

## **PREVAILING WAGE ADVISORY COMMITTEE**

Portland State Office Building, Room 140

Wednesday, April 2, 2003

### Meeting Minutes

Committee Chair Norman Malbin called the meeting to order at 1:30 PM.

<u>Members Present</u>	<u>Members Absent</u>	<u>Staff Present</u>	<u>Guests Present</u>
Daniel Boldt	Robert Bachofner	Lois Banahene	Mike Anderson
Tim DeGan	Jessica Harris	Dan Gardner	Don Bosch
Mark Holliday	Shawn Miller	Christie Hammond	Craig Honeyman
Norm Malbin	Bob Shiprack	Annette Talbot	FD Hensley
Jay Minor		Hannah Wood	Jim Lee
Norm Malbin			Lynn Lehrbach
John Mohlis			Denise O'Farrell
Dick Springer			Graham Slater
			Ken Stroup
			John Sutherland

Commissioner Dan Gardner welcomed the advisory committee members and discussed his plans for using the committee to advise him regarding various prevailing wage issues.

### **Minutes of the Previous Meeting**

The minutes of the February 21, 2002 meeting of the advisory committee were unanimously approved without comment by the committee.

### **Budget**

The committee was briefed on the Governor's 2003-05 Balanced Budget ("GBB") currently pending in the legislature. It was explained that the GBB includes reductions equal to 10% of the bureau's current general fund budget. Commissioner Gardner and Christie Hammond detailed plans to reallocate monies from the Prevailing Wage Rate fund to support positions related to BOLI's prevailing wage program that are currently funded solely through general funds.

Christie Hammond announced that BOLI intends to fill a vacant PWR "technical assistance" position. This position will be responsible for all PWR-related education and training, allowing the division's compliance specialists, some of whom conduct seminars in addition to conducting investigations, to focus on investigations.

Jay Minor asked whether the PWR fund will be affected by the 10% budget cuts. Christie Hammond and Commissioner Gardner indicated that because the funds are derived from fees collected, they are not subject to the reductions made in the General Fund.

### **Legislation**

Christie Hammond summarized several bills that have been introduced in the legislature this session that have an effect on the prevailing wage rate law, including:

**SB 411:** Requires that subcontract specifications contain prevailing wage rate language; requires public agencies to verify that certified payrolls have been filed before releasing payment to a contractor, and requires contractors to verify that certified payrolls have been filed before paying subcontractors.

Dan O'Brien expressed concern that this would further slow payment to contractors and suggested that subcontractors be required to secure a bond through the CCB.

Norm Malbin suggested that the wording in ORS 279.352(1) be changed from "the existing prevailing rate of wage [which] that *may* be paid to workers" to "the existing prevailing rate of wage [which] that *shall* be paid to workers. Commissioner Gardner indicated that BOLI may be able to amend SB 411 with this substitution included.

**HB 2341:** This bill is a "rewrite" of ORS Chapter 279. The main purpose of the rewrite is to separate provisions of the law relating to public improvements from the acquisitions provisions of the law. Christie Hammond said that the intention was not to make substantive changes to the PWR law.

**HB 2680:** Repeals state PWR coverage of flaggers on federal Davis-Bacon projects. The federal law has covered flaggers since 1995, so the requirement is no longer needed.

**HB 3042:** Requires contractors and subcontractors to pay the higher of state PWR or federal Davis Bacon wage rates when a project is subject to both state and federal prevailing wage rate laws.

**HB 3507:** Exempts projects under \$100,000 in rural areas from the PWR law.

### **Enforcement Activities**

Christie Hammond distributed copies of historical and fiscal year-to-date enforcement data, as well as a summary of educational seminars conducted by BOLI since July 1998. A schedule of seminars for 2003 was also distributed.

### **Survey Discussion/Suggestions**

Commissioner Gardner suggested that subcommittees be created to discuss specific issues related to the survey. One subcommittee will be dedicated to investigating how to incorporate

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technological advances into the survey process. Another subcommittee will look at the definitions of covered occupations and classification issues.

An evaluation of the current survey process commissioned by the Fair Contracting Foundation was distributed. Changes proposed included surveying a peak month rather than a peak week; allowing the peak week or month to fall any time in the previous year rather than between June and August only; and separating classified work into Building construction and Heavy/Highway construction.

Committee suggestions regarding the survey included changing the way the regions are grouped, gathering data for the entire third quarter of the year, and allowing a protest period after rates are set to check survey data for errors.

**Other Business**

Daniel Boldt expressed concern about the amended Flaggers rates in Regions 5 and 8. (The amended flaggers rates are higher than the rates for skilled laborers in these regions.) Commissioner Gardner explained his methodology for setting rates: If the percentage of union hours reported are over 50% for a craft in a region, then union rates will be determined to prevail and will be published.

**Next Meeting**

The next meeting of the Prevailing Wage Advisory Committee will be held on Wednesday, April 30, at 1:30 PM at the Bricklayers and Allied Craftworkers Local 1, 12812 NE Marx Street in Portland.