



AGENDA NO: A-5

MEETING DATE: August 13, 2019

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: betty winholtz [REDACTED]
Sent: Tuesday, August 13, 2019 3:31 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson
Subject: regular agenda item a-5

Dear City Council:

The Planning Director responded to F6, F7, R1, R2, R4, R5, R6 for the city manager.

The response to R4 is not very useful. As you can see from the statistics quoted in the report, from 2014-2018 Morro Bay produced 0% of its share of extremely low, very low, and low income housing. Instead it produced 166.2% of its required workforce housing (defined as 160% of median income). This should be unacceptable. The response kicks the can down the road. The R3 for the county should apply to the cities as well: increase to a realistic level the cost of in-lieu fees or get rid of them and require the building of low income units. That's sincerity.

The response to R6 to utilize 2 workshops and no hearings does not demonstrate sincerity to "engage the public" in the housing update. Past city workshops are "fun" and "lively" but they do not require incorporation of or responses to the public's ideas. Consider roundtable discussions with council members present to hear the people's view, not staff's. Identify people by neighborhoods and hear their complaints and suggestions. Let the city council hear the public discuss the 2 large parcels yet to be developed in North Morro Bay.

Sincerely,
Betty Winholtz



AGENDA NO: A-7

MEETING DATE: August 13, 2019

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: betty winholtz [REDACTED]
Sent: Tuesday, August 13, 2019 12:05 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson
Subject: cc regular council meeting agenda item a-7

Dear City Council:

The following 2 paragraphs are quotes from this staff report:

"Water Accumulation Fund Interfund Transfer: A budget augmentation of \$8,700 is recommended to transfer out of the water accumulation fund and into the WRF litigation fund to fund waters 29% share of the WRF litigation costs. ♣Sewer Accumulation Fund Interfund Transfer: A budget augmentation of \$21,300 is recommended to transfer out of the sewer accumulation fund and into the WRF litigation fund to fund sewers 71% share of the WRF litigation costs."

"Capital ProjectsExpenditures: ♣WRF Litigation – A budget aug[e]mentation of \$30,000 is recommended to fund the litigation costs the City has incurred thus far related to the WRF proje[c]t."

What kind of litigation are these two Enterprise Funds involved in? Since this is a previous budget year, how long has the litigation been going on? Is it actual or potential litigation?

Sincerely,
Betty Winholtz



AGENDA NO: B-1

MEETING DATE: August 13, 2019

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: Dan Sedley [REDACTED]
Sent: Sunday, August 11, 2019 9:00 PM
To: Dana Swanson
Subject: August 13, 2019 City Coucil Meeting for City Council Members and for City Council Record

Hi Dana,

Kindly forward these comments to City Council Members and for the formal city council record.

B-1 Pre-zoning resolution of 27.96 acres

The City proposes to pre-zone 27.96 acres for the new sewer plant. This plan lacks credibility for two reasons: 1. The city does not own the site and 2. The site is not in city limits. The site has not been approved for annexation by LAFCO and therefore cannot be zoned by the city. I am therefore opposed to this resolution.

C-1 Consideration of local hire options for construction hires on the new Sewer Plant

Although I am in favor of utilizing local labor as much as possible on this project, I only have one concern that utilizing local labor not cost more to do so. As currently drafted, none of the staff proposals address the cost of using local labor, so I oppose the current staff recommendations, unless they are amended to state that the use of local labor will not come as an additional cost to the rate payers of Morro Bay.

C-4 Resolution to implement an additional 1% cost sharing for pensions

As the cost of pensions continue to soar, it is not fair nor right for municipalities to foot all the cost. The State and cities have been implementing measures for some time now, requiring employees to share the cost of their expensive pensions. Therefore I am in favor of this resolution.

Dan Sedley
Co-Chair
Citizens for Affordable Living

Dana Swanson

From: betty winholtz [REDACTED]
Sent: Tuesday, August 13, 2019 2:20 AM
To: John Heading; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson
Subject: regular cc agenda item b-1

Dear City Council:

I will be out of town therefore unable to speak at this public hearing. This is my official comment for the record.

1. The 2018 Environmental Impact Report (EIR) did not consider all aspects of the Water Reclamation Facility (WRF) as defined by the CA Coastal Commission (CCC) in July 2019. The missing parts include the current route of the pipelines, demolition of the current plant, and upgrade of the outfall. Therefore, it is erroneous to say, "The impacts of the new Water Reclamation Facility, which will be facilitated by the proposed Public Facility zoning, were considered in a Final EIR for that project, which was certified on August 14, 2018." (page 74)

2. The proposed pre-zone area proposed to be Public Facilities in the color blue does not touch the eastern boundary of the Tri-W property; is this legal? What is the width of it? Can a piece this narrow legally be left? (page 74)

3. The size of the proposed pre-zone area is larger than what is necessary for the WRF. It also includes facilities that were specifically and publicly removed by the 2017 city council that are not WRF related. This quantity of acreage should not be annexed. When did the city council publicly re-insert these facilities?

4. Does annexation require a vote of the owner(s) of property within the annexed area, or are they only allowed a protest vote? Does the city possess written documentation regarding the desire of the owner(s)? What about persons/entities with easements?

5. While it is helpful to see the proposed Sphere of Influence (SOI) line on a map for the remainder parcel, it is premature to submit this map amendment to the CCC until it has been heard before and granted by LAFCO. (page 81) In fact, LAFCO's EIR comments were not supportive.

6. A city gains an SOI if there is a purpose for it. The reason for the proposed SOI is stated in the Resolution: "WHEREAS, the principal reasons for the proposed sphere of influence designation a. Tri-W Enterprise, Inc. is the owner of that certain approximately 396.3-acre property within San Luis Obispo County and outside of the

City of Morro Bay boundary lines (Property)" This is a statement, not a reason. (page 76)

An SOI request must indicate a purpose for the land as to why it needs to be included; that's why the city lost its SOI's 10 years ago, and rightly so. The other 2 reasons listed in this Whereas have to do with the annexation, not the SOI.

7. The Planning Commission's recommendation is bogus. As recited in the Resolution, the city Council directed the application of the annexation and SOI June 25, 2019, before the item was referred for a hearing at the Planning Commission on July 16, 2019. (pages 76-77) How was the Planning Commission to come to any other unbiased conclusion or suggestion when the body who appoints them had already set the direction? (Resolution's last Whereas, page 78) Having personally attended the meeting, there wasn't much of a discussion.

8. The 12th Whereas in the Resolution does not acknowledge the need for a vote of the people to annex non-public facilities land? (page 77)

Sincerely,
Betty Winholtz



AGENDA NO: C-1

MEETING DATE: August 13, 2019

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

From: ericchristen
To: jheadling@morrobayca.gov; Marlys McPherson; rdavis@morrobay.gov; daddis@morrobay.gov; jheller@morrobay.gov; [Council](#)
Cc: erica@morrochamber.org; info@morrochamber.org; nwilson@thetribunenews.com; sfinucane@thetribunenews.com; tips@calcoastnews.com; news@kcbx.org; [Chris Neumeyer](#); [Scott Collins](#)
Subject: Why are you considering a discriminatory and cost increasing PLA in Morro Bay? Part 1
Date: Wednesday, August 07, 2019 3:23:39 PM
Attachments: [PLA Cost to Workers.pdf](#)
[Minority revised.pdf](#)
[2003-09-29 San Jose USD Contractor PLA Survey - Final Results.pdf](#)
[EBMUD PLA Contractor Survey.doc](#)
Importance: High



Part 1

Morro City Councilmembers,

My name is Eric Christen and I am the Executive Director of the Coalition for Fair Employment in Construction (CFEC). Formed 21 years ago to oppose Project Labor Agreements (PLAs) CFEC seeks to educate those considering their use and why that would be a terrible idea. On your agenda for next week you have consideration of a PLA for your \$124 million Wastewater Plant. Why?

Project Labor Agreements (PLAs) [are banned in 24 states](#) and [11 entities have done the same in California](#) Why? Because, in California's case, they implicitly and explicitly discriminate against [the 85% of the workforce who are union-free](#).

PLAs create barriers for local, minority and women-owned construction employers and their employees from participating in building their community because they contain provisions that do not allow for the full utilization of their own workforces [and force union-free workers to pay into union pension plans they will never vest in](#). (click on link and see attached)

Furthermore, [studies show these types of agreements increase project costs](#) – anywhere from 10-30% above prevailing wage because they restrict competition. Open competition is healthy and increases quality. It levels the playing field and local money is invested into the community. With the construction market so busy right now and with more work than workers, why would you do anything that makes it less likely you'll attract bidders. If you want to see what this means in real life [here is what happened to the City of Selma just last month!](#)

Their new police station was supposed to have been awarded already but despite having 10 pre-qualified bidders only 1 ended up bidding the project. Why? As you can see **from the attached document**, staff lays the fault squarely at the feet of the PLA. More evidence of the reduction in bidders that result from PLAs can be seen in the attached surveys that were conducted by the San Jose Unified School District and the East Bay Municipal Utility District. **They found a 50% reduction in potential bidders should a PLA be implemented.**

Finally PLAs also exclude the men, women, and veterans who have chosen to enter into state approved, unilateral apprenticeship training programs in pursuit of a construction career from the opportunity to work and gain the invaluable on-the-job training experience that provides stability for them, their family and their community. ALL PLAs explicitly exclude these apprentice programs.

Best regards,

Eric Christen
Executive Director
Coalition for Fair Employment in Construction
www.opencompca.com

PLAs are typically touted as being in the “best interests of the workers.” But here is the painful truth for construction workers who are forced to participate in a PLA. It could cost a worker – in this example a journeyman electrician – as much as \$70,233 to work under a PLA.

The “total package” of wages and benefits are set by the state in what is called a “prevailing wage determination” which is almost always based upon the union’s collective bargaining agreement. In Orange County for the job of inside wireman – the total package is \$58.57 an hour but let’s look what happens to that.

The package is composed of an hourly wage, and amounts for health insurance, pension, training, and an amount for “other purposes” (really - a union slush fund).

So long as the total of payments add up to the total package – the amounts for some of these items can vary – but the wage can never drop below \$39.50. But watch what happens and the impact these variances have on non-union workers who are forced to contribute under the PLA.

The PW amount for health and welfare is set at \$10.20 an hour – and that is the amount the contractor must send to the union for medical coverage for the covered employee. That is \$1,632 a month for medical. WECA collects \$720 a month for a full coverage plan for a typical covered worker and family and another example – under the ACA – you can purchase a gold plan policy for a family of three for \$856 a month. So, at a minimum, the electrician forced into the unions’ “one size fits all plan” costs him or her at least \$800 a month! And if the worker doesn’t need any medical coverage – say they are covered on their spouse’s plan or parent’s – they lose the entire \$1,632 for coverage they don’t need (remember – the total package must add up to \$58.57 – so an employer who pays less than \$10.20 an hour – pays more into one of the other categories – usually pension.

So let’s look at the pension. That is set at \$7.45 an hour. The vesting can vary from union to union but according to the IBEW/NECA website – it is five years for locals in Southern California. So, unless the non-union worker gets five years of work in the IBEW – they lose the **entire** \$7.45 because they never qualify for retirement from the union. To qualify for being part of the total package, a non-union contractor must make an **irrevocable** contribution to the benefit of the worker – usually the contributions are made into a 401K.

The package includes an amount called “other payments” which we in the merit shop call the unions’ slush fund. In the OC it’s \$.44 an hour – not much – but it still is an involuntary “deduction” from the total package that in the merit shop is typically paid into pension.

Finally – these workers now are obligated to pay union dues for a union they did not voluntarily join. I am sure some in the audience will complain that no one can be forced to join a union or pay dues – but I’ve seen PLAs that mandate union membership beginning on the 7th day of work – so I argue the dues are required – and in SLO it is \$31.70 a month or \$.20.

So when you add up the higher costs for medical, the loss of pension contributions, the payment of dues and “other” fees, a PLA at Centralia SD will cost a non-union electrician at least **\$13.14 an hour** – for a union the worker never agreed to join!

PLAs Cost Workers

These scenarios assume a two-year construction project with 48 weeks of full-time, paid employment.¹

	JP electrician, 2 dependents. PLA in place	JP electrician, 2 dependents. No PLA in place	JP electrician, no dependents, health covered under ACA
Total package	\$58.57	\$58.57	\$58.57
Health & Welfare	\$10.20 ²	\$5.35 ³	\$0
Training ⁴	\$0.78	\$0.78	\$0.78
Union Dues ⁵	\$0.20	-	-
“Other” ⁶	\$0.44	-	-
“Lost” Pension ⁷	\$7.45	-	-
Available Take home pay	\$39.50	\$52.44	\$57.79
		\$13.14 ⁸	\$18.49 ⁹
“Savings” to worker free from PLA ¹⁰		\$50,457.60	\$71,001.60

¹ These scenarios do not calculate any tax consequences that could result from an employers decision to pay additional wages to reach the total package or make pension contributions that could shield some payments from federal and/or state taxation

² Paid to union trust – assumes full coverage for employee and dependents

³ For illustration, this is an estimate from Covered California for a Blue Shield Gold 80 PPO policy for this family in SLO County.

<http://www.coveredca.com/shopandcompare/2015/#healthplans>

⁴ Required payment of training contribution to State CAC or apprenticeship program

⁵ <https://www.unionfacts.com/lu/25310/IBEW/639/#membership-tab>

⁶ From DIR PW calculations. *INCLUDES AN AMOUNT FOR THE NATIONAL LABOR-MANAGEMENT COOPERATION FUND AND THE ADMINISTRATIVE MAINTENANCE FUND.*

⁷ According to IBEW/NECA pension vests in five years, contributions made if worker doesn't vest are “lost.” <https://www.scibew-neca.org/html/pspd0080.htm>

⁸ This is the difference between the required basic hourly rate of \$39.30 and the total package of \$58.37. The employer MAY pay this on the wage – which results in additional costs to employee and employer or more typically, may make an irrevocable contribution to a retirement account like a 401K.

⁹ Ibid

¹⁰ As previously noted, this amount could be in the form of wages or a contribution to a pension program.

What Women and Minority Groups Say About PLAs

“PLAs are de facto segregation... African-American workers are significantly underrepresented in all crafts of construction union shops...PLAs are non-competitive and, most of all, discriminatory.”

National Black Chamber of Commerce

“We believe PLAs make it more difficult for minority-owned contractors to compete...they effectively work against the goals of increasing the number of projects awarded to minority-owned businesses by placing roadblocks in the way.”

Latin Builders Association

“Bay Area Black Contractors Association has been a strong advocate for merit shop construction firms in the Bay Area and we are opposed to PLAs.”

Bay Area Black Contractors Association

“WCOE opposes government mandated PLAs...PLAs will disproportionately impact small business, particularly those owned by women and minorities.”

Women Construction Owners and Executives

“The ultimate effect of the San Francisco Airport PLA is clear...once the PLA was implemented minority business prime contract participation dropped 91.9%. This PLA has been a disaster for minority-owned businesses.”



Asian American Contractors Association

At Some Point it Becomes Obvious What PLAs are REALLY All About

The City prequalified 10 contractors for the project. On July 20, 2018, the project went out to bid, and on August 30, 2018, the City received one bid for the project, from Seals Construction for \$7,952,000. In reviewing the bids, Vanir opined that the labor costs

associated with the PLA coupled with the lack of competition created by the PLA, drove the bid to exceed the engineer's estimate.

On September 4, 2018, because the bid exceeded the engineer's estimate, Council rejected the bid, directed City Staff to revise the project, and return to the City Council with a revised project scope and estimated cost, as well as discuss revisions to the PLA requiring union labor. These steps were taken with the intention to rebid the project and attract more competitive bids.

Vanir also reached out to the pre-qualified contractors for the project, to determine the reasons that those contractors did not submit a bid for the project. The various contractors indicated that given the healthy construction market, contractors prefer to bid on projects that do not have a PLA in place, given the rigorous requirements contained in PLAs.



SAN JOSE UNIFIED
SCHOOL DISTRICT

All Students Can Learn... All Students Can Succeed!

School Construction
Ty Williams, Director

September 29, 2003

OCT 06 2003

RECEIVED

To: Contractors Bidding Work in San Jose Unified School District

Dear Contractors,

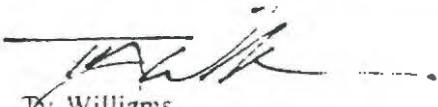
The San Jose Unified School District Board of Education has instructed staff to study the issues involved in possibly entering into a Project Labor Agreement (PLA) with the Building Trades Council for the upcoming work funded by the Measure F bond proceeds. The Board believes this may be a controversial step and has instructed staff to determine whether common ground exists between the various parties on which a PLA beneficial to the District could be established. Staff has met on several occasions with the Building Trades Council representatives and has solicited and received feedback on the proposed form of the PLA from the Associated Builders and Contractors and the California Fair Employment Commission. We have heard the comments and concerns of individual contractors and construction industry representatives and have distilled the major issues down to those involving apprenticeship programs, prevailing wage compliance, payments into health and retirement programs, and the hiring of one's own employees through the Union halls.

As contractors who have bid on construction projects within the San Jose Unified School District in the recent past, your input is invaluable to us in this effort. The District's intent is to enter into an agreement only if it does not discourage contractors from bidding our work, regardless of their affiliation to the Trades Unions. We recognize the important role the contracting community has had in the successes of our Modernization Program to date, and would like your input on how a PLA might affect your company's willingness to bid on District projects.

With this in mind we wish to survey the contracting community to understand where the owners of these companies stand in regard to the potential of the District entering into a PLA. We request that you please take the time to answer the following survey questions, attach any additional comments you care to, and return the survey by mail or by fax to the SJUSD School Construction Department at the following address:

San Jose Unified School District, 855 Lenzen Avenue, Room 211, San Jose, CA 95126
Attn: Debbie Doty FAX: (408) 535-2322

Thank you very much for your attention to this important matter.


Ty Williams
Director, School Construction

SURVEY RESULTS FROM BIDDERS

If the SJUSD enters into a Project Labor Agreement with the Building Trades Council containing the following clauses, how would this affect your willingness to continue bidding projects in our District:

1. If all of your employees, other than your 'core' employees (those meeting a criteria defined within the PLA as a 'core' employee), would have to be hired through the appropriate Union hall.

Would this make you (Less Likely 34) (The Same 29) (More Likely 52) to bid on the work?

2. If you had to pay benefits for all employees into the defined benefit and retirement programs administered by the appropriate trade's labor management trust fund for the hours worked on the project(s) under the PLA.

Would this make you (Less Likely 33) (The Same 32) (More Likely 50) to bid on the work?

3. Non-Union employees choosing not to join a Union upon completion of work under the PLA would forfeit their contributions to the retirement programs administered by the appropriate trade's labor management trust fund, unless the employee is vested in the plan (typically a 5 year period).

Would this make you (Less Likely 38) (The Same 31) (More Likely 44) to bid on the work?

4. If all employees had to pay either agency fees or initiation fees to the applicable trade union.

Would this make you (Less Likely 40) (The Same 28) (More Likely 46) to bid on the work?

5. If those funds in the appropriate trade's labor management trust fund programs were portable and the employees were able to take the contributions with them and reinvest them in a personal retirement plan, Roth IRA, 401k etc.

Would this make you (Less Likely 28) (The Same 56) (More Likely 28) to bid on the work?

6. If you were required to hire apprentices through the appropriate trade's labor management trust fund apprenticeship programs.

Would this make you (Less Likely 30) (The Same 41) (More Likely 45) to bid on the work?

7. If you could hire apprentices from any State-approved apprenticeship program.

Would this make you (Less Likely 32) (The Same 54) (More Likely 28) to bid on the work?

8. Would the District's entering into a PLA make you stop bidding our work regardless of the content of the PLA? (Yes 29) (No 86)

Please explain your response:

9. Do you believe that the District entering into a PLA would attract more Union contractors?
(Yes 74) (No 38)

Please explain your response:

10. Do you believe that the District entering into a PLA would discourage non-Union contractors?
(Yes 83) (No 26)

Please explain your response:

11. Does your company currently provide health benefits and a retirement package(s) for all employees?

If yes, please state how it is administered and who is eligible. Please provide information the District can use to confirm levels of participation.

yes - 106 no - 4

12. If you have any comments you would like to add, feel free to use the space provided below.

Please add additional sheets if you would like to add more information for any questions.

PLA Survey of Selected Contractors who have Bid on District Projects

Contractor	Union Signatory?	PLA Disincentive to Bid?	PLA Increases Cost?	Comments
	Yes	Yes	Yes	<p>PLA not good public policy for agencies to be “married to unions” and require hiring of union workers. 90% of our staff are long-time employees who are also members of union but we will not bid SFPUC projects because of PLA and generally stay away from PLA jobs.</p> <p>Prevailing wage enforcement is a level playing field for all contractors and is sufficient. Hiring staff should be prerogative of the contractor – better contractors develop their own trained personnel, have lower turnover and better safety records. Employees lose benefits if they shift from one trade union to another. We are signatory to laborers union because we reached agreement with them on training and ability to pay benefits directly to employee rather than to union trust fund.</p>
	No	Yes	Yes	<p>Prefer not to bid PLA jobs but it depends on the PLA. SFPUC’s PLA is contractor friendly and has no problem working with it. Allows contractor some freedom to negotiate terms and conditions. Jurisdictional disputes between unions are a bigger problem than the PLA itself.</p> <p>Despite the fact contractors have their own benefits plans, PLAs require open shop contractors to pay their workers’ health and retirement benefits to union benefit and pension funds. Thus, companies have to pay benefits twice: once to the union and once to the company plan. Nonunion employees never see any of the benefits from contributions sent to union plans unless they decide to join a union and remain with the union until vested.(So now the open shop contractor is at a disadvantage with wage rates)</p> <p>We have had employees to previous PLA’s let their pension funds go. In order to stay vested for the pension funds, the employee had to continue paying union dues or bring union dues up to date in order to obtain their pension monies.</p>

PLA Survey of Selected Contractors who have Bid on District Projects

Contractor	Union Signatory?	PLA Disincentive to Bid?	PLA Increases Cost?	Comments
	Yes	No	Yes	<p>Do not care for PLA but deal with it. No purpose except to complicate and confuse issues. Forces work with teamsters and electricians union. Work rules of some unions increase costs – e.g. pipe fitters union not competitive.</p> <p>Bids are higher for SFPUC work because of PLA. Requiring non-union contractors to pay into union trust fund under a PLA helps level the playing field for union contractors. Union contractors are hampered by union jurisdictional issues and lack flexibility of non-union contractors to have workers perform multiple tasks and pay the appropriate prevailing wage for the different tasks.</p>
	Yes	Yes	Yes	<p>PLAs do not make much sense for modest sized projects (<\$100M). The main benefit provided by PLAs, if properly negotiated, is the assurance of labor peace, no pickets or work stoppages and a 4-10 staggered work week.</p> <p>Prevailing wage enforcement is a sufficient step to assure the level playing field between union and non-union contractors. On larger projects, bonding and pre-qualification requirements are a better method to assure a qualified construction team.</p> <p>PLAs are expensive to negotiate/implement and limit competition from both union and non-union contractors. Costs/bids increase largely due to the reduced control over craft labor and it becomes more difficult to ensure safety. We are very selective in deciding to bid projects for Contra Costa County and SFPUC when the bid documents include a PLA.</p>
	Yes	No	Yes	<p>Generally not a fan of PLA but will bid those jobs. Not a big fan of unions either but being a union contractor helps to avoid pickets on prevailing wage jobs. Prevailing wage enforcement provides a level playing field.</p> <p>Biggest problem with PLA is jurisdictional disputes between unions particularly with plumbers and what work do plumbers have to do vs. laborers or boiler workers. PLA increases bid amount due to limiting competition.</p>

PLA Survey of Selected Contractors who have Bid on District Projects

Contractor	Union Signatory?	PLA Disincentive to Bid?	PLA Increases Cost?	Comments
	Yes	No	Yes	<p>PLA can work well. Have not had a negative experience. Danger is when agency and union negotiate PLA without contractor input – sometimes local area practices are not included. Increases costs for some trades where we are not signatory because non-union subs will not bid PLA jobs and competition is limited. Bigger problem is jurisdictional disputes between unions (e.g. pipe fitters vs. millwrights). PLA could help by clarifying who does what work.</p> <p>PLA does not help with quality/safety and in fact may hinder it. Quality/safety is driven by company not the unions. Like the “core worker” and trust fund payment provision in PLA because it increases costs for non-union contractors who have to pay into union trust fund.</p>
	Yes	No	Yes	<p>Generally have no problems with PLA and it works for us. However pre-qualification is a better route to go than PLA. As a union contractor, we can only hire union sub-contractors. However, some disciplines have no union contractors (e.g. slurry sealing) and this causes problems.</p> <p>PLA can help with jurisdictional disputes between unions (e.g. plumbers vs. boiler workers re: welding of large diameter pipe). Plumbers want to do it but are generally not qualified. PLA requirements regarding payment into union trust funds do not affect us but it impacts non-union contractors. Non-union workers never see the benefits paid into the trust fund on their behalf.</p>
	No	Yes	Yes	<p>Do not like PLA and avoid at almost all cost. Limits freedom with staffing and ability to move people around. Prevailing wage provides level playing field.</p> <p>Was a sub on SFPUC job with PLA – did not receive good service from union because (as a non-union signatory) we were low on totem pole. PLA did allow our staff to join union, and then hired them for the job. But benefit costs increased because we had to pay benefits to union in addition to company benefits in order to ensure staff retention after the PLA job was over. Extra cost was about \$12/hour per worker.</p>

PLA Survey of Selected Contractors who have Bid on District Projects

Contractor	Union Signatory?	PLA Disincentive to Bid?	PLA Increases Cost?	Comments
	No	Yes	Yes	<p>85% of the construction work force in California is non-union. Non-union contractors have accepted prevailing wages as the level playing field. There are penalties for violating prevailing wage laws and EBMUD does a good job monitoring prevailing wages.</p> <p>Unions do not want non-union contractors on PLA jobs and it is a blatant move to eliminate the open shop. We did seven jobs for the Port of Oakland prior to the PLA but now can't bid Port jobs anymore. Absolutely increases contract costs due to limiting competition. Also increases agency costs for administering the contract and PLA.</p> <p>Workers should not be forced to join union to work on PLA job. There should be no requirement for companies to pay into the union trust fund for workers who are not union members, thereby paying double benefits. We would want a minimum of two core workers before being required to go to the union hiring hall. Unions deliberately send the "bottom of the barrel" to non-union contractors on PLA jobs because trust fund payments are for one project only. District should set a high threshold of \$35m contract amount for PLA projects.</p>
	Yes	Yes	Yes	<p>Do not like PLAs. If they have to be used, the threshold for contract amount should be \$20m. Problems occur with some disciplines where union subcontractors are not available and the non-union subs stay away from PLA jobs. It is impossible for us to build jobs without the ability to use our core workers. We are forced to carry "excess baggage" in order to meet the requirements of a PLA.</p> <p>Jurisdictional issues are a problem with plumbers who are unable to meet the needs for mechanical piping on water and wastewater jobs but claim the work is theirs. Prevailing wage provides a level playing field. On PLA, non-union subcontractors have to pay double benefits to union trust fund if workers are not union members. On one SFPUC job this amounted to \$46/hour per worker. PLA limits competition by effectively removing non-union subcontractors from the bidding pool.</p>

PLA Survey of Selected Contractors who have Bid on District Projects

Contractor	Union Signatory?	PLA Disincentive to Bid?	PLA Increases Cost?	Comments
	Yes	Yes	Yes	<p>A PLA not only limits the number of general contractors looking at a project, but also limits the number of subcontractors exponentially reducing competition and increasing costs. Even “union contractors” are impacted by a PLA because many contractors are only signatory to a few trades, but under a PLA the contractor is now bound to the collective bargaining agreements of <u>all</u> trades and those work rules, another factor that increases costs.</p> <p>The double payment of benefits or waiting period for union benefits discourages contractors from bidding PLA projects, and most likely increases costs for those that do bid. Each contractor whether non signatory, or signatory with only a few unions had made that business decision and obviously felt that decision and their means and methods made them competitive. A PLA changes those means and methods which in turn can change the contractor’s costs and bid.</p> <p>Core worker provisions, while a novel concept and offered in some PLAs by proponents to hide the discriminatory nature of a PLA, do little to address the issues created by a PLA. While a core worker provision does allow contractors not signatory with a particular trade to bring in some of its workers for that trade it still disrupts the crew already established by the contractor (union and non-union).</p>

Survey initially conducted 5/15/12 – 5/29/12

Updated 7/15/15

Dana Swanson

From: ericchristen [REDACTED]
Sent: Friday, August 09, 2019 7:15 AM
To: Marlys McPherson; Council; Robert Davis; John Headding; Dawn Addis; Jeffrey Heller
Cc: erica@morrochamber.org; info@morrochamber.org; nwilson@thetribunenews.com; sfinucane@thetribunenews.com; tips@calcoastnews.com; news@kcbx.org; Chris Neumeyer; Scott Collins
Subject: Why are you considering a discriminatory and cost increasing PLA in Morro Bay? Part 2



Part 2

Morro City Councilmembers,

My next email covers the issue of “local hire”. This is the reason big labor special interests are giving when it comes to why you should radically change the way you conduct business in Morro Bay. But this begs some questions:

Do PLAs guarantee “local hire”. Answer: No. The language PLA proponents use is the following:

9.1 Local Hire. It is the objective of the parties that not less than fifty percent (50%) of the combined journey-level and apprentice hours worked on the Project, on a craft by craft basis, be worked by residents of the Local Area.

9.2 The Unions will exert their utmost efforts to recruit sufficient numbers of skilled craft persons and apprentices to fulfill the requirements of the contractor and to meet the Local Area resident hiring objectives of this Agreement...

9.8.2 The City staff shall monitor the operation of the Local Hire, Priority Apprentice and Student Internship programs and shall consider allegations of non-compliance with the goals stated in this Article. If there is a determination by the City that a Contractor has not complied with the goals or demonstrated good faith efforts to do so, the City and the Contractor shall meet and confer in order to identify necessary actions to resolve the issue and ensure a good faith effort to achieve the objectives of this Article.

“Good faith efforts” and “goals” are the keys here. You are being asked to discriminate against workers and increase the cost of your project for “good faith efforts” and “goals”. A PLA cannot mandate “local hire” because it is illegal to do so.

The more you know the less appealing PLAs really are.

Best regards,

Eric Christen
Executive Director
Coalition for Fair Employment in Construction

Public Comment

Morro Bay City Council Meeting August 13, 2019

Agenda Item C-1; “Consideration of Local Hire Options . . .”.

I support the City of Morro Bay committing to a local hire provision for contracts to construct and complete the pipeline conveyance and injection well elements of the WRF project.

I do not, however, support the City committing to the use of a Community Workforce Agreement (CWA) or a Project Labor Agreement (PLA) for that work, and am opposed to any such action on the part of the City. It is disturbing and unnecessary that the local hire concept raised in Council during an April meeting should have morphed into a CWA or PLA initiative.

I offer the following points:

- A local hire provision directs Morro Bay WRF ratepayer funds and project loan funds (ultimately the same thing) to the local economy – a desirable goal.
- The State of California and the City of Morro Bay presently have prevailing wage requirements on the books, and those prevailing wages are in fact concurrent with current union wages. The point being that both union and non-union workers receive the same wages for projects such as the WRF.
- Non-union contractors assert that while receiving prevailing wages, their workers in fact take home more money than union workers – due to the union dues and union benefits collected by unions from their member’s wages.
- Community Workforce Agreements and Project Labor Agreements were developed and introduced years ago by organized labor, and since then have been promoted and supported by organized labor for its own benefits.
- In light of the existing prequalification procedures for public projects, a CWA or PLA is unnecessary in terms of establishing contractor qualifications,.
- The vast majority of local and regional contractors are non-union, and to introduce CWA’s and/or PLA’s into an already competitive process (one that pays prevailing wages) is restrictive, and potentially discriminatory.
- Concerning the argument that CWA’s and PLA’s reduce project labor costs, there is extensive literature developed over several decades, as well as statistics, that both support and refute that argument, and in balance renders the argument inconclusive.
- While a local hire policy is attractive, there is no reason to burden such an initiative with requirements for organized labor.
- Labor unions, union contractors and union service providers target public work, because they can influence politicians with organized labor support.
- Any Council person who accepted campaign contributions from organized labor should at this time make those contributions explicitly and publicly known to Morro Bay rate payers, and recuse themselves from Council consideration of a CWA or PLA. Instead, they can offer their thoughts and opinions through public comment.

Ron Reisner

Morro Bay Resident and Ratepayer

Dana Swanson

From: Dan Sedley [REDACTED]
Sent: Sunday, August 11, 2019 9:00 PM
To: Dana Swanson
Subject: August 13, 2019 City Coucil Meeting for City Council Members and for City Council Record

Hi Dana,

Kindly forward these comments to City Council Members and for the formal city council record.

B-1 Pre-zoning resolution of 27.96 acres

The City proposes to pre-zone 27.96 acres for the new sewer plant. This plan lacks credibility for two reasons: 1. The city does not own the site and 2. The site is not in city limits. The site has not been approved for annexation by LAFCO and therefore cannot be zoned by the city. I am therefore opposed to this resolution.

C-1 Consideration of local hire options for construction hires on the new Sewer Plant

Although I am in favor of utilizing local labor as much as possible on this project, I only have one concern that utilizing local labor not cost more to do so. As currently drafted, none of the staff proposals address the cost of using local labor, so I oppose the current staff recommendations, unless they are amended to state that the use of local labor will not come as an additional cost to the rate payers of Morro Bay.

C-4 Resolution to implement an additional 1% cost sharing for pensions

As the cost of pensions continue to soar, it is not fair nor right for municipalities to foot all the cost. The State and cities have been implementing measures for some time now, requiring employees to share the cost of their expensive pensions. Therefore I am in favor of this resolution.

Dan Sedley
Co-Chair
Citizens for Affordable Living

Dana Swanson

From: Lisa and Tim Jouet [REDACTED]
Sent: Monday, August 12, 2019 10:15 AM
To: Council
Subject: 8/13 agenda ítem

As residents of the county of San Luis Obispo (Morro Bay in the early 1990's-city of SLO since) we encourage all local governments to enter into Community Workforce Agreements when public infrastructure projects are undertaken. As this is relevant to Item C-1 on your upcoming 8/13 agenda, we strongly urge you to choose option A. Thank you for your public service to the people of the city of Morro Bay and the central coast.
Lisa and Tim Jouet

jouetstudio.com

Breathe. Take a moment to feel grateful for today.

DAVID CRYE, INC.

GENERAL ENGINEERING CONTRACTOR
LICENSE #806678

1170 QUINTANA ROAD • MORRO BAY, CA 93442
(805) 772-7457 • (805) 772-3805 FAX
ASKUS@CRYECONSTRUCTION.COM • WWW.CRYECONSTRUCTION.COM

City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

August 11, 2019

Subject: Opposition to Project Labor Agreements Regarding Water Reclamation Facility Project

Dear Honorable Mayor & Councilmembers:

My name is David Crye, President of David Crye General Engineering Contractor Inc. I'm a fourth-generation resident of Morro Bay and have operated my business in our Community for almost 20 years. Prior to that my father and grandfather were contractors in Morro Bay.

I employ 28 local workers, some who live in, or within a 25-mile radius of Morro Bay. In addition to my construction business I operate four rock quarries between Morro Bay and Cambria. David Crye, Inc. offers health insurance, profit sharing and other employee benefits, and has a stringent safety program.

I am writing you today because I am strongly opposed to Project Labor Agreements (PLA's) as they prevent local hire, eliminate competition, are discriminatory and lead to higher costs. These reasons leave me concerned about the viability of my business, and other local non-union contractors who will not entertain bidding a job where PLA's are required.

In reviewing the South San Luis Obispo County Sanitation District Wastewater Treatment Plant Redundancy Project PLA there are many examples of inequality and discrimination. For example, in section 4.5.2 only 30% of the work can be performed by local contractors and 70% performed by unions. I assume this could also be the case for your project. I would ask you to reflect on who has provided quality work in the City of Morro Bay for many years.

PLA's require local non-union contractors like myself to hire union employees potentially putting my skilled employees out of work. I would have no point of reference of experience level, and work ethic of the union employees I am required to hire. This could possibly result in issues of work quality, safety and loss of revenue.

The PLA would also require me to pay health and retirement benefits to union-affiliated trust funds in addition to our employees' own benefit plans. More than likely, my employees would never reap the benefits of union trust funds.

I urge you to learn more about PLA's at www.thetruthaboutplas.com. Thank you for taking the time to review my letter and consider my concerns as to why I oppose PLA's.

Sincerely,



David Crye
President
David Crye General Engineering Contractor, Inc.

Dana Swanson

From: Daniel Cook [REDACTED]
Sent: Monday, August 12, 2019 9:16 AM
To: Council
Subject: Sewer plant labor contracts on 8/13 Agenda

Honorable Council Members;

On tomorrow's agenda there is an item concerning hiring local labor for the construction of our new sewer plant. I would like to strongly encourage the hiring of local labor, preferably through a community workforce agreement. These workers are our friends and neighbors, and the fair wages they get will be recycled through the local economy to the benefit of all. It makes no sense for these workers to pay local taxes, but then be denied local jobs when available.

I'm a lifelong Central Coast resident, and enjoy so much our little community, please help keep Morro Bay strong by providing local workers local jobs.

Thank you;

Dan Cook

Dana Swanson

From: Steve Rarig <sr@rarig.com>
Sent: Monday, August 12, 2019 3:04 PM
To: Council
Cc: jw@rarig.com; [REDACTED] Jake Schmit; [REDACTED] david@cryeconstruction.com
Subject: RE: PLA Agreement For City Projects
Attachments: Staff Report Highlighted.pdf

Hi again council. Over the past few weeks I have spoken and met with many of you regarding my reasons for opposing a PLA for your new sewer pipeline conveyance and injection well system. I understand from speaking with many of you that the city is having financial problems due to many reasons- if this is the case why would you want to increase **any** cost at all to the city for any project. Your own staff report on page one notes the FISCAL IMPACT of a PLA (community workforce agreement) with local labor groups (unions) will result in **increased overall project cost of approximately \$45,000-\$90,000.**

I have attached part of your staff report and highlighted in **yellow** why Rarig Construction and it's local workforce will not be bidding on your city project if you approve a PLA-You are discouraging non-union local contractors and subcontractors from bidding on this project.

I plan to attend tomorrow's hearing along with some of my employees and other community members to speak against the PLA.

Thanks, Steve Rarig
Rarig Construction Inc.
805-543-9397
sr@rarig.com
www.rarig.com

From: Steve Rarig <sr@rarig.com>
Sent: Tuesday, June 04, 2019 2:04 PM
To: council@morrobayca.gov
Cc: 'Chris Rarig' <cr@rarig.com>; gr@rarig.com; jw@rarig.com
Subject: PLA Agreement For City Projects

Hi council, Rarig Construction Inc. is a **local** building contractor with offices in Cayucos and San Luis Obispo. We have been in business since 1975 and employ about 35 local employees. We are currently building the 23 unit condo project named Morro Mist on North Main Street. We also built your fire station and another project years ago for your Harbor District.

Please **do not** negotiate a PLA Agreement with the unions. Rarig is an open shop nonunion contractor and will not enter into any PLA Agreement with your city and the unions. Your existing competitive bid system and contractor selection process based on Davis Bacon and Prevailing Wage has been working just fine- why rock the boat and discourage a local company from bidding your city projects.

Thanks, Steve Rarig
Rarig Construction Inc.
805-543-9397
sr@rarig.com

AGENDA NO: C-1

MEETING DATE: August 13, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: August 6, 2019

FROM: Scott Collins, City Manager

SUBJECT: Consideration of Local Hire Options for Construction Work on Components of the Water Reclamation Facility Project, and Provide Direction as Deemed Appropriate

RECOMMENDATION

Staff recommends either:

- a) Council direct staff to initiate negotiations with local labor representatives to develop a community workforce agreement for the pipeline conveyance and injection well components of the Water Reclamation Facility (WRF) project, or
- b) Council direct staff to add a local hire provision to contracts with the firms selected to construct and complete the pipeline conveyance and injection well components of the WRF project, or
- c) Council could choose not to pursue a mechanism to encourage local hiring on the identified portions of the WRF project.

FISCAL IMPACT

Pursuing a community workforce agreement with local labor groups for the pipeline conveyance and injection well components of the WRF project will result in increased overall project costs of approximately \$45,000 to \$90,000, related to negotiation and compliance expenses. Other potential WRF cost increases, including project labor, related to a workforce agreement are uncertain.

Adding a local hire provision to the eventual contracts with firms that construct the pipeline and injection well components of the WRF project will result some minor increases in costs to the overall WRF project, likely around \$10,000 - \$20,000, to develop the contract language and for compliance expenses. Other potential WRF cost increases, including project labor, related to a local hire provision in the contracts are uncertain.

There are no additional costs associated with maintaining status quo.

BACKGROUND

City Council identified local hire/local worker preference for the WRF project as an objective for the Council approved 2019-2020 City Goals. The approved action item states the intent is to include local worker/local hire/local labor preference on major City capital improvement projects, with the WRF being the initial project. The value of local hiring preference is it would create a mechanism to potentially increase the availability and opportunities for construction work for local workers. That is particularly important for a community such as Morro Bay with a median income of \$51,000 and a

limited number of head of household jobs.

City staff, including the WRF Team, City Attorney and City Manager, have spent portions of the past several months reviewing various opportunities available to the City to help achieve this local worker objective. That work included a review of common practices related to local worker preference, review of literature on local worker programs, such as Public Labor Agreements (PLA) or Community Workforce Agreements (CWA), discussions with other agencies that either have a CWA in place or are considering a CWA for projects similar in size and scope to the WRF project, and engagement with local labor representatives.

In the next section of this report, staff identifies the major options available to the City related to local hire preferences on the WRF project and future large capital projects, while summarizing how they function and outlining their various pros and cons. It should be noted in advance, any provision, whether it's a PLA, CWA or a local hire provision embedded in a construction contract, that provision will not apply to the treatment facility component of the WRF project, as that part of the project is already under contract. The construction costs for the remainder of the WRF components—pipeline conveyance and injection well systems—are approximately \$30 Million.

DISCUSSION

Public Labor Agreements/Community Workforce Agreements

PLAs or CWA (to be referred to collectively for ease as CWAs for the remainder of the report) can be negotiated agreements between local building trade union councils and individual construction trade unions and the project owner. CWAs are negotiated prior to advertisement for bids, and requirements bound by the CWA become part of the bid submission, procurement documents and contract. CWAs typically include provisions for uniform work conditions, hiring procedures, wages and benefits, management rights, labor-management dispute resolution procedures and no strike provisions. CWAs also include added features such as bidding preferences for local hiring, whereby the goal can be set for percentage of total hours of construction to be conducted by local workers. They can also include targets for apprentices' participation in the project, which can help connect younger laborers and underrepresented groups to the trades.

CWAs typically require program management/construction management work directly with local labor halls to hire construction workers for the job (and with a preference for local workers if such a preference is included in the agreement). In turn, program management/construction management monitor and document the contractor and sub-contractor(s) efforts to achieve compliance with the agreement.

In the case of Morro Bay, a CWA cannot require the City or its contractors/sub-contractor(s) to achieve the local hire goals, as that is prohibited as these requirements have been found to violate an individual's Constitutional right to travel. Rather, the agreement could specify the efforts that must be undertaken to try, in good faith, to achieve the local worker goals.

The City of San Luis Obispo (SLO) recently executed a CWA for its Water Resource Recovery Project (estimated at over \$120 Million). According to City of SLO staff, that CWA will cost the City an additional \$179,000 - \$274,000. Those added costs are related to the legal expenses to negotiate and execute the contract and properly comply with the agreement once the project is under construction. In addition, South SLO County Sanitation District is formally pursuing a CWA for its wastewater projects and other SLO County agencies are considering that option for their similar projects. In the case of Morro Bay, staff anticipates the total cost for negotiation and compliance ranges from \$45,000 to \$90,000 for the WRF project.

In reviewing the literature available on CWAs and talking with local labor groups and agencies and construction managers that have either completed projects with CWAs or are in the process of constructing projects with CWAs, there are several pros and cons for City Council to consider. It should be noted the literature available offers a mixture of viewpoints on CWAs, with no definitive agreement regarding whether they add or reduce costs to construction projects beyond the negotiation and compliance costs. Two reports are attached that discuss the pros and cons in more detail. These reports are meant to provide additional context, but are just a sample of the many reports and studies on CWAs available online

CWA Pros

- Limit labor/management disagreements, and potential work disruptions related to such disagreements.
- Establish local worker goals and provides unions with legal authority to implement local hire program.
- Give greater assurance to the agency comprehensive efforts have been undertaken to use local labor (in comparison to local hire preference or local hire resolution options).
- The agreement can include other provisions such as apprenticeship programs and connect the contractor and union groups with local learning institutions such as the high school and community college.

CWA Cons

- Added costs to the project for negotiating an agreement and compliance with the agreement.
- Some argue projects with CWAs may discourage non-union local contractors and subcontractors from bidding on the project because of the added costs borne by contractors due to union agreements. Those costs include paying into retirement funds and other benefits.
- CWAs may require the use of certain trades be utilized that carry a higher cost for work that may be able to be done by a lower classification.

Pursuing this option would not impact the schedule of the pipeline conveyance and injection well system components of the project.

Local Hire Provision in Construction Contract

As an alternative, the City could choose to include a local hire provision in the contracts for the WRF project pipeline conveyance and injection well system construction. Under that approach, the contractor would be contractually obligated to create a local hire program and monitor their efforts. The City's WRF Project Manager would verify the contractor complies with the requirement. As with the CWA, the City cannot require a local hire goal be met, but rather require the good faith efforts identified in the contract are carried out to attempt to achieve the local hiring goal. The main difference between this approach and the CWA is the union halls are not the agent to conduct the hiring outreach, that responsibility would be placed on the contractor. Staff anticipates additional costs ranging from \$10,000 to \$20,000 for creating contract language and for the project management/contract management to monitor the local hire program.

Local Hire Provision in Contract Pros:

- Establish local worker goals.
- Can include apprenticeship programs.

Local Hire Provision in Contract Cons:

- Added cost to include this provision in the contract and monitor for compliance (though lower than CWA).
- Less assurance to the project owner comprehensive efforts would be undertaken to use local labor (as compared to the CWA).
- Potential for work stoppage.

Pursuing this option would not impact the schedule of the pipeline conveyance and injection well system components of the project.

Status Quo – Market

Finally, the City could choose not to enter into a CWA or add provisions to construction contracts and leave it up to the market to determine local worker outcomes. There are no added costs for this option, though there would be no formalized/contractual effort to encourage local workers on the WRF project.

Local Hire Resolution/Ordinance for Large Capital Projects

City Council could also choose to develop a local hire resolution that would require good faith attempts to be taken on all large capital projects to encourage local hiring. That option could be done in conjunction with the CWA or local hire provision in the construction contracts for the pipeline and injection well systems or serve as a standalone method to encourage local hiring on the WRF project. However, staff recommends this option be considered only after the City completes the WRF project and has gained experience with either the CWA or local hire provision, in the case that the City pursued one of these options for the WRF project.

Questions for City Council

- 1) Is Council interested in pursuing a local hiring provision for the identified components of the WRF project? If yes, which local hire option is Council interested in proceeding forward with for the WRF project at this time?
- 2) What are the Council's broad priorities for local hiring on those remaining components of the WRF project?
- 3) What are Council's specific goals with regard to local workers (in terms of percentage of hours of total work to be performed by local workers and apprentices)?
- 4) What other specific goals should be considered, if any?
- 5) Is additional information needed or are there any unanswered questions requiring answers prior to making any decision?

ATTACHMENTS

- 1) Congressional Research Services Study on PLAs
- 2) UC Berkeley Study on PLAs
- 3) Staff Presentation for August 13, 2019 Meeting



Plumbers, Pipe and Refrigeration Fitters Local Union No. 403

Mayor John Headding
595 Harbor Street
Morro Bay, CA 93442

Dear Mayor Headding,

I am writing on behalf of the 300 members of Plumbers and Steamfitters Local 403 that are based in San Luis Obispo County to urge the City Council to support a project labor agreement/community workforce agreement on The Water Reclamation Facility Project. Members of Plumbers and Steamfitters Local 403 work throughout San Luis Obispo County on major construction projects, at the Diablo Canyon Power Plant and....

PLAs/CWAs are the only way to ensure that our tax dollars stay her local and that our local workforce will actually work on the Water Reclamation Facility Project in Morro Bay. PLAs/CWAs help projects be completed on-time, on-budget and with enhanced safety.

Not only do PLAs/CWAs ensure that our tax dollars stay here in our community and that our local workers actually work on the project they also provide an opportunity for local students to enter local apprenticeship programs to start careers in the construction trades that provide head of household jobs with health care benefits and pensions.

PLAs/CWAs protect the taxpayer and the City of Morro Bay by guaranteeing a skilled and trained local workforce is working to complete the Water Reclamation Facility.

PLAs/CWAs are required by law to be non-discriminatory and they do not prohibit non-union contractors and subcontractors from bidding and winning work. They do ensure that local workers are paid the prevailing wage for the work that is being done and that our tax dollars stay local.

On behalf of the 300 of Plumbers and Steamfitters Local 403, We urge the Morro Bay City Council to adopt a Project Labor Agreement/Community Workforce Agreement on the Water Reclamation Facility.

Please let us know if we can provide any additional information. Thank you in advance for your consideration of our request.

Sincerely,

Jeff Thomas
Business Manager
Local 403

**3710 Broad St.
San Luis Obispo, CA 93401
Phone: (805) 543-2416
Fax: (805) 541-0251**



Special Service Contractors, Inc.

A - General Engineering Contractor – Lic.#701224

P.O. Box 3121, Paso Robles, CA 93447-3121

Phone: 805-227-0913 Fax: 805-227-0915

August 12, 2019

City of Morro Bay
Mayor Headding & Morro Bay City Council
595 Harbor Street
Morro Bay, CA 93442

Re: Conveyance System and Lift Station Project

Special Service Contractors, Inc. is a local General Engineering and Mechanical Contractor based in Paso Robles, CA. We are in support of the City of Morro Bay consideration to implement a Project Labor Agreement (PLA) for the upcoming Conveyance System and Lift Station to be constructed.

Special Service Contractors, Inc. has performed various projects in the county of San Luis Obispo. Recently it performed as a mechanical sub-contractor on the Stone Tile Replacement of the Neptune Pool Project at Hearst Castle.

When the city votes “Yes” to implement the use of a Project Labor Agreement it continues to support the many folks, businesses and community service districts within our county. When out of area contractors and particularly local area contractors are subject to a PLA, the likelihood of those taxpayer dollars remaining in the area in support of our future is far greater. Invariably most of those dollars paid to the contractor for the work to be performed will stay here when it is used to employ local citizens living in this county and purchase materials from vendors in this area. Young and old, including present and future retirees who live in the county of San Luis Obispo will fare better when local taxpayer dollars are kept here and re-cycle within the area. Which thereby again reinvests those taxpayer dollars for all our futures.

I urge a vote to protect our future! Make it mandatory that all Capital Improvement Projects and Maintenance Projects within the County and Cities be performed to a Project Labor Agreement.

Respectfully Submitted,

Russell R. Wilson
President

Special Service Contractors, Inc.

P.O. Box 3121

Paso Robles, CA 93447

Phone 805-227-0913 ext 103

Cell 805-423-1814

Fax 805-227-0915

Email r.wilson@sscinfo.com

Dana Swanson

From: [REDACTED]
Sent: Tuesday, August 13, 2019 7:48 AM
To: Council
Subject: Local labor for local projects

Dear Morro Bay city council,

I am unable to attend tonight's meeting, but the topic is too important to not let you know the views of this (registered and voting) constituent. You are about to spend huge amounts of our money on a new water treatment facility. Please at least ensure that this money goes to local tradespeople, and union ones. Our economy needs all the help it can get, beyond replacing inhabitants with AirB&B. Local projects must benefit primarily the locals.

Thank you
Marie-Christine Mahe
[REDACTED]

Dana Swanson

From: ericchristen [REDACTED]
Sent: Tuesday, August 13, 2019 7:16 AM
To: Marlys McPherson; Council; Robert Davis; John Headding; Dawn Addis; Jeffrey Heller
Cc: erica@morrochamber.org; info@morrochamber.org; nwilson@thetribunenews.com; sfinucane@thetribunenews.com; tips@calcoastnews.com; news@kcbx.org; Chris Neumeyer; Scott Collins
Subject: A response to Councilman Davis and Your Staff Report. Part 3
Attachments: PLA Oversight Costs.docx
Importance: High



Part 3

Morro City Councilmembers,

My next email responds to both Councilman Davis' email and your own staff report on PLAs.

Councilman Davis' email is below. My responses are in red.

I appreciate hearing from you on this.

My goal is to promote local hiring, so what I'm looking for is a commitment to prioritize local hires. Part of that is to target specific local groups, such as displaced fishermen, veterans, women. Part of it is development of training programs, a path to bring young people into apprenticeship programs and teach them a trade.

A PLA cannot require "local hire". But if that is a goal for the City then the first thing to ask is what are your current "local hire" numbers on City projects? Has this question even been asked? Should it not be before you radically change the way you conduct business? The City of Santa Barbara just undertook a study as it grapples with this issue and found that they are already at 75% "local hire" for their projects.

The bottom line is to require recruiting efforts that target our local populace.

If that is the "bottom line" then why is a Project Labor Agreement being considered? PLAs have nothing to do with "recruiting efforts" in fact they make it more difficult seeing how, according to the Labor Department, 85% of local construction workers are union-free. The City can go about achieving that goal separately from a PLA by simply creating a list of pre-qualified local bidders to work with.

The hard part is measuring compliance. Do we get the results that we are looking for, and how do we quantify what we are looking for? And how much does it cost to measure results?

PLAs place the “local hire” GOALS on the contractors to monitor. Again, what are your current numbers? As for costs, it costs plenty. Staff estimates your costs being \$45,000 to \$90,000. Do you have surplus funds for this? Where is this money coming from? To pay more for your project by reducing bidders is one thing but just to oversee this exclusionary document will cost you perhaps \$90,000. For what?! A GOAL of “local hire” that has no teeth in it regarding enforcement or compliance?

This is a work in progress. Council has not yet had a full discussion and I don't know when that will be scheduled. We identified local hiring as a City goal but we haven't yet gotten into the specifics. As you point out, it is a big subject with lots of potential land mines. If you can help me figure this out, I will appreciate it. Thanks. Red

Robert Fuller Davis
Morro Bay California

To the staff report:

If “local hire” is the goal then why do something that local contractors have told you will eliminate them from bidding this job? You could instead just create a “local hire” set of goals and make them be part of a pre-qualification process. As for PLAs helping here, [the San Diego Unified School District has shown that they do not meet their promises](#).

Again, what are your “local hire” numbers now?

Staff reports that the cost just to oversee the PLA will be \$45,000-\$90,000. It will be much more. Attached is what another public entity was charged just to oversee the PLA (\$130,000) while the City of Santa Barbara staff has estimated it's going to be over \$250,000 there.

Here is what the South San Luis Obispo County Sanitation District has spent to date with the PLA not even agreed to yet:

Fiscal Considerations:

To date for the CWA in review and administrative efforts the District has expended approximately \$9,300 in Engineering Services, \$17,500 in legal services and \$12,000 in District Staff time. For an estimated total of \$38,800

Kennedy Jenks has indicated that delayed bidding contributes approximately \$55,000 per month to project costs.

Options:

1. Direct staff to advance the project without the CWA in effect.
2. Provide other direction

Attachments:

1. None

Staff leaves you with Option 2 and 3 which are obviously the way to go both with regards to costs and when it comes to openly discriminating against union-free workers, apprentices and contractors.

Best regards,

Eric Christen
Executive Director
Coalition for Fair Employment in Construction
www.opencompca.com

Padilla & Associates, Inc. has delineated our proposed rates as follows:

BILLING RATES FOR ALL PERSONNEL AND CATEGORIES OF EMPLOYEES	
Personnel and Categories of Employees	Fully Burden Rate
Patricia K. Padilla- Principal Project Administrator – Community Benefits Agreement (CBA) Administrator	As-Needed (No-Cost)
Antonio F. Dupre' Sr.	\$150.22
Michael Phu	\$116.18
Sharron Dearborn	\$94.16
* All billing rates are inclusive of all costs, overhead, general administrative costs, mileage and travel, materials, labor, indirect and direct costs, fees, profit, etc.	
TOTAL COSTS	
Construction Duration 11 Months Plus 1 Month for Pre-Construction Activities, and 2 Months for Close-Out Activities = 14 Months Total	Cost for 1 Project, Total Valued at \$23,000,000
TASK I – PROJECT LABOR COORDINATOR CONSULTING SERVICES (90%)	\$117,015.00
TASK II - LABOR DISPUTES AND GRIEVANCES (10%)	\$13,450.00
TASK III – ADDITIONAL SERVICES (As-Needed)	TBD
TOTAL COST FOR PROJECT LABOR COORDINATOR CONSULTING SERVICES	\$130,465.00

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AGENDA NO: C-3

MEETING DATE: August 13, 2019

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: Dan Sedley [REDACTED]
Sent: Sunday, August 11, 2019 9:00 PM
To: Dana Swanson
Subject: August 13, 2019 City Coucil Meeting for City Council Members and for City Council Record

Hi Dana,

Kindly forward these comments to City Council Members and for the formal city council record.

B-1 Pre-zoning resolution of 27.96 acres

The City proposes to pre-zone 27.96 acres for the new sewer plant. This plan lacks credibility for two reasons: 1. The city does not own the site and 2. The site is not in city limits. The site has not been approved for annexation by LAFCO and therefore cannot be zoned by the city. I am therefore opposed to this resolution.

C-1 Consideration of local hire options for construction hires on the new Sewer Plant

Although I am in favor of utilizing local labor as much as possible on this project, I only have one concern that utilizing local labor not cost more to do so. As currently drafted, none of the staff proposals address the cost of using local labor, so I oppose the current staff recommendations, unless they are amended to state that the use of local labor will not come as an additional cost to the rate payers of Morro Bay.

C-4 Resolution to implement an additional 1% cost sharing for pensions

As the cost of pensions continue to soar, it is not fair nor right for municipalities to foot all the cost. The State and cities have been implementing measures for some time now, requiring employees to share the cost of their expensive pensions. Therefore I am in favor of this resolution.

Dan Sedley
Co-Chair
Citizens for Affordable Living