

PREVAILING WAGE ADVISORY COMMITTEE

Meeting Minutes

Tuesday, June 23, 2009

International Union of Operating Engineers
555 East 1st Street
Gladstone, OR

Members Present

Daniel Bonham
Mark Holliday
Don Kool
Norm Malbin
Jim McKune
Greg Miller
John Mohlis
Carl Redman
Pete Savage

Members Absent

Shawn Miller
Patrick O'Brien

Staff Present

Lois Banahene
Christie Hammond
Mike Kern
Kate Newhall
Denise Voll (OED)
Maggie Wilson
Susan Wooley

The meeting was called to order at 1:30 PM. Co-chair Jim McKune reminded the committee members of the meeting "ground rules."

Minutes of Last Meetings of April 9, 2009 and April 23, 2009

The committee members present approved the minutes from both the April 9, 2009 and April 23, 2009 meetings as written.

Invited Presentations Relating to Annual Construction Industry Survey

Stephen M. Johnson, Ph.D., of Steve Johnson & Associates presented his review of the current survey, explaining his main concerns and recommendations. Issues discussed by Mr. Johnson included the following: limitations of the peak week methodology, the definition of "journeyman" used in the survey, possible confusion relating to heavy/highway construction, differentiating residential construction from commercial construction, the definition of fringe benefits, the non-inclusion of apprentice labor hours in the survey, multiple formats for reporting of data, and a validation or audit process for the current survey.

Mr. Johnson's report also included several recommendations to improve the survey, including: reducing the number of regions, reporting the largest quarter every three years, switching to an electronic format, including apprentice hours, identifying construction projects in the survey, excluding temporary employment agencies from the survey, making surveys public records, taking

steps to reduce the reporting of unskilled labor, improving instructions for fringe benefit reporting, and initiating an auditing system.

The committee members were given an opportunity to ask questions of Mr. Johnson.

The Executive Director of REBOUND, Miriam Israel Moses, then presented an overview of her report on the current survey methodology. Issues addressed by Ms. Moses included: the focus of the survey, limitations of surveying a “peak week,” validation of the data, the frequency of conducting surveys, the definition of “locality,” “same rate” identification, the survey reporting form, the transparency of the process, and the broad authority of the labor commissioner. She expressed concern that the information contractors report is all self-identified.

Ms. Moses’ recommendations included surveying wages based on the scope of work performed over an annual period, initiating a more rigorous prequalification process for survey participants, including apprentice hours, making the surveys public record, and making the survey voluntary.

The committee members were given an opportunity to ask questions of Ms. Moses.

Michael F. Sheehan, Ph.D., of Sheehan & Sheehan Economics LLC, gave a brief presentation of his suggestions for improving the survey. He identified two primary issues: “the inability to generate sufficient data to provide statistically reliable rates by job title, region and type of project;” and “a pronounced tendency to bias the results in several ways, most particularly against crafts whose work typically comes later in the construction season but whose data is under-reported due to the peak week methodology.” Mr. Sheehan suggested using CBA or USDOL rates while in the process of making improvements to the survey.

Executive Work Session (Committee Members Only)

Directly following the presentations made, the committee members convened an executive work session to discuss the annual construction industry survey.