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TOWN OF NEWTOWN

OFFICE OF THE FIRST SELECTMAN

The Town of Newtown has concerns with Connecticut's prevailing wage statute and supporting regulations.

First and foremost we call for adjustment in the thresholds that trigger the mandate. The prevailing wage law in CT was first established in 1979 and since that time has been adjusted twice. First in 1985 and then in 1991, the thresholds were modified to reflect increasing costs in labor and overall construction. Even then, municipal voices argued that the thresholds were not high enough, but at least some adjustments were made. Since 1991, however, when the thresholds were set at \$100,000 for renovation and \$400,000 for new construction the legislature has failed to take action, despite repeated pleas of municipalities for some relief from the unreasonable burdens created by a standard that has no relevance to today's economy.

The reality for Newtown is this:

- *Typical projects have 40% cost for labor and 60% cost for materials;
- *Labor costs under prevailing wage rules can increase by about 50%;
- *A project with those conditions, 'priced' at \$500,000, ends up costing \$600,000.

This is a situation we are confronting right now – as we struggle to find resources to complete a critical project for our Fairfield Hills campus. That particular project may well have to be scrapped. The additional cost of \$100,000 is just too much to bear.

Every dollar that increases the cost of a project, but not its value, is an unfair burden placed directly on the backs of local taxpayers. Those additional costs for labor are not justifiable, there is no evidence of value added, and are creating a condition in our community in which important projects are being derailed, delayed, or denied.

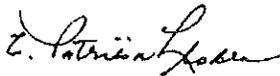
In our view, there is no valid argument against raising the standards. Study after study has demonstrated the reasonableness of an increase in the thresholds, and has shown no evidence to support the contention that such 'protected' projects are of better quality and safety than are private sector construction projects.

Newtown, like most other municipalities in Connecticut is struggling with local property tax burdens. Every year, we take on more and more financial responsibility for every aspect of municipal and educational service. We have done, and are doing our share. We ask for a fair shot at success and implore the legislature to do its part through meaningful mandate reform. The prevailing wage mandate is one that calls out loud and clear.

In addition to the threshold concern, we are asking too that our legislature find relief from the mandate for renovation or construction of facilities that support volunteer public safety entities such as local fire stations and ambulance garages. In Newtown, these entities are almost fully funded through their own non-tax resources, are 501c3 qualified, raise their own funds for operations and facilities, and are still pressed upon with the prevailing wage requirements as they struggle to build new or improve their facilities. These volunteers provide critical services to the community and should be spared the additional burden of the prevailing wage act.

Thank you for considering these comments. Thank you, too, for your service to our State. I am hopeful that this year, 2015, the legislature will find its way toward reform of this burdensome mandate.

Sincerely,



E. Patricia Llodra
First Selectman

2/17/15