

Women Building Success Event



Credit: FCF-Vince Muzik

More than 150 people crowded into the hall at IBEW Local 110 in St. Paul on November 15 for the Women Building Success group's National Apprenticeship Week photo contest. As part of the State of Minnesota's "Women in Apprenticeship Day," the group announced its photo contest winners at the event, which featured former Minnesota Gophers Women's Basketball Coach Pam Borton. Winning photographers were awarded more than \$500 in prizes for photos in three categories: tradespeople at work, pictures of the jobsite, and tools or craftsmanship.

Women Building Success is a multitrade women's group whose mission is to recognize, celebrate and promote women in the building trades. The group has yearly

events centered on four themes -- competition, leadership, recognition and service. The November 15 event highlighted competition and leadership. In addition to the photo contest, Borton, who coached at Minnesota for 12 seasons which included the Gophers Final Four appearance, spoke about performance and leadership.

Jenny Winkelaar, director of Marketing and Public Relations at the Minneapolis Building Trades, believes part of the success of the event was reflected by the amount of male support in the audience. "While we're a women's group, we are gender inclusive. It's very important for us to build a bridge with our union brothers. It was great to have them there and to hear them applaud us," Winkelaar said. "Based on the feedback we received, some of the men there felt this was one of the first women's events they'd been to where they felt part of the celebration, not looked at as an enemy."

The next Women Building Success function will be its awards ceremony on March 6, 2019, at the Surly Brewing Co. in St. Paul.

Major Construction Beginning Across Minnesota

Major construction is not limited to the metro. There are several large construction projects currently underway or soon to start across Minnesota:

- In Duluth, Essentia Health and St. Luke's will spend \$1 billion on construction during the next two years.
- In Moorhead, union contractor Ames Construction began work on the 20th/21st street underpass, which at \$73 million will be the largest transportation project in Moorhead's history.

Southwest Light Rail

On November 30, the Met Council held a ceremonial groundbreaking on the 14.5-mile Southwest Light Rail Transit expansion from Minneapolis to Eden Prairie. The \$2 billion construction contract was awarded to Lunda Construction and C.S. McCrossan. It will be the largest public infrastructure project in Minnesota's history. Construction will begin early this year and is expected to create 7,500 construction jobs between 2019 and 2022 with passenger service beginning in 2023. The project is jointly funded by local, state, and federal sources.

Labor Gives Back

Organized labor has a long history of helping people in its cities and communities. It's not just a slogan; it's a way of life. Workers DO give back.

Two great examples from this past year are the International Brotherhood of Electrical Workers (IBEW) Minority Caucus and the Central Minnesota Building Trades. In November, as part of the IBEW's International Day of Service 2018, a group of electricians in the Twin Cities took time to fix the lighting and overall building maintenance at two venues. Local 110 of St. Paul worked the Conway Recreation Center and Local 292 of Minneapolis helped the Little Earth Housing Development. Jolene Jones, president of the Little Earth Residents Association, exclaimed, "It's like 'Wow!' Nobody does stuff like this ever for this community and we appreciate it."

Continued on back



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Credit: FCF-Vince Muzik

Labor Gives Back *Continued from front*



In December members of the Central Minnesota Building Trades acted as the arms and legs for Catholic Charities of St. Cloud Share the Spirit program. Families in need are "adopted" by groups or individuals who buy them Christmas presents. The gifts range from toys for kids to houseware necessities. The generosity literally spans the entire gymnasium floor of the St. Cloud Armory on that special day when families pick up their presents. For more than two decades, trades members have organized everything, matching the family with the order and loading the cars. Sheri Brown, the program's coordinator said, "We couldn't do this program without them."



Education and Outreach Update

In addition to monetary recoveries, FCF spent much of the year on outreach efforts, which included speaking to nearly 6,000 union construction workers. Taskforce meetings were conducted monthly in all six regions throughout the year and a project mapping application was developed for the Central group. The MN Prevailing Wage Study was completed and distributed, the FCF website was revamped, and four videos were produced and shared with affiliates.

AGC of Minnesota Centennial

Former Governor Mark Dayton declared Dec. 11, 2018, Associated General Contractors (AGC) of Minnesota Day, in recognition of the organization's centennial anniversary. Congratulations to AGC and its members for their commitment to excellence in the construction industry!



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Industry Enforcement at a Glance

In 2018 our coordinated investigations and complaints resulted in wage recoveries and penalties of \$189,894.50. This is the third highest annual dollar amount FCF has obtained and brings FCF's total recovery to approximately \$1.3 million. Enforcement and quality control cannot be done without cooperation by union representatives and industry stakeholders. Thank you to everyone. Some of the 2018 enforcement highlights include:

- Total Fire Protection was assessed more than \$68,000 in wages owed and penalties as a result of work it performed at MSU-Mankato.
- Valley Wall, Inc., was found to have owed employees \$14,274 in wages resulting from work on the Owatonna National Guard Armory.
- DSRC Concrete, Inc., was assessed \$3,880 in wages owed due to work performed at Camp Ripley.
- A.J. Moore Electric was assessed \$10,711.39 in wages owed and penalties for work it performed at Dakota County Technical College.
- Mortenson Masonry Inc., was assessed \$44,752.15 in wages owed and penalties for underpaying bricklayers and laborers at the Northland Community and Technical College Aviation campus in Thief River Falls.
- FCF was able to obtain prevailing wage enforcement through construction managers on multiple school district projects.
- A debarment hearing was held in September 2018 in relation to FCF and IUPAT District Council 82's previous investigation of Jamek Engineering Service, Inc., which had previously resulted in a finding that Jamek underpaid its employees by almost \$42,000. Debarred Jamek will be ineligible for federal work, and by virtue of the Responsible Contractor Law, all government work in Minnesota for a period of time established in the debarment order.
- In 2018 FCF filed numerous additional complaints that are still under investigation, including some that FCF believes will result in significant recoveries.

Minnesota State Prevailing Wage Certifications 2018-19

Happy New Year! It's time for an annual review of state prevailing wage basics.

1. Each year prevailing wage rates are certified by the Minnesota Department of Labor and Industry (MnDLI). Rates are divided up into three classes: Highway/Heavy, Commercial (Building), and Residential Construction. Residential rates are not published online and need to be requested from MnDLI. To check Highway/Heavy and Commercial rates, go to: <http://www.dli.mn.gov/business/employment-practices/prevailing-wage-information>
2. State rates are broken down by 208 different labor codes.
3. The prevailing wage rate is the most frequently reported in the survey for a given labor code.
4. If a prevailing wage rate is union, it will escalate with changes to the CBA. All unions are notified by MnDLI every July to submit their updated CBAs.
5. The current published rates are based on surveys submitted for work between April 2, 2017, and June 1, 2018.
6. Once rates are certified, you have 30 days to request corrections from MnDLI. Email requests to Karen.Bugar@state.mn.us.
7. Stay current with all the prevailing wage updates and survey deadlines by subscribing to email notifications at: http://workplace.doli.state.mn.us/prevwage/email_notify.php

Highway and Heavy Wage Rates 2018-19

On Nov. 14, 2018, new Highway and Heavy rates were certified. Two things unique about Highway and Heavy rates are:

1. Rates are set by region and Minnesota has 10 regions.
2. The minimum project size is \$25,000.

There were 19,656 employees reported for the 2018 survey as compared to 19,009 the previous year. The certified rates are based on the most frequently reported wage rates by region. These rates are usually published in late October or November and are in effect until the next survey is analyzed and new rates are certified the following year.

Commercial Wage Rates 2018-19

New Commercial wage rates were certified on Dec. 17, 2018. Rates are certified by county and project size must be at least \$2,500. Rates are generally certified in December and are in effect until the next annual certification.

This year there were 60,274 employees reported state wide as compared to 56,023 the year before.

Summary

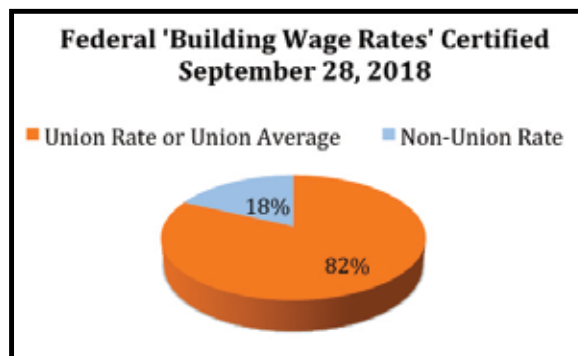
- It's important to submit surveys to get an accurate picture of what is paid in each county or region for each labor code.
- All interested parties should be familiar with the current wage rates and how to find them.
- Visit fcfmn.org and click on "Resources" to find many useful Minnesota construction related websites, including those related to prevailing wage.
- Call Gary or Adam at 651-797-2726 if you have questions.

Federal 'Building' Prevailing Wages Were Certified in 2018

The Davis-Bacon Act (DBA) governs federal prevailing wages. Rates are set for Highway, Heavy, Building, and Residential construction. On Sept. 28, 2018, the U.S. Department of Labor certified new **Building** prevailing wage rates. Rates were based on a survey of projects active between May 1, 2014, and April 30, 2015. This was Minnesota's first 'Building' survey since 2002!

The federal survey bases each wage rate on the 'type of work' reported and not on a labor code as is used by Minnesota DLI. Similar to Minnesota rates, the federal rates are determined by county. Rates can be checked at: <https://www.wdol.gov/dba.aspx>. Click on 'Selecting DBA WDs' to search for a county.

FCF analyzed the initial rates that were set and **82 percent** were either union or union average. A union average rate occurs when all rates reported in a county for a 'type of work' are union but were from multiple unions with varying rates and no single rate satisfied the conditions defining it as a majority rate.



A union rate is a rate certified when it satisfies a set of conditions defining it as the majority rate.

Both union rates and union averages will escalate automatically year-to-year based on changes to the applicable CBA. These escalations should occur automatically if the CBAs are submitted to DOL. **So it is important that CBAs are submitted in a timely manner in order to update rates.**

CBAs may be emailed to: WHD_CBA_UPDATES@DOL.GOV or mailed to:
Branch of Construction
Wage Determination
200 Constitution Avenue NW, Washington, DC 20210

For more info, visit fcfmn.org/resources.

Labor Trafficking in Minnesota's Construction Industry

In September 2018 the Hennepin County Attorney's Office charged Ricardo Batres of American Contractors and Associates LLC with labor trafficking. The case marks the first time that a person has been charged under the Minnesota statute criminalizing labor trafficking. Yet, this case is only the tip of the iceberg of the problem of labor trafficking in Minnesota's construction industry.

Labor trafficking is a modern form of slavery that entraps an estimated 25 million people worldwide. The United States is a source, transit, and destination country for men, women and children who are subjected to labor and sex trafficking. Labor trafficking was not defined as a crime however, until the year 2000 with the passage of the Trafficking Victims Protection Act (TVPA). The TVPA defines labor trafficking as occurring when a person is compelled to work - often for little or no pay - through the use of force, fraud, or coercion by their trafficker. Furthermore, federal and Minnesota labor trafficking statutes impose criminal liability on anyone who receives anything of value with the knowledge that it is derived from trafficked labor. Despite this, the crime still exists in the shadows of our construction industry.



Construction is among the top industries where labor trafficking occurs. Labor trafficking is most likely to occur in industries where workers are isolated or itinerant, and where the employer-employee relationship is concealed through multiple levels of purported subcontracting. Approximately 83 percent of the victims of labor trafficking in the construction industry are foreign nationals. Labor traffickers exercise complete and total control by exploiting their victims' lack of English language abilities and fear of deportation. Rarely do victims come forward.

Unfortunately enforcement of these laws remains limited. In FY2017 the U.S. Department of Justice secured only 28 labor trafficking convictions nationwide. In Minnesota, a 2016 survey of law enforcement agencies revealed that 72 percent of respondents agreed that it is difficult to identify labor trafficking victims and crimes. So it remains a chronically under-policed crime.

The September arrest of Batres is important in the enforcement of Minnesota's labor trafficking laws. Industry leaders must remain vigilant and aware of any potential labor trafficking on jobsites. Labor trafficking is a crime that benefits nobody except those who profit by exploitation. Sadly it fuels an underground economy here in Minnesota.

Our Mission

The Fair Contracting Foundation promotes prevailing wage law education, compliance and enforcement. It advocates for practices, policies and laws that ensure fair government contracts, a strong local industry and protection of the public interest. We're here to help. Give us a call at 651-797-2726 or toll-free at 1-844-777-0606.