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**AGENDA**

1. **Call to Order and Roll Call**
2. **Announcements**
3. **Conflict of Interest Disclosures**
4. **Review and approve August 23, 2016 Prevailing Wage Commission Meeting Minutes**
5. **Prevailing Wage Report**
6. **New Business**
   - Review and Discuss Data from the 2016 Prevailing Wage for State Highway Construction Projects
   - Set Preliminary Rates for 2017 Prevailing Wage for State Highway Construction Projects
7. **Additional Business**
   - Asbestos Worker Classification
   - Third meeting will be December 1st, 2016 at 9:30 a.m. (C.S.T) in the PEARL Room, 220 French Landing Drive, Nashville, Tennessee 37243
8. **Discuss Future Prevailing Wage Meeting Dates for 2017**

**ADJOURNMENT**

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**APPEARANCES:**

1. Commissioner Burns Phillips, Chairman
2. Commissioner Wayburn Crabtree, TDOT Designee
4. Stephen Wright, Industry Representative Wright Brothers Construction Co.
5. Dan Bailey, Legal Counsel
6. Kenneth Nealy, Director
7. Christina Tugman, Inspector
8. Jan Caudill, Assistant

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**CHIEF JUDGE:** Welcome everybody. We will call to order.

**MR. CRABTREE:** Second.

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The event of an emergency or a natural disaster, security and/or staff will take meeting attendees to a safe place in the building or direct them to an exit of the building on the Rosa Parks side.

**CHIEF JUDGE:** I have to read the announcement. In the event of an emergency or a natural disaster, security and/or staff will take meeting attendees to a safe place in the building or direct them to an exit of the building on the Rosa Parks side.

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**CHIEF JUDGE:** Reviewing and approving the August 23rd, 2016 meeting minutes, I ask for a motion to approve those minutes.

**MR. CRABTREE:** Second.
1. And of that, 8 of them returned a response. So they're included in the totals above. Most of them were because the site address was what was referred to and they would be -- should have had a P.O. Box. And many of them had email addresses, so those have been added to the database, so next year we can just send an email and be done with it.

2. As far as companies that submitted their data past the deadline of October 31st, there was only one, and that was Gilley Construction, and we did not receive it until November 8th of this year.

3. There were 437 out of the 625 that did not respond at all.

4. Our calculations that we are submitting today were computed using the prevailing wage online database that was created by IT, along with the notes provided by the commission and the Prevailing Wage Act for highway construction projects.

5. As far as any that were incorrect or incomplete when we received them, there were three. There was C. R. Barger & Sons, Diamond Specialized, Incorporated, and Elite Coatings.

1. And this data has been excluded from the survey.

2. And that is in your notebooks at Tab 31.

3. As far as surveys that contained four or fewer responses, there were seven.

4. Classification Number 1 for the Bricklayer, we had no response; Classification Number 8, the Drill Operator, Caisson, there were four; Classification Number 11, the Ironworkers Reinforcing, we had three; Classification Number 12, which is Ironworkers, Structural, we had one; Classification Number 15, which is the Painter or Sandblaster, we had one; and Classification Number 16, Powder Person Blaster, we had two; and Classification Number 19 for a Sweeping Machine, we had one.

5. Any questions?

6. CHAIRMAN PHILLIPS: Any discussion on the statistics?

7. MR. CRABTREE: If you can get me a list of those that have address issues, I'll see why that is.

8. MS. CAUDILL: Address issues?

9. MR. CRABTREE: Yes, ma'am.

10. MS. CAUDILL: Okay.

11. MR. CRABTREE: And we have, in the same database, email addresses. Would that be of any...

12. MS. CAUDILL: Next year -- the new system that we have this year will really be nice.

13. If we had as many emails as possible, it would completely do away with having to mail any surveys at all. We can just email it straight to them and it's there instantly. So the more emails we can get, the better off we'll be next year.

14. CHAIRMAN PHILLIPS: Do you think you have most of them, the emails?

15. MR. CRABTREE: Just going through them, I see them from time to time. It wouldn't be hard for me to find out, though. I'll find out.


17. Any other discussion on the statistics presented?

18. (No verbal response.)

19. CHAIRMAN PHILLIPS: Motion to approve preliminary rates for 2017?

20. MR. SUMMERS: Could we have just a little discussion?

21. CHAIRMAN PHILLIPS: Sure.

22. MR. SUMMERS: First of all, I think this is some of the best data we've ever gotten.
I mean, I looked there and you-all pulled out the ones that weren't right. And the ones that we got, sometimes there's some that look crazy. They're too high or too low or too many hours. And this year the data looked all legitimate and I've got confidence in the numbers.

The ones with less -- 4 or less, it looks like that we did not use the Note 3, which says if there's less than 5, we plus or minus the State average of 4 percent. The ones with the three dots, it says the suggested rate was set at the 2016 prevailing rate in accordance with -- and I don't know what those are.

MS. TUGMAN: That rule is referring to if there are four or fewer responses, that the Commission can keep the rate the same if they choose to. And some of these, of course, went up more than 6 percent or something like that. Like, the ones in blue all, of course, were over 6 percent. But also, the one that talks about the current rate. But that's why the plus or minus column is there. That is based on the 4.06 percent, so I gave you those if you wanted to pick a mean or one or the other. MS. TUGMAN: And also, I believe you said that if you go -- it's the difference between one penny if it goes over, like, the percentage.

MS. CAUDILL: It depended on how many places you carried out your decimal. If you carried it two, it rounded down. If you carried it three, it rounded it up. So I did it on three decimal places.

MR. SUMMERS: The other comment I would like to make -- and Steve, maybe you can see what you think about this. The survey is good, but there are some that are going up 6 percent and some that are going up 1-1/2 or 2. We have the capabilities to go up and down from the survey rate.

I would propose that we think about going up and down the same rate across the board. Like, if there's a -- if the state average is 4 percent, that -- at least all of the ones where we have surveyed -- that we go up or down 4 percent, rather than one operator getting a 50 cent raise and the guy beside him gets a 75 percent or $1 raise, it just ... MR. WRIGHT: I would offer that makes a lot of sense to me, especially these categories with the zero. You know, the ironworkers we have make more than $16, the few that we have, when we pay them. And so I would recommend at least going up the average of whatever that 4 percent was.

And in all fairness, if you look up here where the vast majority of the hours and the dollars are, I believe, they're in the crafts, 3 through 6, where most of the data is. Those are -- those numbers are low of what you're having to pay outside of the workplace. So I would agree with Rab that they need to be a minimum of the 4.6 percent.

You know, to me, one of the reasons I think Tennessee does such a good job with this is that you've kept the rates up and they're relevant. They're relevant. But I know, just for example, in the last few weeks, the State of Alabama has led a $400 million job in downtown Birmingham. The contractor that's got the $200 million job beside it is paying $24 an hour for anybody that can breathe. And the skilled rebar rod busters, carpenters, that stuff is in the mid-20s and up. So that's the kind of market pressures that you're feeling currently. And to me, it's -- to maintain the relevancy, we should at least do what Rab says.

MR. SUMMERS: Well, what would you think about instead of one going up 2 percent and...
1. the other one 6 percent, averaging it across the
   same percentage for all classes?
2. MR. WRIGHT: It makes good sense to
   me.
3. CHAIRMAN PHILLIPS: That seems
   reasonable.
4. MR. SUMMERS: I mean, I think we
   have data showing that that's the range of what's
   going on and I think it's good data. And it's
   within our abilities to massage the rates a little
   bit.
5. MR. CRABTREE: So just for
   clarification, if we went to 18, where we received
   18 responses, and it went down 3.62 percent, we
   would still go up 4 percent.
6. MR. SUMMERS: We couldn't do that.
   That's more than our 6 percent that we could do.
7. There's a couple of outliers that --
8. MR. CRABTREE: Well, what would we
   do with that one?
9. MR. SUMMERS: Well, the most we
   could do is minus 3.62 plus 4 -- I mean 6 minus
   the 3.62. So that would be, what, 2.2. 2.38
   would be the max that we could do there because we
   only have a 6 percent ...
10. MR. WRIGHT: I think that's going
    down because technology has kind of passed that
    category.
11. CHAIRMAN PHILLIPS: I would agree
    with that.
12. MR. WRIGHT: There really is not a
    survey instrument -- there's not a transit guy
    anymore from the old days. They're all GPS
    computer whiz kids.
13. MR. SUMMERS: Yeah.
14. MR. WRIGHT: No telling --
15. MR. SUMMERS: One guy can do what
    four did.
16. MR. WRIGHT: -- what they get paid
    at.
17. CHAIRMAN PHILLIPS: That's right.
18. MR. CRABTREE: And the other
19. thought I had is that if we do that this year and
20. we do it next year and then we get into a little
21. slump here where we might get into the minus
22. column, are we still going to follow our
23. precedent? Or are we going to --
24. MR. SUMMERS: Well, I think that
25. some years -- you know, the 4 percent state
   average is actually pretty high. If we look back
   at a lot of years, it's been in the 2 percent
   range. So I think this survey shows that there's
   wage pressure. Wages are going up faster than
   they have in the past. So next year, or three
   years from now, if there's not much work and the
   unemployment rate is higher, I think the average
   might only go up 2 percent. So --
26. MR. CRABTREE: So we would, okay,
27. go with the state average, wherever it goes.
28. MR. SUMMERS: I'd be looking at the
   state --
29. CHAIRMAN PHILLIPS: Whatever
   direction it goes.
30. MR. WRIGHT: So what you're saying
31. is, you think it's a wise thing to react to the
32. market pressure that we see?
33. MR. SUMMERS: Well, the state
   average went up 4 percent. And I think that's a
   reasonable number knowing what we both know. But
   I just hate to have one scale going up 2 and the
   other one 7. I would rather them all get a
   4 percent raise where we have good data. Now, we
   can look at the ones where we don't and see ...
34. CHAIRMAN PHILLIPS: And there's no
   reason why we can't do that, look at -- right.
35. MR. SUMMERS: The way I understand
   it, no, sir. Except those few outliers. They
   have mechanic heavy duty that went up
   substantially an hour. They have already taken
   and gone back to 22.34 on that. So that -- if we
   did that, that would be different.
36. MR. WRIGHT: It would be
   21-something.
37. MR. SUMMERS: It would be 22.34.
38. MR. WRIGHT: 6 percent of 20.33?
39. MS. CAUDILL: 20.33?
40. MR. WRIGHT: The 2016 rate, if you
    did 4 percent on it would be ...
41. MS. CAUDILL: You want how much on
    it?
42. MR. SUMMERS: Now, which one are
    you talking about, Steve?
43. MR. WRIGHT: The mechanic is the
    one I thought you were talking about.
44. MR. SUMMERS: Mechanic heavy duty.
45. MR. WRIGHT: Yeah.
46. MR. SUMMERS: See, it went up
47. 16 percent. So our pattern in the past, if it
48. went up more than 15 percent, we took 6 percent
49. off of that, so it went up 9. And she's already
1. taken care of that in the '17 rate at 22.34.
2. She's already reduced that. So that 22.34 would not change.
3. MR. WRIGHT: Works for me. You need to write these rules down.
4. MR. SUMMERS: Well, they've got them all down here. They've done an excellent job of doing that. It just depends on what we want to do with the ...
5. MR. WRIGHT: Well, I agree that it's a difficult thing to hire Class 1 heavy duty mechanic for 20.33 or 22.34. That would be kind of tough.
6. CHAIRMAN PHILLIPS: You know, you're going to continue to have outliers as time passes because of the technology. We've got one that we know that technology has impacted, but there are others on here that technology is going to have rapid impact on in just a year or two or three years. So you're going to always have that to deal with going forward, I think.
7. MR. WRIGHT: You can see that in the powder person blaster. There's not many returns on it because there's not much -- maybe Wayburn just didn't let enough work.

1. Number 8, I would propose to go up 4 percent.
2. Under 12, I would propose to go up 4 percent.
3. Number 11, I would propose to go up 4 percent.
4. Number 16 and Number 18, I would propose to stay the same, as a '16 rate, since there does not appear to be any pressure for those to go up.
5. MS. CAUDILL: 16 and 18?
6. MR. SUMMERS: 16 and 18. And 15 --
7. MS. TUGMAN: So we're going up 4 percent from the '16 rate?
8. MR. SUMMERS: Yes.
9. MS. TUGMAN: All right.
10. MS. CAUDILL: And Number 8, actually, is at 4.04. So is that one okay?
11. MR. SUMMERS: Sure. Then I would propose to increase all other classifications 4 percent.
12. MR. WRIGHT: Does that conclude your motion?
13. MR. CRABTREE: Second.
14. CHAIRMAN PHILLIPS: Is there a second?
15. MR. WRIGHT: There is a second.
16. MR. SUMMERS: So if you-all could make sure that I did that -- I don't think that I talked about bricklayer.
17. MR. WRIGHT: No, you did not.
18. Craft 1 ...
19. MR. SUMMERS: Craft 1. I would propose that go up the 4 percent.
20. MS. CAUDILL: Which one?
21. MR. SUMMERS: Number 1, bricklayer, also. If you ever have a bricklayer, he's going to make more than that.
22. MR. WRIGHT: I second it again.
23. MR. SUMMERS: So make sure what we did there.
24. MS. CAUDILL: Okay. What I have is we're going to increase all of them. From the 2016 prevailing wage rate, we're going to increase all of them 4 percent with the exceptions of 8, which is already there: you're going to leave Classification 13, 15, 16 and 18 at the rates that are already under the 2017 prevailing wage rate. All others are going to go up 4 percent.
25. MR. WRIGHT: 13 was ...
26. MS. CAUDILL: 13 we were going to leave the 22.34.
27. MR. SUMMERS: Correct.
28. MS. CAUDILL: And 15 will stay at 22.34.
1. 26.36?
2. MR. SUMMERS: Yes.
3. MS. CAUDILL: 16 will stay at
4. 19.77?
5. MR. SUMMERS: Yes.
6. MS. CAUDILL: 18 will stay at
7. 19.71?
8. MR. SUMMERS: Yes.
9. MS. CAUDILL: And then the one that we kind of looked over was Classification Number 8, and it will stay at 26.28.
10. MR. SUMMERS: Okay. Did I say anything about Number 19?
11. CHAIRMAN PHILLIPS: You did not.
12. MS. CAUDILL: No, not specifically.
13. CHAIRMAN PHILLIPS: You initially said 4, but then you never went back to it.
14. MR. SUMMERS: Yeah. Well, Number 19 should go up to 4 percent.
15. MS. CAUDILL: Okay. And that figure there on the plus-and-minus columns, that plus figure, that 16.20, that is at the 4.06. And if we --
16. MR. SUMMERS: Okay.
17. MS. CAUDILL: Is that okay?

1. MR. SUMMERS: Yes.
2. MR. STARWALT: When you refer to 4 percent, are you referring to it as that -- to be very technical -- or are you referring to the 4.06 percent, which is the state average?
3. MS. CAUDILL: And that's not a problem.
4. MR. STARWALT: Or are you saying 4 percent? Not to be -- I think we should go to the state average, which is 4.06 percent, to be consistent.
5. MS. CAUDILL: Well, then, if you look in the plus column on Classification Number 16, that would be the 20.58 figure; 15 would be 27.43; 13 we didn't -- I haven't figured that one; 11 and 12 -- 11 would be 16.96; 12 would be 17.58; and 8 is already at the 26.28 figure. So those are already at the 4.06 percentage.
6. MR. SUMMERS: The Number 15 is one of the ones that I proposed to keep the same since it was --
7. CHAIRMAN PHILLIPS: Same as -- yes.
8. MS. CAUDILL: Correct.
9. MR. SUMMERS: So...
10. MS. CAUDILL: 26.36 on that one.

1. MR. SUMMERS: Yes, uh-huh.
2. MS. CAUDILL: And then we're going to leave 16 that way as well, 19.77?
3. MR. SUMMERS: Correct.
4. MS. CAUDILL: Okay.
5. CHAIRMAN PHILLIPS: Does anyone want to second?
6. MR. WRIGHT: Second again.
7. CHAIRMAN PHILLIPS: Any other discussion?
8. (No verbal response.)
9. CHAIRMAN PHILLIPS: All in favor say "aye."

1. MR. SUMMERS: Asbestos worker.
2. CHAIRMAN PHILLIPS: Uh-huh.
3. MS. TUGMAN: In our training conference back in October, we had one of the inspectors that brought up the issue that we used to have a classification that covered asbestos workers. And his concern was in the teardown of T-hangars.
4. CHAIRMAN PHILLIPS: Of what hangars?
5. MS. CAUDILL: T-hangars.
6. MS. TUGMAN: When they do work at the airport or they -- when they're tearing them down and painting them, some of those buildings have asbestos in it, but it's included in the highway rates, what have you. So they were asking about an asbestos worker classification. We wanted to bring it to you and see if you had any input on -- about that on either adding a classification or adding something within the classification.
7. CHAIRMAN PHILLIPS: So is there a lot of that done these days? These hangars?
8. MS. TUGMAN: I mean, there's not a lot of it that's done, but once in a while it's done, so...
9. CHAIRMAN PHILLIPS: So do we need a special classification for that, if it's very limited?
10. MS. TUGMAN: I'm wondering if we...
1. can put it maybe one of these classifications that we have already.
2. MS. CAUDILL: It looks like -- we looked back and it was a classification when we used to deal with buildings.
3. CHAIRMAN PHILLIPS: Right.
4. MR. CRABTREE: I have no opinion.
5. Do you know if -- do aeronautics contracts usually use the same wage rates?
6. MR. SUMMERS: You know, we've done a lot of airport work. We've worked at four different airports this year and we haven't been tearing down anything. We tore down one set of T-hangars in Elizabethton, and I don't remember anything about any asbestos in there at all.
7. MR. WRIGHT: That usually requires a special certification. It's kind of a unique skill set, is my understanding. Every time we deal with asbestos, be it in a house or bridge railing or --
8. CHAIRMAN PHILLIPS: Yeah, that certification probably covers more than just --
9. MR. WRIGHT: It has a unique classification and certification, so I wouldn't even know how to begin to set a wage rate for it.

They're usually done -- in my experience, it's done by a specialty contractor with hazardous --
10. CHAIRMAN PHILLIPS: Materials.
11. MR. WRIGHT: -- with a lot of different certifications that go way past the purview of this group.
12. MS. TUGMAN: Okay.
13. MR. SUMMERS: I don't think there's any way that we would -- if we ask for any information on it, we wouldn't get any. It would be one of those.
14. MR. WRIGHT: I doubt you would ever get a response.
15. MS. TUGMAN: We'll take that back to our inspectors. But we wanted to ask about it because they asked about it, so...
16. MR. SUMMERS: I would hazard a guess that that guy is going to make good money.
17. CHAIRMAN PHILLIPS: He's going to be able to ask whatever he wants.
18. MR. WRIGHT: Anybody that wants to go work in asbestos needs to be paid well.
19. MS. TUGMAN: I agree with that.
20. Thank you.
21. CHAIRMAN PHILLIPS: All right.

Another item is third meeting, December 1st, 2016, at 9:30.
22. MR. SUMMERS: That's good.
23. CHAIRMAN PHILLIPS: Okay. And prevailing wage meeting date for 2017. Do we --
24. MS. TUGMAN: We have calendars. We printed off some calendars for you.
25. CHAIRMAN PHILLIPS: So we're trying to identify days in August, September, and November?
26. MS. TUGMAN: Yes. Of course we have until December the 1st to set the rates and make the rates final. But if you know what your schedules are for next year -- you may or may not know -- but looking at some dates, we'll be available to --
27. CHAIRMAN PHILLIPS: Why don't we get some dates and send them out to everybody. It looks like that would be the easiest thing to do.
28. MR. WRIGHT: So if we have big conflict, if we write them on this and give them to you, would that be helpful?
29. MS. TUGMAN: Yes, it would. Thank you.
30. CHAIRMAN PHILLIPS: And then we'll come up with some possible dates and send out.
31. Once we have them, if we have some conflicts that we can work around, we'll say, "Well, how about these dates?" It would be easier than trying to figure that out here. Don't you think?
32. MR. SUMMERS: The only thing that I have during that period, November 13th and 14th, I do have a scheduled meeting.
33. MS. TUGMAN: Yeah. We will gather some things together and, of course, we'll see what's available. And if anybody is unavailable or has anything that they -- we'll keep them on certain days, but we'll gather up some dates and send them out to you.
34. CHAIRMAN PHILLIPS: That will work.
35. MS. TUGMAN: Yes.
36. CHAIRMAN PHILLIPS: I would ask for a motion to adjourn.
37. MR. WRIGHT: So moved.
38. CHAIRMAN PHILLIPS: Second?
39. MR. CRABTREE: Second.
40. CHAIRMAN PHILLIPS: All in favor?
41. (Affirmative response.)
CHAIRMAN PHILLIPS: Motion carries.

Thank you, gentlemen.

MEETING ADJOURNED.

CERTIFICATE

STATE OF TENNESSEE  
COUNTY OF WILLIAMSON  

I, Cassandra M. Beiling, a Notary Public  
in the State of Tennessee, do hereby certify:

That the within is a true and accurate  
transcript of the Prevailing Wage Commission  
Meeting taken on the 17th day of November, 2016.

I further certify that I am not related to  
any of the parties to this action, by blood or  
mariage, and that I am in no way interested in  
the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my  
hand this 30th day of November, 2016.

___________________________________  
Cassandra M. Beiling, CCR, LCR# 371  
Notary Public State at Large  
My commission expires: 3/15/2020