

**RESOLUTION 03-2012
PREVAILING WAGE REFORM**

A RESOLUTION OF THE BOROUGH OF MARIETTA, COUNTY OF LANCASTER,
COMMONWEALTH OF PENNSYLVANIA URGING THE PENNSYLVANIA
GENERAL ASSEMBLY TO MODERNIZE THE STATE PREVAILING WAGE ACT
(*ACT 442 of 1961*)

WHEREAS, the Pennsylvania Prevailing Wage Act requires that workers on public construction, reconstruction, demolition, alteration, and/or repair projects with an estimated cost greater than \$25,000 be paid a wage set by the Secretary of Labor and Industry rather than local market rates; and

WHEREAS, the prevailing wage rates set by the Secretary of Labor and Industry are generally 20 to 40 percent higher than local market labor rates; and

WHEREAS, the cost and burden of these artificially inflated wages are borne by taxpayers in the form of higher construction costs and higher taxes than would otherwise be necessary; and

WHEREAS, local contractors often choose not to bid on prevailing wage projects due to the administrative and financial overhead required; and

WHEREAS, the Pennsylvania Prevailing Wage Act has not been amended since 1963 to reflect the changes of the past fifty years, including inflation; and

WHEREAS, according to the U.S. Bureau of Labor Statistics' CPI Inflation Calculator, \$25,000 in 1963 dollars equals \$183,203 in 2011 dollars; and

WHEREAS, current state law and regulations that determine prevailing wage rates are fundamentally vague and often favor collective bargaining agreements and union wages, which skews rates unnecessarily higher than they otherwise would have been if determined under alternative means; and

WHEREAS, the Pennsylvania State Association of Boroughs has several standing policy resolutions urging the General Assembly to adopt commonsense reforms to the Prevailing Wage Act including increasing the threshold, establishing clearer guidelines in the determination of wage rates, and providing for a local option; and

WHEREAS, House Bill 1329 (Session of 2011) would, if enacted, increase the prevailing wage threshold from \$25,000 to \$185,000, and adjust this amount annually based on the Consumer Price Index; and

WHEREAS, House Bill 1685 (Session of 2011) would, if enacted, require the Secretary of Labor and Industry to develop a uniform and complete list of worker classifications and place this information on a publically accessible website; therefore be it

RESOLVED, the Borough of Marietta, County of Lancaster, supports meaningful and commonsense reforms to the Pennsylvania Prevailing Wage Act; and be it further

RESOLVED, that members of the Pennsylvania General Assembly be urged to support and pass House Bills 1329 and 1685, as well as any other proposal that offers relief to Pennsylvania's local governments and taxpayers from the burdens of the Pennsylvania Prevailing Wage Act; and be it further

RESOLVED, that copies of this resolution be furnished to the appropriate elected officials representing the borough in the Pennsylvania General Assembly and to the Pennsylvania State Association of Boroughs.

ADOPTED by the Council of the Borough of Marietta, County of Lancaster, the Commonwealth of Pennsylvania, this day of 10th day of April, 2012.

Attest:

Marietta Borough Council

Borough Secretary/Treasurer

Miriam N. Fletcher, President

SEAL

Council members: Barbara S. Wilson, Vice-President
David M. deVitry
Everett E. Nagel
John L. Rice
William B. Roberts
Phyllis E. Stellfox
Oliver C. Overlander, II, Mayor