

**Testimony
Kathy Eagen
Town Manager
Town of Farmington
Before the Labor Committee
March 10, 2011**

I urge you to **support SB-990, An Act Concerning the Prevailing Rate of Wages**, which increases the prevailing wage thresholds. This is an important step that will reduce municipal costs, spur economic development and lighten the burden on taxpayers.

Prevailing wage laws have artificially driven up labor wages far beyond their market value. As a result, construction costs for local building projects have skyrocketed, slowing economic development and the construction of important projects. SB-990 strikes an equitable balance for workers, towns and taxpayers.

Prevailing wage requirements originally stem from the passage of the Davis-Bacon Act in 1931, which largely required federal government public works project to use unionized construction workers and to pay a "prevailing wage".

Recognizing that prevailing wage laws substantially increased the cost of state and local building projects, the thresholds were established to exempt certain projects from the scope of the prevailing wage requirements and ease the burden on taxpayers. However, the current thresholds are so low, that few projects are now exempt. This means, even small construction projects must be subject to prevailing wage laws, increasing local costs and shutting out local contractors. This all comes, unfortunately, at taxpayers' expense.

I therefore urge your support for SB-990, which could not come at a better time because towns need some ways of reducing costs and holding down property taxes. We are struggling to find ways to pay for critical education, public health and safety services to its residents and SB-990 will help ease the burden we face.

I also support SB-989, An Act Concerning Reserve Fund Balances and Changes to Municipal Binding Arbitration, which will protect a town's fund balance by ensuring that it is not considered for purposes of binding arbitration awards. We need to maintain an adequate fund balance in order to obtain a good bond rating and demonstrate our fiscal integrity. This bill ensures that we will not be penalized for doing so.

HB-6409, which I also support, is another measure that will bring some much-needed balance to the binding arbitration process by ensuring the professionalism of the arbitrators.

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