

Meeting Minutes
 Prevailing Wage Advisory Committee
 December 17, 2009 Attendees:

Prevailing Wage Advisory Committee Members: Dave Johnson (Building & Construction Trades Council), Randy Loomans (Operating Engineers Local 302), Lee Newgent (Seattle-King County Building Trades), Kathleen Garrity (Associated Builders and Contractors), and Mike Howard (Snohomish County PUD), Randy Dubigk (Washington State Dept of Transportation), Rick Slunaker (Associated General Contractors of Washington).

L&I Staff: Steve McLain, Nathan Peppin, Ann Selover, Dawn Gast, Beatriz Hart and Mario Silva.

Others Present: Eric Gustafson, Cliff Bates, Danel Bonham, Mel Fitzpatrick, Miriam Israel Moses, Tom George, Larry Boyd, Earl Smith, Billy Wallace, Jared McLeod, Eric Coffelt, Jamie Mayera, Earl Liss, Tom Tanner, Ron Dahl, David O’Meara, Joe Wilson, Steve Leighton, Cody Arlegde, Rick Foster, Ron Brown, Joe Baca, Roger Johnson, Davis Kapoor, Jim Christensen.

Agenda Item	Discussion	To-Do
Opening Remarks Introductions	<p>The meeting was opened by Steve McLain at 9:30 a.m.</p> <p>Steve gave a brief update on the status of Prevailing Wages workload due to Intents and Affidavits backlog and Weatherization Activities.</p>	
Review and approve minutes from last meeting	Lee motioned to approve the minutes from the September 2, 2009 meeting and Kathleen Garrity seconded the motion.	
Budget Update	<p>Steve stated that the PW fund balance is just over \$2 million. He informed the committee that the IT project to re-write the PWIA system and get the wage updates automated are in progress. Steve told the committee they will be invited to comment when the project is ready. He informed the committee that we have hired 3 new temporary forms processors in Prevailing Wage to work on the Intents and Affidavits backlog. He stated Prevailing Wage is currently receiving 1000 more forms a month this year vs. last year. He told the committee that the backlog is growing smaller and we hope to get back to our processing timeline goals by the end of the month.</p> <p>Rick Slunaker asked how much does PW project to spend.</p>	Steve- Get Rick Slunaker the budget numbers.

	<p>Steve told Rick we have 2 FTEs in our budget plan and that the increase in Intents and Affidavits is not only driven by the stimulus money but also by our outreach efforts to increase compliance and that our spending is within budget.</p> <p>Rick asked when the 2 FTEs will be added.</p> <p>Steve told Rick the 2 FTEs will be added in the next fiscal year, July 2010. Steve said that we anticipate having the funding to keep our current temps until July 2010 and that all of the Prevailing Wage agent positions are filled.</p> <p>Steve told the committee that the President stated that the companies who receive Weatherization money and use it all will be granted more and the companies that do not use the money will not be granted more money. PW team has been working hard on getting the Weatherization forms processed quickly and smoothly. The amount of work that the Weatherization project has put on PW has taken time away from other areas.</p> <p>Lee Newgent asked if the Weatherization training is performed across the entire state.</p> <p>Steve said that we have currently done 15 trainings across the state reaching 400 people including contractors and Awarding Agencies.</p> <p>Randy Loomans asked if she could get the information provided at these trainings.</p> <p>Steve told Randy he would be glad to send out the information but that it is all also available online and that online has a step by step process to follow.</p> <p>Dave Johnson stated that he attended</p>	
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	<p>Weatherization training and the he would like to commend PW on the hard work they have put into training the contractors and Awarding Agencies. He said that PW does a good job and it is appreciated.</p> <p>An audience member expressed a concern with the backlog in Certified Payroll and that PW needs to hire new staff to help get the Certified Payroll processing times down. He stated that currently he has to wait 30 days to get a response.</p> <p>Steve explained that the Certified Payroll backlog did grow when we had to focus on the Intents and Affidavits backlog. He also explained that it is Prevailing Wage's goal to get a response out in 90 days.</p> <p>The audience member expressed that a 90 day turnaround time is not useful to the companies.</p> <p>Dave Johnson explained that if there was a time sensitive issue that the company would need to express that to Prevailing Wage and we would do what we could to get the Certified Payroll as quick as possible.</p> <p>The audience member stated that Calista is doing a good job, but the backlog is just too big.</p> <p>Nathan explained that the 3 temps that were hired to help with the Intents and Affidavits backlog will also help with the Certified Payroll once the Intents and Affidavits are caught up.</p>	
<p>Personnel Update</p>	<p>Ann Selover informed that Prevailing Wage hired Mario Silva in Region 2 and Gerald Sanchez in Region 5 as our bi-lingual agents and that Ramona Christensen-Russell returned to Prevailing Wage as an IRA3.</p> <p>Steve let everyone know that Mario and</p>	

	<p>Gerald were hired with the last biennium budget. Mario and Gerald were hired to help with “boots on the ground” work.</p> <p>Miriam asked if Ramona would be returning to the duties she had before she moved to Employment Standards.</p> <p>Steve told Miriam that for now Laura Herman and Ann Selover are the primary Specialist. Ramona will be helping get compliance levels up. There will be updates at the next PWAC meeting.</p>	
<p>PWIA / Wage Project Update</p>	<p>An audience member stated that the PWIA system only works on Windows '98 and Internet Explorer.</p> <p>Nathan Peppin answered that Prevailing Wage’s goal with the new system is that it will work with every provider. Nathan invited the audience member to talk offline because the current system should work with programs other than Windows '98.</p> <p>Steve mentioned that no changes will be made to the “old” PWIA system and that all the changes should be in the “new” system.</p> <p>Rick asked when the new PWIA system will be available to the public.</p> <p>Nathan said that Prevailing Wage’s goal is that the new system will be rolled out slowly starting December 2010. He explained that the new system will include more than just PWIA. He stated that the Wage Update will be released first and then the PWIA.</p> <p>Steve told everyone that any comments or questions on the PWIA re-write need to be sent to Nathan Peppin and that there is currently a Focus Group meeting for the PWIA re-write.</p> <p>An audience member asked if the PWIA is</p>	

	<p>linked to Certified Payroll.</p> <p>Nathan said that the Certified Payroll is not linked to the PWIA, that he has an Excel spreadsheet he uses and will be glad to share offline.</p> <p>An audience member asked what the percentage of online users was vs. paper users for Intents and Affidavits.</p> <p>Nathan said that 94% of the forms are filed online.</p>	
<p>Scope of Work Update</p>	<p>Ann Selover addressed the Scopes Committee and Agenda for December 17, 2009 and lists all the scopes.</p> <p>Steve told the committee that a lot of time has been spent over the last 3 months training organizations and contractors on the Weatherization requirements for both Federal laws and State laws. He informed the committee that the Federal Agencies have adopted a Weatherization Scope of Work and the CAPS would like to see the State Agencies do the same. Steve let them know that the State chose not to adopt a new Scope for Weatherization and will continue to use the current Scopes as they apply to the work that is being performed.</p> <p>Rick Slunaker asked if Scopes exists for Weatherization.</p> <p>Steve told Rick that the State does not have a scope specific to Weatherization.</p> <p>Kathleen Garrity informed that the PW website has a lot of helpful information regarding the Weatherization issues.</p> <p>The owner of Ron's Tree Service asked what the chain of command is with an issue with scopes.</p> <p>Steve told her that first, all concerns should go to Dave Soma and then to himself. All</p>	

	<p>scopes are in WAC. Formal rulemaking process is needed if changes or new scopes need to be made.</p> <p>The owner of Ron’s Tree Service said that she would like to have a scope created and who should she speak with.</p> <p>Steve told the owner of Ron’s Tree Service that she can speak with Dave or himself but that she should file a request with A.P.A.</p>	
NOVs	<p>Ann Selover addressed the NOVs and handed out handouts with a NOV status update.</p> <p>Miriam expressed concern with the timeline for issuing NOVs. She said that months go by before NOVs are issued. She recommended looking to see if the slow down comes from the Agent issuing the NOV or from Central Office.</p> <p>Steve stated that next quarter this issue will be addressed with updates to the Certified Payroll status and the NOVs.</p>	
Rule Making	<p>Ann stated that PW is involved in “housekeeping” of the rulemaking and will handout draft rule reviews and responses to the committee members and will be looking for comments from members.</p>	
Surveys Determinations	<p>Steve stated that the results for Groups 2 & 3 are put on hold till February due to challenges made on surveys. The number of Public Disclosure Requests and getting those filled has taken a lot of time. Prevailing Wage will continue to talk input till rates are published. New rates will be posted first of February and go into effect 30 days after that. Prevailing Wage does expect comments and concerns. He asked that all questions and comments be submitted by February 1st. Steve explained that Nathan is keeping a list of what changes have been made with complete summaries with reasons why the changes</p>	<p>Set up another meeting to further discuss survey issues.</p>

	<p>were made. Concerns on the surveys are addressed directly when possible. More information will be provided in January when more information is available. One concern is that there are conflicts in 9 different areas, surveys from different fields with different number of hours and that the decision was made to keep this information out of the results. This was not right to do so. Second issue is that forms provided were not signed. As long as that lack of a signature was the only error the information was accepted and included in the results.</p> <p>Rick Slunaker asked how the forms are being checked.</p> <p>Steve said they were checked the same way all the other forms were checked. They would be excepted unless Prevailing Wage was told something was wrong.</p> <p>Rick asked if the agency is letting the parties know when their form is under review.</p> <p>Nathan said that everyone knows that the forms are being looked at. Classification issues do call for a call to the companies; no signatures on the forms do not require a call to the company. All signed or unsigned forms are excepted as long as everything else is ok. If a form is received with bad information then those do not get included in the results and do not get a phone call.</p> <p>Rick feels that the agency needs to keep the companies more informed with the survey process. He feels the process needs more consistency to ensure confidence in companies. He understands the staffing issues but feels surveys need more consistency in the Department. He stated he would like a detailed report on what was changed.</p>	
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	<p>Steve said Prevailing Wage will provide him with a report.</p> <p>Randy Loomans asked if forms submitted by Union and Business and Business's forms were accepted and the Union has proof of hours, can the Union challenge the survey.</p> <p>Steve told Randy the surveys could be challenged.</p> <p>Dave Johnson agrees that more research should be done when rejecting forms. Issues came from bundling surveys. If issues arise customer are told to get a hold of Nathan or Steve. Where does Dave Soma fit in? If challenges are made they must be made on the Industrial Statistician's decision not the economist's. Dave mentioned that this comment is in no disrespect to Mr. Soma.</p> <p>Steve said that Dave Johnson is right. Dave Soma is involved in all conversations with Steve and Nathan. He has only recently been left out of the contact list due to the fact that he will be in surgery.</p> <p>Rick Forester asked how surveys are done. His concern is with having to deal in a world market and that he has to bid against companies out of state/country that do not have Prevailing Wages.</p> <p>Dave Johnson said that he would review the handout that Mr. Forester handed out. Labor is very sensitive about across the border work and the work being lost to other states.</p> <p>An audience member stated that his company had lost a lot of work due to the fact they were underbid by a company that wasn't required to pay Prevailing Wages. Dave Johnson explained that lowering our</p>	
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	<p>wages isn't the answer to the issue. We need to come up a way to get wages to come up across the board by legislature.</p> <p>An audience member stated that he would like the surveys looked at so that the wages are more even across the board.</p> <p>Dave Johnson explained that the difference in wages is reflective of the economic status of the leading city in the county.</p> <p>An audience member addressed that classifications were lost in some counties. He stated that everyone is lumped into one category and no longer have a Laborer, Welder, etc....and that the wages are the same.</p> <p>Ron Brown stated that he did not agree with the way the survey was conducted. He didn't agree with the fact that only numbers from the large cities go into the Wage Update/Survey results. He does support Prevailing Wage but would like to see changes do to the survey process.</p> <p>Dave O'Meara asked if workers who are being paid at an hourly rate but are not all are being paid the same rate, what is LNI doing to verify the information on the surveys is correct.</p> <p>Steve told Dave O'Meara that if he had a specific complain then they would need to talk offline.</p> <p>Steve with the Ironworkers said that Sheet Metal Scope of Work vs. Standard Code of Practice do not coordinate together. 100% of Steel Fabrications are bound by Standard Codes. Verbiage as to what is right and fair should be in the scope.</p> <p>Joel Wilson stated that the Prevailing Wage increased by 300% for some trades and wants to know where the numbers</p>	
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	<p>came from.</p> <p>Rick Slunaker stated that his point has been made, that the customers need to understand the survey process more.</p> <p>Erick Gufstisan said that he would like to find a way to compete with companies that do not have to pay Prevailing Wages.</p> <p>Rick stated that the Unions and the Workers are asking for a Prevailing Wage that reflects what is actually being paid. Until there is confidence in the surveys no one will have confidence in the rates.</p> <p>Steve said that the surveys are relatively straight forward. The survey forms are sent out asking for information and the customer is supposed to return with their wage information. The rates are set based on the information received from the surveys that are required by law.</p> <p>Dave Johnson stated that the Labor Union is well aware of the out of state competition issue and they are trying to do something to level the playing field with the out of state workers. For the concerns of out of country competition that is a different matter. Dave believes that there will be a consistent wage for Public Work.</p> <p>Different audience members began to discuss who could make an impact with the Legislature to get some changes made.</p> <p>Rick stated that the purpose of the PWAC meeting is to discuss what Prevailing Wage can do to alleviate issues not the legislature. He stated that he felt the surveys should be sent via Certified Mail to verify the contractor received the survey. He felt that LNI needed to look at how to encourage participation in the surveys and that if the contractor does not participate then they cannot challenge the survey</p>	
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	<p>results.</p> <p>Randy Loomans disagreed that using Certified Mail was the way to go. She believes it would only open the door for more issues and raise cost.</p> <p>Rick stated that he thinks there needs to be some sort of follow up on the surveys.</p> <p>Lee stated that it is in the best interest of the Contractor to send in their survey forms.</p> <p>Steve stated that the issues have been raised and the comments are appreciated but that another meeting will need to be set to further discuss all the concerns with the surveys. We are limited on time today and need to move forward in today's agenda.</p> <p>Rick stated that the survey complaints are going to the Legislature.</p> <p>Dave Johnson stated that most of the issues are with the actual scopes and not the surveys. He agrees that everyone needs to understand how the surveys are conducted and how they work. He agreed that some discussion is needed regarding the actual survey form that is being sent out, who receives them, and if the information provided by the contractors on the forms is correct.</p> <p>An audience member asked that a meeting be set up today to further discuss the survey issues. He has sent in many emails and attended many meetings and is still confused. He asked if the meeting will be held before February 1, when the new results will be posted. Steve said probably not.</p> <p>An audience member asked how survey concerns will be addressed. Steve told him to send his concerns to LNI</p>	
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	and gave everyone his email address.	
Dates and Locations for upcoming meetings	Next meeting will be: March 25, 2010 Tumwater	