

**NEW BETHLEHEM BOROUGH COUNCIL
RESOLUTION NO. 2015-1
RESOLUTION IN SUPPORT OF AMENDING THE PREVAILING WAGE LAW**

WHEREAS current Pennsylvania law requires that the prevailing wage be paid by contractors on any borough, municipal or school projects over \$25,000, an amount set in 1961;

WHEREAS New Bethlehem Borough Council finds, based on contractor's estimates, that the effect of this law results in making simple projects and almost any building maintenance 20 to 40% more costly, results in deferral of needed work, and prevents the Borough from hiring local contractors to do needed work;

WHEREAS the Pennsylvania State Association of Boroughs compared prevailing wage rates across the Commonwealth's 67 counties and found they exceed market wages by 30% to 75%;

WHEREAS according to U.S. Census and wage data, PA state and local governments spend more than \$10 billion on construction. Prevailing wage raises the total cost of construction projects by 20% on average, resulting in \$2 billion in extra costs for PA taxpayers each year.

WHEREAS school districts spent more than \$2 billion on construction in 2008-09. Allowing schools to opt out could save \$400 million per year in property taxes for Pennsylvania residents;

WHEREAS indexing the \$25,000 established in 1961 to 2014 dollars would increase the threshold to approximately \$197,939.80, and allow much more work to be done with available tax dollars, grant funding and municipal resources;

WHEREAS allowing municipalities and schools to opt out or be exempt from the prevailing wage law would allow more and larger projects to be done, including reduction of blight, maintenance and improvement of buildings, community parks and amenities when needed before conditions deteriorate resulting in still higher costs; and,

WHEREAS reducing the projects subject to the Prevailing Wage Act, would put contractors to work, improve communities and allow taxpayer dollars to be used much more efficiently.

NOW THEREFORE be it resolved, that New Bethlehem Borough Council urges the Pennsylvania State Legislature to enact an amendment to:

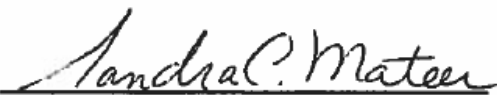
- 1. Increase the \$25,000 threshold at which the prevailing wage law currently applies to \$200,000 and adjust for inflation in future years.**
- 2. Alternatively allow local governments and school districts to opt out of or be exempt from prevailing wage law requirements.**

Resolved this 17th day of February, 2015 by New Bethlehem Borough Council in open meeting duly assembled on at 212 Lafayette Street in New Bethlehem Borough.

Attested:


Richard McGarrity, Secretary

BOROUGH OF NEW BETHLEHEM
CLARION COUNTY, PENNSYLVANIA


Sandra C. Mateer, President