

**TESTIMONY  
FRANK CHIARAMONTE  
FIRST SELECTMAN  
TOWN OF HARWINTON  
BEFORE THE LABOR COMMITTEE  
MARCH 10, 2011**

I am here today to speak *in favor of SB-990, An Act Concerning the Prevailing Rate of Wages.*

This bill is long overdue because the prevailing wage mandate results in significantly higher costs for local projects that make moving forward with needed capital improvements difficult.

The Town of Harwinton has had two experiences with prevailing wage rates that underscores this concern. We received a bid on a project to build a new garage which came in at \$1.35 million. However, when the state Department of Labor determined that the project would be subject to prevailing wage rates, the bid was increased to \$1.65 million. We therefore incurred additional costs of \$300,000 – which is a lot of money for a small town.

In addition, we received a Small Town Economic Assistance Program (STEAP) grant in the amount of \$232,000 in order to install a water line from Harwinton Consolidated School to our elderly housing complex, the town library, the town hall and several businesses on Route 118. However, the state Department of Labor determined that this was considered an extension of a previous project for purposes of the prevailing wage law rather than new construction. Therefore, since the cost of installing the water line was more than \$100,000, it was subject to the prevailing wage laws. We therefore had to pay an additional \$55,000 in wage costs to complete the project.

The prevailing wage thresholds have not been adjusted since 1991. Prior to 1991, legislators adjusted prevailing wage thresholds on a six-year schedule. Failure to adjust the threshold for prevailing wage projects has cost towns millions of dollars.

The prevailing wage mandate also hurts our small businesses, many of which are local, homegrown businesses. Many of these businesses donate time and resources to support school programs, athletics and other local projects. Some even donate labor and materials to assist in completing certain building projects. Unfortunately, these small contractors are shut out of competing for jobs for local construction projects because they can't afford the prevailing wage requirements. This hurts our economy and our residents, who are in need of jobs.

We therefore **support SB-990**, which brings the thresholds more in line with current construction costs and represents a reasonable compromise that will benefit our taxpayers and local economies.