



Office of the Mayor

Tom Bates
Mayor

CONSENT CALENDAR

October 21, 2003

Date: October 3, 2003
To: Members of the City Council
From: Mayor Tom Bates
Subject: RESOLUTION IN SUPPORT OF STATE PREVAILING WAGE

RECOMMENDATION:

The Council adopt a resolution that 1.) supports the state prevailing wage law and 2.) ensures the City will not participate in efforts to overturn the *City of Long Beach* court decision.

BACKGROUND:

The prevailing wage law requires that contractors and subcontractors on public work must pay their employees a wage and benefit package at least equal to the wage and benefit package prevailing in the labor market. The law also requires contractors and subcontractors to hire apprentices registered in state approved programs.

These requirements protect area labor standards, allow union and non-union contractors to bid for work on a level playing field, attract the most skilled workers to public projects, and provide training opportunities for the apprentices who will become the next generation of skilled workers.

In the absence of a prevailing wage law, contractors who pay low wages and provide no benefits to their employees have a competitive advantage over responsible contractors who provide the good jobs our community needs.

This prevailing wage law has been the accepted standard in California since the 1930s. Recently, the Court of Appeals for the Second District upheld the State's prevailing wage requirement in charter cities such as Berkeley (*Department of Industrial Relations, et al v. City of Long Beach*). There is an effort underway to have that decision overturned, which would potentially allow cities to set aside the prevailing wage law.



While Berkeley will retain its prevailing wage law if the state mandate is removed, other cities will set aside the law. Not only will this harm working men and women, but will create an uneven playing field among neighboring cities in their efforts to attract development.

This resolution reiterates Berkeley's long standing support for the prevailing wage and ensures that the City will not participate in efforts to have this court decision overturned.

FISCAL IMPACTS: None.

CONTACT PERSON: Mayor Tom Bates, 981-7100.

ATTACHMENTS:

- Draft Council Resolution in Support of the Prevailing Wage

RESOLUTION

WHEREAS, California adopted a prevailing wage law in 1931 to require contractors and subcontractors on public projects to pay construction workers wages at least equal to the wages prevailing in local labor markets;

WHEREAS, the prevailing wage law allows contractors and subcontractors on public projects to pay a lower wage rate to apprentices registered in state-approved apprenticeship programs, thereby providing training opportunities for the next generation of skilled workers;

WHEREAS, the prevailing wage law serves important public purposes, including protecting workers from exploitation, allowing union contractors and non-union contractors to bid for public work on a level playing field, protecting the wage base in local labor markets, providing opportunities for training skilled workers, attracting the most skilled workers to public projects, and avoiding the strain on public resources that occurs when workers are not provided health and pension benefits;

WHEREAS, the California Legislature has declared that the prevailing wage law is “a matter of statewide concern.” (Stats 2002, chapter 892, section 1; Stats 2002, chapter 868, section 1).

WHEREAS, the California Court of Appeal recently ruled in *Department of Industrial Relations, et al. v. City of Long Beach*, 2d Civil No. B159333, that the prevailing wage law addresses statewide concerns, and therefore applies to construction projects subsidized by chartered cities, just as it does to projects subsidized by State and local public agencies and political subdivisions;

WHEREAS, if some cities could avoid the requirement that workers on public projects be paid prevailing wages, developers would seek to pressure all cities to waive prevailing wage requirements as a condition of the developers' participation in redevelopment efforts;

WHEREAS, the City of Berkeley supports the goals of the State prevailing wage law;

IT IS HEREBY RESOLVED that the City of Berkeley agrees with the California's Legislature's conclusion that the prevailing wage law addresses important statewide concerns and will not participate in efforts to overturn or depublish the *City of Long Beach* decision.