

**Town of Barkhamsted
Incorporated 1779**

**Testimony of Donald S. Stein
First Selectman, Town of Barkhamsted
Before the Labor Committee
of the Connecticut General Assembly
March 8, 2016**

Re: HB-5377, AN ACT CONCERNING THE PREVAILING WAGE

My name is Donald Stein and I'm the First Selectman of the Town of Barkhamsted. I'm submitting testimony in support of the above-referenced bill which will adjust the state's prevailing wage laws to help reduce the cost of local building projects. By increasing the prevailing wage thresholds, towns can move forward with construction projects and make needed repairs. This will also help create jobs for our residents.

Our taxpayers are frustrated by increases in their property taxes, particularly when those increases are the result of unfunded government mandates over which we have little control. One of the most difficult mandates is the prevailing wage law, which imposes huge cost burdens on small towns. These costs have been documented time and time again and yet no relief has been provided. We therefore applaud the Labor Committee for raising this important bill for consideration and urge your support.

The prevailing wage rates have not been adjusted since 1991 and are therefore woefully out of line with increases in construction costs. A \$400,000 building project, which would now be subject to prevailing wage laws, is a relatively small project. Unfortunately, because of the prevailing wage law, we wind up using out-of-town and many times, out-of-state contractors, for construction jobs that should go to local residents or companies. Clearly, the additional wage costs also make it difficult to fund necessary repairs and improvements to municipal offices, schools and other buildings.

Twenty-five years is a long time to ignore the need to adjust the prevailing wage laws. The Town of Barkhamsted recently moved forward with a project to renovate our current town highway garage and to build a needed addition to house the Town's equipment. We also had to replace our salt storage buildings, one of which collapsed from the snow one winter. The cost of this project is just under \$2 million and this town of 3700 residents will struggle to meet the costs of bonding for the next twenty years. Without prevailing wage, the project would likely cost less than \$1.6 million, making it much more affordable for our residents. If prevailing wage were not to apply, the other option besides borrowing less would be to use that \$400,000 for other priority projects in town, further creating jobs in the northwest corner of the state.

Raising the prevailing wage thresholds is long overdue. Given the considerable strain on our local budgets, we must take steps to alleviate unfunded mandates that drive up taxpayer costs. Adjusting the prevailing wage requirements would be a significant step in that direction.

Thank you for the opportunity to comment.