

PREVAILING WAGE COMMISSION MEETING
November 18, 2011
MINUTES

PRESENT: **COMMISSIONER DAVIS**
 BRENT HALL
 R.T. SUMMERS
 BOB OGLESBY
 WAYBURN CRABTREE

Recorded by: Christina J. Tugman
Please note this transcript is not a word-for-word account. Some general discussion and comments have been omitted for the sake of brevity.

I. Call to Order and Roll Call

Christina Tugman called the meeting to order at 1:30 p.m. with all Commission members stating their names for the record.

II. Conflict of Interest Declaration

Commissioner Davis asked if any of the commission members had any conflicts that needed to be disclosed. R. T. Summers stated that he is in the road construction business.

III. Old Business

Review and approve September 7, 2011 Prevailing Wage Commission Meeting Minutes.

R.T. Summers motioned to approve the minutes from the Prevailing Wage Commission Meeting of September 7, 2011.

Bob Oglesby seconded.
All approved. Motion carries.

IV. New Business

The Commission reviewed and discussed the data from the 2011 Highway & Bridge Construction Survey. R.T. Summers stated that there were two forms that he would like to discuss. The first form was submitted by WMC Contracting Company and they are reporting a large number of hours under Concrete Finisher (Classification 07). There is no project number listed on the form which is part of the submission process. R.T. Summers stated that Mr. Starwalt contacted this company and the company relayed to him that the president was not available to fill out the survey so an assistant filled out the form and was not

sure what projects the company had performed. The assistant thought that the company had used an entire year's wage rate information rather than the quarters wage rate information. Looking at the survey information provided that information would make sense because this company is a small firm with only 19 employees and they would have had to have worked 2000 hours in that quarter. R.T. Summers believes that this company's information would need to be discarded from the survey because the person who filled it out didn't understand what they were doing.

Another company that Summers took issue with is OCCI, Inc., which by themselves raised the percentage of Classification 11 (Ironworkers Reinforcing). Most companies across the state were paying \$15.00-\$16.00 per hour for reinforcing steel. OCCI, Inc had 2/3rds of the hours at almost \$24.00 per hour. Wayburn Crabtree stated that he checked the records for this project (which was all for one project) and it was a **wage** repair project conducted in DeKalb County at Center Hill Lake. There was 743,000 pounds of reinforcing steel on this project and all of that was subcontracted by OCCI, Inc. to Gilley Construction of Manchester. Gilley only turned in 100 hours. Crabtree stated that he has the payrolls for OCCI, Inc. and Gilley. Gilley is paying \$16.00 and \$18.00per hour for this project and OCCI, Inc. was paying a wielder but was not in the correct classification. Because the rate being paid to the wielder is actually higher than either rates is required to be the company didn't question the information.

Commissioner Davis asked if there was any other discussion regarding this matter. No further discussion.

R.T. Summers motioned to remove WMC information from the 2011 Highway & Bridge Construction Survey.

**Wayburn Crabtree seconded.
All approved. Motion carries.**

R.T. Summers motioned to remove OCCI, Inc. information pertaining to Class 11 (Ironworker Reinforcing) from the 2011 Highway & Bridge Construction Survey.

Brent Hall wanted to discuss the data for OCCI, Inc. further. Brent Hall requested that the information be verified before removing it from the survey.

R.T. Summers withdrew his motion in order to discuss the information further.

Brent Hall stated that the information has been verified. Someone from that company did report the hours. Looking at the 4600+ hours (Tab 15, Classification 11, Ironworkers Reinforcing) it was not for the wielder is that correct? Waybrun Crabtree recognized it was for tying rebar and we have

documented subcontract between OCCI, Inc. and Gilley. Gilley is in the rebar business. Brent Hall stated that it appears to him that the hours were submitted by OCCI, Inc. for work that was subcontracted to Gilley. But they used the welder rate instead of the rebar steel tying rate. Brent Hall stated that the company tried to report it properly and if the company (OCCI, Inc.) would have put the proper steel tying rate in the survey, then the commission wouldn't question the information at all. Bob Olgesby stated that in Class 12, Ironworkers (Structural) the company (OCCI, Inc.) did the same thing and the same rate was reported in Class 12, {Ironworkers, [Structural]} (Tab 16)}. Brent Hall again stated that the project has been verified, the work has been verified, it's just the rate was reportedly incorrectly. Wayburn Crabtree stated that the work is not being done by OCCI, Inc. that it was contracted to Gilley. The certified payrolls from Gilley show that the company is actually paying \$16.00 and \$18.00 per hour. R.T. Summers stated that payroll clerks get confused as to what classifications to use. The company did work and classified it under Reinforcing Steel (Classification 12), but the work was subcontracted. Wayburn Crabtree stated that he could obtain the daily reports to see what work was actually performed. Commissioner Davis asked how the commission members wanted to handle this issue. R.T. Summers stated that he believes that the commission could not submit a form for Gilley. Brent Hall stated that he believes that the commission could indeed submit a form. The data can be verified it was just the incorrect rate and it can be included in the survey. R.T. Summers again reiterated that the payments of the workers are not in sync; it looks like OCCI, Inc. has a classification problem. Bob Oglesby asked the question is there a way to throw out the high and the low and take the medium while calculating the average? R.T. Summers stated that would not be an option, it is not allowable by law.

Brent Hall made a motioned that the department contact OCCI, Inc. and verify the data. Ask OCCI, Inc. what the hours were for and at what rate the hours were paid at, and put the information into the survey correctly.

Bob Olgesby seconded

All approved. Motion carries.

The commission is to set the preliminary rates for 2011 Highway & Bridge Construction. R.T. Summers stated that in line of what the commission has done in the past, he would ask that the commission to look at the 4 operator classes under Tab 4. Classification 03 (Class "A" Operator) went up ½%, Classification 04 (Class "B" Operator) went down 2.7%, Classification 05 (Class "C" Operator) went up ½%, and the Classification 06 (Class "D" Operator) went down .24%. Frequently these classifications are working side by side on a project and the workers don't understand that their coworker got somewhat of a raise and the other coworker received a cut in wages. R.T. Summers believes that it is a much better policy to change the rate and/or increase the rate by 1% all across the board. Brent Hall stated that in the past that hasn't been done. R.T. Summers

stated that a couple of years ago that this method has been used. The increase or decrease contained in this survey is within the 6% that the commission can change. Brent Hall stated why the commission wouldn't just do as it has done in the past. R.T. Summers identified the classifications of Operators, Carpenters, and Electricians, looked at the classifications that went up and down less than 6%. R.T. Summers wanted to give all classifications a 1% raise inline with the state average. Brent Hall stated that using this method would not be fair to classification 13 (Mechanic) which had 47 responses and went up 4%, which would be cutting 3% away from this classification. R.T. Summers came back and stated that looking at Classification 14 (Light Duty) has good data but it went down 3%. Brent Hall stated that in the past that the commission has always gone with what the survey projected, good or bad. R.T. Summers again reiterated that this method was used two years ago and that the commission went up the average rate on all the non-special classifications, keeping up a consentient rate. R.T. Summers stated that the classifications that went up/down more than 6% the commission couldn't do the 1% change. Commissioner Davis asked if the classifications that are 6% or less would the commission raise the rate by 1%? R.T. Summers replied yes. R.T. Summers noted that the classifications that would be raised by 1% would be Classifications, 02 (Carpenter/Leaderperson), 03 (Class "A" Operator), 04 (Class "B" Operator), 05 (Class "C" Operator), 06 (Class "D" Operator), 10 (Farm Tractor Operator), 13 (Mechanic (Class I) Heavy), 14 (Mechanic (Class II) Light), and 16 (Powder Person Blaster).

Brent Hall stated that without looking at the minutes he wouldn't know what was done 2 years ago. Because the average is for the entire survey, he would be much more comfortable with using the guidelines that the commission has put forth because it needs to stick to what the survey results project. There would be no reason to have the survey and implement the data if we do not actually use the survey information. Commissioner Davis stated that the commission suggests that even for the classifications that have a decrease the commission would do an increase? R.T. Summers stated that if we are going to average it out then yes the commission would do so.

Michael Dattilo informed the commission that he had the minutes available for last years November 2010 and December 2010 meetings.

The commission reviewed the minutes from last years November 2010 and December 2010 meetings.

Brent Hall recognized that classifications 01 (Bricklayer), 08 [Drill Operator (Cassion)], 11 (Ironworkers Reinforcing), 12 [Ironworkers (Structural)], and 18 (Survey Instrument Operator) would be adjusted by 6% and all other classifications would be raised by state average.

Commissioner Davis stated that the guidelines state that the classifications would increase or decrease as the survey suggest.

R.T. Summers made a motion that on Classifications 1 (Bricklayer), 8 [Drill Operator (Cassion)], 11 (Ironworkers Reinforcing), and 18 (Survey Instrument Operator) the commission would use the 6% possible change to decrease the survey average rate. For Classifications 12 [Ironworkers (Structural)], 15 (Painter/Sandblaster), and 19 (Sweeping Machine) where there is insufficient data there would be an increase by the average survey rate of 1.05%. For all other Classifications the commission would accept the survey rate.

**Bob Oglesby seconded.
All approved. Motion carries**

V. Adjourn

The next meeting of the Prevailing Wage Commission will be November 30, 2011 at 9:00 a.m. in the Tennessee Room.

Commissioner Davis asked for a motion to adjourn the Prevailing Wage Commission meeting.

Brent Hall made a motion to adjourn the Prevailing Wage Commission meeting.

**Wayburn Crabtree seconded.
All approved. Motion carries.**