



# TOWN OF ROXBURY CONNECTICUT

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**Barbara Henry  
First Selectman  
Town of Roxbury  
Labor & Public Employees Committee  
March 8, 2016**

## **RE: SUPPORT – HB-5377 - PREVAILNG WAGE**

I urge your support for HB-5377 to update the prevailing wage thresholds to reflect increases in construction costs.

Given the considerable budget challenges facing the state, Connecticut must act now to relieve some of the burden on our small towns and cities. Unfortunately, efforts to control municipal costs are often frustrated by state mandates, such as prevailing wage laws. To help our cities and towns meet the difficult challenges of today's economy, meaningful mandate relief must be part of the conversation to ease the burden our small towns face every day.

Existing statute imposes thresholds of \$100,000 for renovation and \$400,000 for new construction projects. As a result, local communities are being forced to pay a premium for low-end infrastructure projects.

The General Assembly has not adjusted project cost thresholds that trigger the prevailing wage requirements for over a 25 years. Needless to say, expenses to towns for labor, energy and materials and other construction related expenses have increased significantly during the past two decades. The purchasing power of \$100,000, which is the threshold for renovations, and the \$400,000 dollar benchmark for new construction, has seriously eroded since 1990.

Current prevailing wage laws translate directly into significantly higher project costs for municipalities and higher property taxes for our residents and in the end, higher spending by the state. We could be getting more done for our dollars. We think the status quo represents bad public policy. Given present economic circumstances, it is unfathomable to the leaders of small towns and cities why the Legislature has done nothing to address this situation.

Reporting and other paperwork demands are such that many smaller local companies do not bother to bid on work in their own towns that would be appropriate to their sizes and for which competitive bids could be offered.

Some in Hartford have suggested that we need existing prevailing wage rate rules to protect towns from being taken advantage of by unscrupulous or incompetent contractors. While we appreciate the concern of those who feel this way, I respectfully submit to you that whether union workers are used or union scale is paid has little bearing on a project's final outcome. Proof positive are three town buildings, built with union contracts in Roxbury that have had

many issues over the years – our library, our senior center and our town hall. The union contractors used are nowhere to be found! **Key to the success of a municipal project is that it is well designed, has a workable plan and is overseen by knowledgeable local officials. I know where my local contractors live!**

Spending an extra 20% or more on local projects squanders money that could fund additional programs and provide local property tax relief. The prevailing wage mandate – as it is currently structured - not only wastes precious financial resources, it also costs rather than protects local jobs.

**The time has come to help municipalities lower the costs of local building projects by raising the thresholds at which prevailing wage rates kick in, which, in turn, help our local small businesses!**

We recognize that prevailing wage reform is not a fiscal silver bullet; nevertheless, it should be given immediate and full consideration. In these times how can we ignore the opportunity to take reasonable action that would provide towns millions more in funds to support essential projects and programs and yield local property owners with much needed tax relief?

Thank you for your consideration.