



MATANUSKA-SUSITNA BOROUGH Office of the Mayor

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April 3, 2024

Via Email

Honorable David Wilson, District N
Honorable Mike Shower, District O
Honorable Shelley Hughes, District M
Honorable Jesse Sumner, District 28
Honorable Kevin McCabe, District 30

Honorable George Rauscher, District 29
Honorable David Eastman, District 27
Honorable DeLena Johnson, District 25
Honorable Cathy Tilton, District 26

RE: Support for House Bill 173

Dear Valley Senators and Representatives,

The Borough Assembly adopted Resolution 24-042 (copy attached) in support of House Bill 173 and its provision to raise the threshold for municipal contracts qualifying for Little Davis Bacon Act (LDBA) prevailing wages from \$25,000 to \$150,000.

The current threshold of \$25,000 disproportionately impacts small businesses bidding on municipal contracts, placing a substantial burden on their ability to compete effectively. The paperwork requirements for compliance for large contracts and contractors are incidental in the normal course of business. However, for small businesses that bid and get minor contracts for vital projects and services, such as maintenance, repairs, and smaller-scale construction the proportionate burden on them is significant.

House Bill 173's proposed increase of the threshold to \$150,000 reflects a pragmatic approach to addressing this issue. By aligning the threshold more closely with the economic realities faced by small businesses, the bill will enable them to compete more equitably for municipal contracts.

Moreover, raising the threshold for LDBA prevailing wages is consistent with our Borough's commitment to fostering a business-friendly environment that supports entrepreneurship and economic vitality. By providing relief to small businesses, House Bill 173 will stimulate economic growth, create job opportunities, and enhance the overall prosperity of our Borough and across the state.

Respectfully submitted,



Edna DeVries

Mayor

Edna.DeVries@matsugov.us



Michael Brown
Borough Manager

Mike.Brown@matsugov.us

cc: Mr. Todd Smoldon
Mr. John Harris

Attachment: Resolution 24-042

SUBJECT: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF HOUSE BILL 173 TO INCREASE THE THRESHOLD FOR PREVAILING WAGE FOR PUBLIC CONSTRUCTION CONTRACTS.

AGENDA OF: April 2, 2024

Assembly Action: Adopted with Assemblymembers Hale and Nowers opposed 04/02/24 - BJH

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To	Signatures
Originator: M.Brown	3/20/2024 X M i c h a e l B r o w n Signed by: M i c h a e l B r o w n
Purchasing Director	3/20/2024 X R u s t i n K r a f f t Signed by: R u s t i n K r a f f t
Finance Director	3/20/2024 X C h e y e n n e H e i n d e l Signed by: C h e y e n n e H e i n d e l
Borough Attorney	3/20/2024 X J o h n A s c h e n b r e n n e r Signed by: J o h n A s c h e n b r e n n e r
Borough Manager	3/20/2024 X M i c h a e l B r o w n Signed by: M i c h a e l B r o w n
Borough Clerk	3/21/2024 X L o n n i e M c K e c h n i e Signed by: L o n n i e M c K e c h n i e

ATTACHMENT(S): Resolution Serial No. 24-082 (2 pp)

HB173 (1pp)

SUMMARY STATEMENT: This resolution is being brought forward at the Manager's request. The bill sponsor requested a letter of support, and the Manager felt this warranted input from the Assembly. HB 173 calls for an increase to the threshold from \$25,000 to \$150,000 for municipal contracts before they qualify for the required payment of prevailing wages.

RECOMMENDATION OF ADMINISTRATION: Respectfully request approval.

Adopted: 04/02/24

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 24-042**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF HOUSE BILL 173 TO INCREASE THE THRESHOLD FOR PREVAILING WAGE FOR PUBLIC CONSTRUCTION CONTRACTS.

WHEREAS, the current Little Davis-Bacon threshold is \$25,000 for public contracts, and this threshold has been in place since October 20, 2011; and

WHEREAS, the labor market controls the current wage rates without the additional administrative burden of AS 36.05; and


WHEREAS, the increased threshold will satisfy the need to catch up with inflation and consider higher prices; and

NOW, THEREFORE, BE IT RESOLVED, the Mat-Su Borough supports HB 173, which calls for an increase to the threshold that municipal contracts must meet before they qualify for the required payment of prevailing wages.

ADOPTED by the Matanuska-Susitna Borough Assembly this 2 day
of April, 2024.


EDNA DeVRIES, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

YES: McKee, Yundt, Gamble, Fonov, and Bernier

NO: Hale and Nowers