool of workers is being left out of the survey process.

Co-chair McKune asked the committee members a series of questions regarding the survey; the first being how many committee members believe that the current wage survey collects the required information and does not need to be changed. No one raised their hand. (Mr. McKune asked the same question of the audience members, and again, no one raised their hand.)

Mr. McKune also asked how many committee members believe that with some minor modification, the current wage survey would be a workable survey that will acquire the required information. Several committee members indicated they were unable to respond to this question without knowing what was meant by “minor modification.”

In response to Mr. McKune’s question about how many committee members believe that the current wage survey does not collect a true representation of the hours spent in each of the 14 regions during the survey year, all eight committee members present raised their hands. (In response to the same question, more than 50% of the audience indicated they do not believe that the current survey accurately collects the number of hours in each of the regions.)

Two members responded affirmatively to Mr. McKune’s question asking how many committee members have actually taken part in completing the documents required for the annual survey, and seven members responded that they had taken the opportunity to read through the survey document.

Next steps in the survey review process were discussed, including creation of a webpage on BOLI’s website relating to the survey review, with information pertaining to the survey and an email address where comments, concerns, and suggestions can be submitted by interested parties.

Staff agreed to send out a notice to the committee’s mailing list about the survey review webpage and email address, requesting that comments be submitted by April 3. Staff also agreed to consolidate the comments received and distribute them to the committee members for review prior to the next meeting on April 9.

Several audience members were invited to briefly address the committee regarding their concerns relating to the survey.

Next Meeting/Meeting Schedule

Committee member Norman Malbin requested that discussion of the University Place project, which had been on the committee’s March 12 meeting agenda, be rescheduled for the next meeting. Co-chair McKune asked whether committee members were willing to extend the April 9 meeting by a half-hour to provide additional time to review this matter at the beginning of the meeting. Those committee members present agreed that the next meeting would be from 1:30 – 3:30 PM.

The next PWR Advisory Committee meeting was scheduled for April 9, 2009, at the International Union of Operating Engineers in Gladstone.

The meeting adjourned at approximately 3:00 PM.