



Sept 3, 2013

My name is Sam Merlino and my company is Merlino Consulting. I am writing this letter on behalf of the California Field Ironworkers Labor Management Cooperation Trust. This trust represents approximately 15 million man-hours worked this year. The purpose of this letter is to express our concern regarding the City of Porterville's decision to not pay prevailing wage as a charter city. As stated by the city council, an effort to reduce costs and easily outsource key services is the motivation behind such an effort. Granted, the tax payer has a right to get the best service for the best price, the concern is the quality, safety, training, and productivity that suffer as a result of not paying prevailing wage.

We would like to point out a few things for the Committee to consider. While we support the local municipalities' authority to manage their budgets and operational requirements, we are very concerned with the recent reactionary trend of blindly outsourcing key services with little to no oversight. California's prevailing wage law requires contractors and subcontractors to pay fair wages to their employees, to hire apprentices from state-approved apprenticeship programs, and to make monetary contributions to train the next generation of skilled craftsmen and craftswomen. Our employers face tough challenges in the months and even years ahead. We face an ever growing underground economy that disembowels our tax base, our infrastructure revenue, our local fire and police force and even our basic education system. With an estimated multi-billion dollar underground economy operating throughout the state, we see an ever growing deficit in our city budgets and our local employer's bottom line. Employers in California face some of the toughest safety, labor, tax, permit and environmental laws in the United States. And yet, we still see the 2 and 3 generation legacy companies operating here.

Our employers chose to stay in business, and chose to pay prevailing wage, even in non-public contracts. Why? Because they are ensured to get the most qualified, educated, safe and local workforce money can buy. They depend on State approved Apprenticeship programs to deliver the highest quality workers in the country. They depend on the ability to compete fairly in an open market, not in an undisclosed outsourced contract with no local oversight or responsibility. They depend on the workers who live in and around the local projects they deliver, because they understand that a local workforce has ownership and pride in the products they deliver.

We ask that the Charter Review Committee of Porterville please consider our points of concern and reinstate prevailing wage. On behalf of the men and women of Merlino Consulting and the California Field Ironworkers Labor Management Cooperation Trust, I want to personally thank you for your time and consideration. Please don't hesitate to contact me with any questions or concerns you may have.

Sincerely,
Sam Merlino
Merlino Consulting, Inc
916 410 6811

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SEP 11 2013

**CITY OF PORTERVILLE
CITY CLERK OFFICE**