

CCIA HIGHLIGHTS *of the week*

A weekly information bulletin for members of the Connecticut Construction Industries Association

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A NEW ARTBA REPORT found that Connecticut would lose \$3.2 b. in economic activity each year, including \$2 b. in lost sales and 10,227 in lost jobs that an investment in transportation would have supported, according to an [article](#) in *CT News Junkie* this week. That adds up to \$65 b. in benefits, wages, and output for drivers and businesses and nearly \$21.4 b. in the state's GDP over a 20-year period. CCIA President Don Shubert said it's clear that Connecticut is competing with other neighboring states for its workforce and "neglecting our transportation system is not going to give us a competitive advantage." Additional coverage of the press conference announcing these findings may be found in this [article](#) in the *Hartford Courant*, and in this [article](#) in the *Hartford Business Journal*.

GOVERNOR MALLOY'S compromise budget proposal unveiled last week contained language to create a Transportation Finance Authority to possibly authorize electronic tolling, according to an [article](#) in *CT News Junkie*. "We are proposing the creation of a quasi-public that will be focused on analyzing the revenues dedicated to the Special Transportation Fund, projecting out-year revenues and expenditures, and ensuring the solvency and adequacy of the Special Transportation Fund," Meg Green, a spokeswoman for the governor, said.

HARTFORD'S XL CENTER would have received \$115 m. over two years as part of the budget plan that had been negotiated by House and Senate Democrats and Governor Malloy, [according](#) to the *Hartford Courant*. The budget proposal reportedly had collapsed overnight. The capital plan would have included \$40 m. for the current fiscal year and \$75 m. for 2019. The amount included in the budget plan is close to half of the \$250 m. needed for a recommended, top-to-bottom makeover of the arena. The project has been envisioned as spreading over three or four years.

CLOSE TO HALF OF Connecticut's businesses remain stable despite the uncertainty of the state's budget crisis and workforce challenges, according to the latest [CBIA/Blum Shapiro survey](#), as [reported](#) in the *Hartford Business Journal*. About 49 percent of 440 business executives responding to the CBIA survey are neither growing nor contracting, compared to 51 percent holding steady in 2016. Thirty-six percent executives reported growth (unchanged from 2016) and 16 percent are contracting (up 3 percent from last year). Eighty percent say high taxes, regulations, and mandates are factors behind losses.

HEALTH CARE INSURANCE rates will increase for many individuals and small employers across the state in 2018, according to an [article](#) in the *Hartford Business Journal*. Of the 14 filings made by 10 health insurers for plans that cover about 270,000 people, the CT Department of Insurance disapproved and reduced six of them, while five were approved and one was disapproved and increased. The department said key cost drivers for the 2018 rates were higher costs for medical services, revival

of a health insurance tax and a lack of clarity about future funding of Cost Sharing Reduction payments to insurers.

NEW HAVEN MAYOR Toni Harp announced last week that minority, women and city resident workers logged more than 250,000 hours since 2014 on three school construction projects completed this year, exceeding hiring goals in all three categories, according to an [article](#) in the *New Haven Register*. Nearly one fourth of workforce hours for school construction on Engineering & Science University Magnet School, Dr. Reginald Mayo Early Childhood School and New Haven Academy were worked by city residents and 7.7 percent were worked by women. At New Haven Academy, 55 percent of workforce hours were worked by minorities. The school construction program, which began in 1995 and encompasses 42 school construction projects, previously had 20 percent resident workforce hours and 6 percent women workforce hours.

WHILE TRAFFIC IN THE U.S. climbs to record highs, the taxes collected on that activity to fuel the Highway Trust Fund (HTF) aren't keeping up, [according](#) to the American Association of State and Highway Transportation Officials. Rather than increasing slowly, as expected, the latest data show they are declining. Minus refunds, excise taxes collected from October 2016 through July 2017 were \$31.7 b., compared to the \$31.8 b. collected for the year-earlier period. For the first half of 2016, however, traffic was up 1.6 percent to its highest level ever, following the previous high reached last year.

DEMOCRAT-CONTROLLED legislatures have raised the top marginal income tax rates three times in the last decade and the state's budget situation has only deteriorated since then, an indication that Connecticut's tax policy has reached a point of diminishing returns, according to an [op-ed](#) in the *Hartford Business Journal* this week. But the larger question all Connecticut residents and businesses must ask is: When will the threat of tax increases finally end? Truth-tellers will say no time soon. No two-year budget plan that is currently under serious consideration will create long-term fixes for our fiscal crisis, which is being driven by exploding debt and retiree pension and healthcare benefit costs.

WALLINGFORD'S TOWN COUNCIL will consider spending an additional \$600,000 for a study to evaluate the town's wastewater treatment plant this week, according to an [article](#) in the *Record Journal*. The Sewer Division is preparing the facility plan for "anticipated changes in the permitted phosphorus discharge" allowed by DEEP, according to a memo written by the general manager of the Water and Sewer Divisions. The Sewer Division originally budgeted \$500,000 in its 2016-17 capital budget for the wastewater facility plan.

CONNECTICUT IS PUTTING together a proposal to attract Amazon into building its next headquarters in the state, according to a [report](#) on the WSHU website. The Seattle-based company recently announced it wants spend \$5 b. on a second headquarters to house as many as 50,000 employees, and it's looking for areas that are suburban or urban, well-connected to transit stations, and within a metro area with at least one million people.

AN OP-ED BY STATE SENATOR Toni Boucher in *New Canaan News* emphasized her support for a state budget that "provides funding for our municipalities without asking them to pay for bad financial decisions made by the state." Boucher also said she supports a transportation plan with bonding for crucial infrastructure needs and mass transit, without tolls, more taxes, or fees. She said the six budget proposals presented by Connecticut Republicans this year included no new taxes or tolls and instead relied on reducing the high cost of government through consolidation and efficiency.

CONNDOT BID RESULTS for September 13, 2017: [Proposal No. 0034-0305](#), Intersection Improvements Rt. 37 (Pembroke Rd.) at Stacey Rd. and Barnum Rd. in Danbury: Mastrobattisto, Inc.: \$4,023,059.25; Guerrero Construction Co., Inc.: \$4,072,075.00; Dayton Construction Company, Inc.: \$4,407,684.25.

NEARLY THREE-QUARTERS of Americans are willing to pay increased taxes or tolls to fund roads and other transportation infrastructure, according to a survey from HNTB Corp that was [reviewed](#) by *Reuters*. The number rises to 84 percent if those tax and toll hikes are mandated by law to be spent only on the infrastructure projects for which they were intended, the survey found. The willingness to pay is driven largely by the desire to avoid congestion and save time. Survey respondents would pay \$1.70 on average to use an express lane if it would save 15 to 30 minutes of travel time, HNTB said.

THE AMERICAN INSTITUTE OF ARCHITECTS (AIA) this week urged policymakers to reject any weakening of the building codes that have made America's buildings the envy of the world and called for making public buildings a key part of infrastructure renewal, according to a [press release](#). "As we look toward eventually rebuilding in Texas and Florida, state and federal legislators must reject attempts to roll back protections that make good design and careful planning the hallmarks of

US construction," said AIA President Thomas Vonier. "Designing buildings to minimize damage from such natural disasters as hurricanes matters not only for public health, safety, and welfare; it also makes complete economic sense."

MIAMI-DADE COUNTY tried to create an ordinance requiring all cranes to be able to withstand 140 mph winds 10 years ago; however, legal challenges from construction and crane groups resulted in the regulation being taken off the books, [according](#) to the *Miami Herald*. South Florida's chapter of the AGC of America and the Florida Crane Owners Council argued regulating cranes only involves the safety of construction workers, so federal workplace rules take precedence. Miami-Dade's stance was that construction cranes posed public-safety risks and should be controlled by local rules. A federal appeals court dismissed the county's public safety concerns in 2010. Seven years later, Hurricane Irma has left many of Miami's cranes dangling over condos and high rises.

A FEDERAL JUDGE in Texas [struck down](#) on August 31 an Obama administration rule implementing changes to the Fair Labor Standards (FLSA) overtime regulations that would have doubled the standard salary threshold for exempt employees. The most significant change made by the rule was a substantial increase of the standard salary threshold for exempt employees, from \$455 per week to \$913 per week. The Texas decision effectively vacates the rule; however, the U.S. DOL is still moving forward with a Request for Information, which would be the first step toward seeking public input and eventually revisiting the regulations.

THE CONSTRUCTION INDUSTRY'S increased adoption of IT systems over the past decade coupled with insufficient security protocols have created a perfect storm for cybercriminals looking for their next target, according to a [report](#) on the [propertycasualty360.com](#) website. In fact, a recent Forrester's survey revealed that more than 75 percent of respondents in the construction, engineering, and infrastructure industries had experienced a cyber-incident in the last twelve months. Given this growing trend, it's imperative for industry leaders to take preemptive measures to safeguard their digital assets, including creating a cybersecurity framework that is widely used by every member of their team.

FLIERS INCLUDED IN HIGHLIGHTS, 9/15/17: 1) [2017 Diggers Mixers Fixers Golf Tournament](#), 9/25; 2) [AGC/CT Recognition Awards 10/12](#); 3) [2017 Community Services Awards 10/27](#); 4) [CCIA Safety Award Applications 10/27](#).

FROM THE INTERNET: On September 15, 1997, the domain name "google.com" was registered. Outside the USA, Ireland is the largest software producing country in the world. There is a city named Rome on every continent. More people are allergic to cow's milk than to any other food. Earth is the only planet not named after a god.