

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Regular Meeting/Work Session – January 28, 2008

Pursuant to due call and notice, a regular meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, January 14, 2008, at 5:30 p.m. in the Council Chambers of City Hall, Mayor Pro-tem Downs presiding.

Upon roll call, the following Councilmembers were declared present: Hellquist, Meuers, Markeson, Downs, Erickson, Johnson. Absent: Lehmann.

Other Present: Steve Newby, Dave Becker, Gordie Smith, Larry Anderson, Steve Inkel, Gary Francisco, Jessica Looman, Mike Nelson.

Staff: John Chattin, Craig Gray, Brian Freeberg, Alan Felix, Kay Murphy

Mayor Pro-tem Downs stated that the purpose of the meeting was to discuss a proposed prevailing wage ordinance.

Jessica Looman, Laborer's Union, stated that she was asked by the group to present an overview of prevailing wage. She stated that the Coalition of Unions have worked hard in other cities to get living wages. Prevailing wages are local wages and are based on an annual construction survey conducted by the Minnesota Department of Labor and Industry. Prevailing wages are not the same as union wages. She stated that a prevailing wage ordinance is necessary because it allows local contractors to pay livable wages and maintain the local economy. It is good for the community for the following reasons: 1) it emphasizes quality construction by the best-quality contractors and highly skilled workers and, 2) cut-throat bidding can lead to shoddy construction and excessive change orders, costing more in the long run.

Erickson stated that a prevailing wage policy would require taxpayers to pay a worker on a city project more than he or she is making. She stated that it was very difficult for her to support this.

Downs commented that he was concerned about the possible increase in wages.

Ms. Looman stated that studies show that prevailing wages are cost neutral.

Erickson asked the City Engineer about labor costs on city projects.

City Engineer Gray responded that the Council does not need to pass a prevailing wage ordinance to require prevailing wages on large projects. The city writes the specifications and can include this requirement on projects.

Steve Inkel, owner of Diversified Builders, stated that he joined the union because his employees could receive benefits for their families at no additional cost to him. He stated that he was in favor of requiring prevailing wages as it would bring quality people to do the work.

Discussion continued on prevailing wages being cost neutral. Gray stated that there may be no or very little increase in project costs for large scale projects, such as the proposed events center, but the cost of local paving projects would probably rise. Gray stated that 95% of the city projects would not be cost neutral, i.e., street projects.

Hellquist commented that the County requires prevailing wages on their projects.

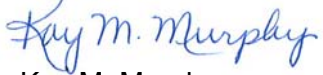
City Attorney Felix stated that there are policy issues regarding prevailing wages that should continue to be explored. He stated that the Council should consider practical matters, such as who would enforce the policy and how enforcement would be done. Who on city staff would be asked to settle disputes between an employee and the contractor?

Downs concluded that this is the beginning of a discussion regarding prevailing wage in our community and they will continue to consider the issue.

ADJOURN

There being no further business, motion by Markeson, second by Erickson, to adjourn the meeting. Motion carried. Meeting adjourned at 6:34 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk