



City of La Quinta

CITY / SA / HA / FA MEETING DATE: December 2, 2014

ITEM TITLE: SECOND READING AND ADOPTION OF ORDINANCE NO. 521 AMENDING SECTION 3.30.050 OF THE MUNICIPAL CODE PERTAINING TO PREVAILING WAGE REQUIREMENTS

AGENDA CATEGORY:

BUSINESS SESSION:

CONSENT CALENDAR: 2

STUDY SESSION:

PUBLIC HEARING:

RECOMMENDED ACTION:

Adopt Ordinance No. 521 on second reading.

EXECUTIVE SUMMARY:

- At the November 18, 2014 Council meeting, City Council approved a motion to take up and introduce Ordinance No. 521 on first reading, which amends a section of the Municipal Code pertaining to prevailing wage requirements.
- The Ordinance resulted from Senate Bill No. 7's (SB7) requirement that the City pay prevailing wages starting January 1, 2015, regardless of the project's funding source, or become ineligible for all state public works funding.
- As ordinances cannot be adopted within five days of introduction, the adoption is done at a second reading.

FISCAL IMPACT:

The Public Works Department estimates City costs will increase by \$200,000 to \$300,000 annually. If the City chooses to exercise its right to not require prevailing wages on its locally-funded contracts, the loss in state funding would be over \$1.0 million in State Gas Tax Street Improvement, Surface Transportation Program, State Transportation Improvement Program and Community Development Block Grant funds.

BACKGROUND/ANALYSIS:

SB7, enacted in 2013, prohibits a charter city from receiving or using state funding or financial assistance for any construction project if, after January 1, 2015, the

city has a charter or municipal code provision that authorizes a contractor to not comply with prevailing wage provisions on any public works contract.

Municipal Code section 3.30.050, which states: "The city shall impose no prevailing wage requirement," will be replaced with the following:

For public works contract for construction work over \$25,000 and for alteration, demolition, repair or maintenance work over \$15,000, entered into, or extended on or after January 1, 2015, the city shall require compliance with California Labor code section 1770 through 1782 as may be amended from time to time.

A majority of the City's infrastructure projects are currently subject to prevailing wages because the funding is usually from state or federal sources, at least in part. The primary impact of SB7 will be an increase in maintenance service contracts.

ALTERNATIVES:

As Council approved this ordinance at first reading, staff does not recommend an alternative.

Report prepared by: Pam Nieto, Administrative Technician

Report approved for submission by: Susan Maysels, City Clerk

ORDINANCE NO. 521

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA QUINTA, CALIFORNIA, AMENDING SECTION 3.30.050 OF THE MUNICIPAL CODE PERTAINING TO PREVAILING WAGE REQUIREMENTS

WHEREAS, the California Legislature adopted and the Governor signed Senate Bill No. 7 (SB7), adding Section 1782 to the California Labor Code to prohibit a charter city from receiving or using state funding or financial assistance for a construction project if the city has a charter provision or ordinance that authorizes a contractor to not comply with the state law requirements relating to the payment of prevailing wage on any public works contract; and

WHEREAS, the loss of state funds would result in a significant financial impact that would make it infeasible for the City of La Quinta to undertake certain critical infrastructure improvement projects on which local residents depend.

NOW, THEREFORE, the City Council of the City of La Quinta does ordain as follows:

SECTION 1. Effective January 1, 2015, Section 3.30.050 of Chapter 3.30 (Public Works Contract) of Title 3 (Revenue and Finance) of the La Quinta Municipal Code is hereby amended to read as follows:

Section 3.30.050 Prevailing wage requirement.

- a. This section applies to "public works" as defined in California Labor Code sections 1720 through 1743, as may be amended and including the exceptions set forth therein.
- b. For public works contracts for construction work over \$25,000 and for alterations, demolition, repair or maintenance work over \$15,000, entered into, or extended on or after January 1, 2015, the City shall require compliance with California Labor Code sections 1770 through 1782 as may be amended from time to time.

SECTION 2. EFFECTIVE DATE: This Ordinance shall be in full force and effect on January 1, 2015 or thirty (30) days from the date of adoption, whichever is later.

SECTION 3. POSTING: The City Clerk shall, within 15 days after passage of this Ordinance, cause it to be posted in at least three public places designated by resolution of the City Council, shall certify to the adoption and posting of this Ordinance, and shall cause this Ordinance and its certification, together with proof of posting to be entered into the Book of Ordinances of the City of La Quinta.

PASSED, APPROVED and ADOPTED, at a regular meeting of the La Quinta City Council held this 2 day of December 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DON ADOLPH, Mayor
City of La Quinta, California

ATTEST:

SUSAN MAYSELS, City Clerk
City of La Quinta, California

(CITY SEAL)

APPROVED AS TO FORM:

WILLIAM H. IHRKE, City Attorney
City of La Quinta, California

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LA QUINTA)

I, SUSAN MAYSELS, City Clerk of the City of La Quinta, California, do hereby certify the foregoing to be a full, true, and correct copy of Ordinance No. 521 which was introduced at a regular meeting on the 18th day of November 2014, and was adopted at a regular meeting held on the 2nd day of December 2014, not being less than 5 days after the date of introduction thereof.

I further certify that the foregoing Ordinance was posted in three places within the City of La Quinta as specified in the Rules of Procedure adopted by City Council Resolution No. 2014-013.

SUSAN MAYSELS, City Clerk
City of La Quinta, California

